

## SPECIAL COMMITTEE REPORT

**Spec. Com. Rep. No. 1**

Your Committee on Credentials begs leave to report that it has examined the Certificates of Election of the Senate of the Twenty-second Legislature of the State of Hawaii, Regular Session of 2003, and finds that the following persons have been legally elected and are fully qualified to sit as members of the Senate.

The Newly elected Senators whose respective terms of office will expire on November 2, 2004 are:

First Senatorial District

Lorraine R. Inouye

Third Senatorial District

Paul Whalen

Fifth Senatorial District

Rosalyn H. Baker

Sixth Senatorial District

J. Kalani English

Seventh Senatorial District

Gary L. Hooser

Twelfth Senatorial District

Gordon Trimble

Sixteenth Senatorial District

David Y. Ige

Seventeenth Senatorial District

Ron Menor

Eighteenth Senatorial District

Cal Kawamoto

Twenty-first Senatorial District

Colleen Hanabusa

Twenty-second Senatorial District

Robert Bunda

Twenty-third Senatorial District

Melodie Williams Aduja

The Newly elected Senators whose respective terms of office will expire on November 7, 2006 are:

Second Senatorial District

Russell S. Kokubun

Fourth Senatorial District

Shan S. Tsutsui

Eighth Senatorial District

Sam Slom

Ninth Senatorial District

Les Ihara, Jr.

Tenth Senatorial District

Brian T. Taniguchi

Eleventh Senatorial District

Carol Fukunaga

Thirteenth Senatorial District

Suzanne Chun Oakland

Fourteenth Senatorial District

Donna Mercado Kim

Fifteenth Senatorial District

Norman Sakamoto

Nineteenth Senatorial District

Brian Kanno

Twentieth Senatorial District

Willie C. Espero

Twenty-fourth Senatorial District

Bob Hogue

Twenty-fifth Senatorial District

Fred Hemmings

Signed by Senators Mercado Kim, Hanabusa and Hemmings

## CONFERENCE COMMITTEE REPORTS

**Conf. Com. Rep. No. 1 on H.B. No. 993**

The purpose of this bill is to increase the safety of public roadways by applying state reconstructed vehicle laws to counties with populations of under 500,000, unless the county has adopted an ordinance regulating the inspection and certification of reconstructed vehicles.

Your Committee on Conference understands that the City and County of Honolulu is currently the only county subject to the Director of Transportation's rules relating to the inspection and certification of reconstructed vehicles, and that reconstructed vehicles in other counties are not regulated at all. However, your Committee understands that counties with populations of less than 500,000 may need time to formulate and implement ordinances that regulate the inspection and certification of reconstructed vehicles.

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

- (1) Providing that beginning July 1, 2004, a county with a population of less than 500,000 is subject to the State's reconstructed vehicle laws unless the county has adopted and enforces ordinances regulating these vehicles; and
- (2) Changing the effective date from January 1, 2050 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. 993, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 993, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Aduja, Baker, Whalen.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Souki, Hamakawa, Caldwell, Pendleton.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

**Conf. Com. Rep. No. 2 on H.B. No. 192**

The purpose of this bill is to protect public beach land by:

- (1) Including accreted lands, that is lands formed by the gradual accumulation of land on a beach or shore along the ocean by the action of nature forces, in the definition of state public lands;
- (2) Providing that no applicant other than the State shall register accreted lands, with the exception of certain private property owners;
- (3) Allowing a private property owner to file an accretion claim to regain title to and register the owner's eroded land that has been restored by accretion; and
- (4) Requiring the agency receiving the accretion application to supply the Office of Environmental Quality Control (OEQC) with a notice for publication in the OEQC's periodic bulletin.

Your Committee on Conference finds that the term "agency" in the context of the bill is confusing. Section 343-2, Hawaii Revised Statutes, defines "agency" as "any department, office, board, or commission of a state or county government which is a part of the executive branch of that government." Land Court and the circuit courts of the State quiet title to accreted lands, and Land Court registers that title. However, these courts are not a part of the executive branch of the state government.

Your Committee on Conference has amended this measure by:

- (1) Requiring the applicant to supply OEQC with notice of the application for registration for publication in OEQC's periodic bulletin; and
- (2) Prohibiting Land Court or the circuit courts from registering or quieting title to accreted lands unless OEQC publishes notice of the application.

As affirmed by the record of votes of the managers 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. 192, 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. 192, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Hanabusa, English, Espero, Hooser, Hemmings.

Managers on the part of the Senate.  
Ayes, 6. Noes, none. Excused, none.

Representatives Kanoho, B. Oshiro, Kaho`ohalahala, Bukoski.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 3 on H.B. No. 595**

The purpose of this bill is to ease the regulatory burden on check cashers without reducing protections for consumers by:

- (1) Increasing the length of time the deposit of a customer's check by a check cashing service may be deferred from 31 to 32 days;
- (2) Increasing the maximum face amount of a check subject to deferred deposit, from \$300 to \$600; and
- (3) Increasing the maximum fee for a personal check deferred deposit from 15 to 20 percent of the face amount of the check.

Your Committee on Conference finds that out-of-state check cashers have an unfair advantage over their Hawaii counterparts. Out-of-state companies engaging in interstate commerce are immune to regulation under Hawaii's laws, and may therefore be subject to regulatory restrictions of their home state that are less stringent than those applicable to their Hawaii counterparts.

Your Committee on Conference believes that efforts should be made to level the playing field for Hawaii's check cashers. Extending the allowable check deferral period from 31 to 32 days, and increasing the maximum face value of a check cashed from \$300 to \$600, represent reasonable attempts to achieve this goal.

However, your Committee on Conference has concerns that raising the maximum fee for personal check deferred deposits from 15 to 20 percent, is an increase in the allowed "interest" rate for check cashing transactions that would unduly burden consumers. Accordingly, your Committee on Conference has amended this measure by reverting back to a 15 percent maximum.

As affirmed by the record of votes of the managers 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. 595, 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. 595, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Espero, Whalen.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives Hiraki, Herkes, Lee, Stonebraker.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

**Conf. Com. Rep. No. 4 on H.B. No. 29**

The purpose of this bill is to require employers to provide employees with at least a thirty-minute break for eight hours of work, except when the employer is:

- (1) Subject to a collective bargaining agreement that expressly provides for employee meal breaks;
- (2) A common carrier of passengers or a power generating utility regulated under chapter 269, Hawaii Revised Statutes; or
- (3) The operator of a continuously operating facility that is regulated by environmental permits.

The bill also makes conforming amendments to the section prohibiting employers from preventing an employee from expressing breastmilk during any meal break.

Neither state nor federal wage and hour laws currently require employers to provide employees over the age of sixteen with any meal breaks, regardless of how many consecutive hours they may be required to work. Although your Committee on Conference is cognizant of the fact that many, if not all, employers voluntarily provide meal breaks to their employees, statutorily granting employees who work eight-hour shifts time to consume a meal sometime during their work shift, is reasonable. However, your Committee on Conference believes that statutory language granting employees who work an eight-hour shift a meal break would more appropriately fall under Hawaii's Wage and Hour Law than under the Employment Practices Law.

Your Committee on Conference further notes that the protection for employees to express breastmilk during a meal period only applies to meal periods or other break periods required by law or under collective bargaining agreements.

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



- (1) Prohibiting an employer from preventing an employee from expressing breastmilk during a meal break provided by an employer on a voluntary basis;
- (2) Requiring employers to provide employees with at least a thirty-minute break for eight hours of work under the Hawaii Wage and Hour Law;
- (3) Clarifying that an employer is not required to compensate an employee for the thirty-minute break;
- (4) Excluding from the thirty-minute break requirement:
  - (a) Employers who are subject to a collective bargaining agreement that expressly provides for employee meal breaks;
  - (b) Common carriers of passengers;
  - (c) Power generating utilities; and
  - (d) Operators of continuously operational facilities regulated by an environmental permit;
 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. 29, 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. 29, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Tsutsui).

Representatives M. Oshiro, Nakasone, Ito, Blundell.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ito).

**Conf. Com. Rep. No. 5 on H.B. No. 1157**

The purpose of this bill is to allow the Employees' Retirement System to enroll as noncontributory Class C members nonresident aliens with certain visas who work for the State or counties.

Your Committee on Conference has amended this bill by 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. 1157, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1157, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives M. Oshiro, Nakasone, Ito, Blundell.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ito).

**Conf. Com. Rep. No. 6 on H.B. No. 1285**

The purpose of this bill is to provide better protections for historic properties and burial sites. This bill:

- (1) Makes it unlawful to damage historic properties or burial sites in the course of land development or land alteration activities when the necessary approvals have not been sought as required by the historic preservation law;
- (2) Requires the stopping of work in the immediate area of any discovery of a burial site;
- (3) Establishes a procedure to enforce the historic preservation law through the service of written notices to alleged violators that outlines steps to be taken to correct the violations; and
- (4) Establishes civil penalties and identifies the conditions under which administrative penalties may be imposed.

Your Committee on Conference has amended this bill by:

- (1) Specifying that the amount of civil penalties for violations shall not be less than \$500 nor more than \$10,000 for each separate offense;
- (2) Deleting the provision that specified that state of mind shall not be an element of proof for civil violations;
- (3) Exempting land altering activities relating to family burial plots from the provisions of this bill; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

It is not the intent of your Committee on Conference to infringe on the customary and traditional burial rights exercised by native Hawaiians.

As affirmed by the record of votes of the managers 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. 1285, 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. 1285, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Hanabusa, Aduja, English, Hogue.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Hogue).

Representatives Kanoho, Chang, B. Oshiro, Ontai.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ontai).

**Conf. Com. Rep. No. 7 on H.B. No. 426**

The purpose of this bill is to:

- (1) Direct the Board of Land and Natural Resources to issue a new lease to the existing lessee of certain properties situated at Wailua and Lihue, Kauai, Hawaii; and
- (2) Establish leasing procedures and requirements, including the requirement that the properties be used for hotel, resort, or timeshare purposes.

Your Committee on Conference finds that the special treatment, provided in this bill, accorded certain leases is meant to support the economic sustainability and growth of Kauai and the State, and as such should be limited in its scope.

Your Committee on Conference has amended this bill by:

- (1) Deleting from its scope general leases in Kokee, Kauai, Hawaii;
- (2) Requiring the successful bidder of a parcel to pay the existing lessee the current fair market value of the improvements owned by the lessee, as opposed to the higher of current fair market value or depreciated cost; and
- (3) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 426, 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. 426, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi, Aduja, Espero, Kokubun, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Whalen).

Representatives Kanoho, Takamine, Magaoay, Bukoski.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 8 on H.B. No. 564**

The purpose of the bill is to extend the offense of promoting a controlled substance near schools or school vehicles to include various and sundry places needing protection.

Your Committee on Conference finds that public parks serve functions similar to those served by school playgrounds where people congregate for recreation and student activities. These areas should be free from the bad influence that drug activity can inflict upon Hawaii's youth.

However, other places should not be designated a place needing similar protection as they clearly do not serve a function similar to that served by school playgrounds. Consequently, your Committee on Conference has amended the bill by:

- (1) Deleting reference to "protected places" and retaining only reference to "schools, school vehicles, or public parks";
- (2) Deleting new definitions for "shopping mall", "theater complex", and "arcade"; and
- (3) Making technical and nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 564, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 564, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Chun Oakland, Fukunaga, Hogue.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Hogue).

Representatives Hamakawa, Ito, B. Oshiro, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 9 on H.B. No. 980**

The purpose of this measure is to make clarifying and housekeeping amendments to the Uniform Contribution Among Tortfeasors Act (Act), to:

- (1) Allow service of a petition for court approval of a good faith settlement by certified mail or by rules of court;
- (2) Clarify that claims based on written indemnity agreements are not barred or dismissed by good faith settlements;
- (3) Add a severability or savings provision to section 663-15.5, Hawaii Revised Statutes; and
- (4) Make technical, nonsubstantive amendments for clarity and consistency in style and language.

It is the understanding of your Committee on Conference that interested parties, including representatives of the Hawaii Defense Lawyers Association, the Hawaii Insurers' Council, the Office of the Attorney General, and Consumer Lawyers of Hawaii anticipate working together to reach consensus on other provisions of the Act prior to the next legislative session. Accordingly, proposed amendments concerning appeals and verdict forms contained in the version of this measure as received were deleted.

Your Committee on Conference also 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. 980, 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. 980, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Chun Oakland, Hogue.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hogue).

Representatives Hamakawa, B. Oshiro, Souki, Marumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Souki).

**Conf. Com. Rep. No. 10 on H.B. No. 1217**

The purpose of this measure is to:

- (1) Amend Hawaii's Uniform Controlled Substances Act, Chapter 329, Hawaii Revised Statutes, to conform to federal law; and
- (2) Authorize the Department of Health (DOH) to make additions and deletions to List 1 and 2 to reflect changes in the federal law.

Your Committee finds that conforming Hawaii's Uniform Controlled Substances Act with federal law is necessary for more effective drug enforcement and clarity in dispensing of prescriptive drugs.

Your Committee has amended this measure by:

- (1) Deleting the provision authorizing the DOH to make corresponding additions or deletions by rule when changes to List 1 or 2 are made under federal law; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1217, 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. 1217, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Hanabusa, Chun Oakland, Tsutsui, Hogue.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Tsutsui).

Representatives Hamakawa, B. Oshiro, Sonson, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (B. Oshiro).

**Conf. Com. Rep. No. 11 on H.B. No. 135**

The purpose of the bill is to allow persons living abroad who use for-profit matchmaking services to access criminal convictions and marital history information about prospective spouses residing in the United States.

Your Committee on Conference finds that this measure would provide important protection to foreign residents by providing background information to potential matches from overseas. This measure will provide information to aid in decisions.

Your Committee on Conference has amended this bill by:

- (1) Deleting the religious organization exemption;
- (2) Allowing the Hawaii resident to submit to the matchmaking organization a statement that there is no record of convictions rather than a transcript of any criminal history record;
- (3) Requiring that the transcript or statement be sent directly to the organization by the Hawaii Criminal Justice Data Center;
- (4) Deleting reference and amendments made to sections 846-9, 846-10, and 849-10(b), Hawaii Revised Statutes; and
- (5) Making technical and nonsubstantive changes for style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 135, 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. 135, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Hanabusa, Baker, Chun Oakland, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Hamakawa, Lee, B. Oshiro, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 12 on H.B. No. 373**

The purpose of this bill is to protect free speech rights by:

- (1) Providing that rental agreements for single family residences may not prohibit tenants from displaying an otherwise legal sign or outdoor advertising device that urges voters to vote for or against any person or issue, except where reasonable to comply with building and housing laws affecting health and safety; and
- (2) Repealing the provisions of the political sign posting law that limit posting of these signs to not more than forty-five days prior to and ten days following an election.

Your Committee on Conference believes that a citizen's right to exercise political speech must be protected as long as it does not unreasonably interfere with a landowner's rights, or compromise public health and safety.

Your Committee on Conference has amended this measure to increase the clarity of the amendments made to the political sign posting law. As amended by your Committee on Conference, the law provides that political signs may be erected, maintained, and used, except where contrary to or prohibited by law.

Technical, nonsubstantive amendments have also been made for 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. 373, 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. 373, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Hanabusa, Aduja, Espero.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Hiraki, B. Oshiro, Hamakawa, Pendleton.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 13 on H.B. No. 287**

The purpose of this bill is to:

- (1) Allow for the removal of a public official or termination of a public employee if the public official or employee is convicted of a felony related to their public office or duties;
- (2) Provide for reinstatement and back pay, under certain circumstances, if the public employee's conviction is overturned and the employee is not otherwise terminated in accordance with any other provision of law; and
- (3) Provide employees covered under chapter 89, Hawaii Revised Statutes, with a grievance procedure culminating in a final and binding decision.

Recent criminal convictions of public officials have eroded the public's trust in government. Your Committee on Conference finds that public officials and other public employees who are convicted of a felony for conduct in violation of their duties should be removed from office or terminated.

However, your Committee on Conference feels that employees terminated as a result of a felony conviction are entitled to present a case contesting the termination. Accordingly, your Committee on Conference has amended this measure by adding language that a rebuttable presumption arises that the criminal conviction is just and proper cause for the employee's termination.

Other technical, nonsubstantive amendments were made for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 287, 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. 287, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Hanabusa, Kawamoto, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives M. Oshiro, B. Oshiro, Nakasone, Pendleton.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

**Conf. Com. Rep. No. 14 on H.B. No. 1214**

The purpose of this bill is to establish a risk management procedure for improved public lands, involving the design and placement of signs that warn of dangerous natural conditions, and that affords the State and counties protection from liability for injuries resulting from those dangerous conditions.

Your Committee on Conference finds that many dangerous conditions on unimproved and improved public lands pose a risk of injury to recreational users. Current law discourages the State and counties from warning of risks, because to do so may impose additional responsibility and liability on the State and the counties. Without a fair and balanced solution to this problem, many public recreational areas would have to be closed. This bill establishes a clear-cut procedure that allows recreational users to be protected and

warned, ensures that the warning is reasonable, adequate, and useful, and provides that the warning shields the State and county from liability for the danger warned of.

Your Committee on Conference understands that the Department of Land and Natural Resources will work with user groups to seek their assistance and establish a process to report missing, vandalized, or illegible signs. Further, it is the intent of your Committee that the Risk Assessment Working Group (Working Group) established by this bill seek and consider input from recreational and other users of public lands in providing consultation to the Board of Land and Natural Resources on warning signs and systems.

Your Committee on Conference have amended this bill by:

- (1) Requiring the State and counties to maintain a documented sign inspection program, and making continuance of the conclusive presumption that a sign provides legally adequate warning of a dangerous condition dependent on documented inspections of the sign to ensure that it is in place and legible, that occur within a period of 120 days;
- (2) Providing that the conclusive presumption applies regardless of whether a sign was vandalized, so long as the warning is legible;
- (3) Allowing a presumption that has lapsed because of the lack of a documented inspection, to be reestablished if it can be proven that at the time of the incident the sign was in place and in legible condition;
- (4) Mandating that the State and counties implement an accident reporting and record keeping program documenting all known park and trail accidents, and providing that the Working Group review and utilize these records when it provides consultation to the Board of Land and Natural Resources on the approval of warning signs and systems;
- (5) Requiring the Working Group to submit a report of its activities and recommendations to the Legislature at least 20 days before each Regular Session;
- (6) Providing for the repeal of this Act on June 30, 2008; and
- (7) 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. 1214, 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. 1214, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Hanabusa, English, Espero, Whalen.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Kanoho, B. Oshiro, Hamakawa, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

#### **Conf. Com. Rep. No. 15 on H.B. No. 1165**

The purpose of this bill is to update and clarify Hawaii's business laws to reflect modern business practices and conform the law to the Department of Commerce and Consumer Affairs' (DCCA) filing practices.

Your Committee on Conference finds that this bill corrects ambiguities and errors and makes specific improvements to the law, and reforms filing provisions consistent with DCCA's new electronic filing system. These revisions will aid DCCA in its efforts to administer the business registration laws efficiently and effectively, while making it easier for the public to understand and comply with the law.

Your Committee on Conference has amended this bill by making technical, nonsubstantive amendments for purposes of consistency and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1165, 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. 1165, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Espero, Whalen.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives Hiraki, Hamakawa, Magaoay, Pendleton.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

**Conf. Com. Rep. No. 16 on H.B. No. 10**

The purpose of this bill is to increase consumer awareness of retail electricity services and the fuel choices made by the electric utilities operating in the State by requiring that each retail supplier of electricity annually disclose to its existing and new retail electric customers information regarding fuel mix and average retail price.

Your Committee on Conference has amended this bill by:

- (1) Clarifying in the purpose section that electric utilities must disclose information regarding average retail price as well as fuel mix;
- (2) Specifying that the formula for determining the average retail price of electricity shall be calculated for each rate class of service;
- (3) Amending the definition of "fuel mix" to mean the electricity sold to retail electricity customers expressed in terms of percentage contribution by generation category; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 10, 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. 10, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Menor, Hooser.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Menor).

Representatives Morita, Hiraki, Herkes, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 17 on H.B. No. 324**

The purpose of this bill is to enable an individual who lives in Hawaii but who is ineligible to receive a social security number to obtain a driver's license.

Your Committee on Conference has amended this bill by inserting the contents of H.B. No. 324, H.D. 1, thereby:

- (1) Eliminating "in-state Hawaii student photo identification document" as optional proof of identity;
- (2) Deleting a list of "government-issued" photo identification documents;
- (3) Deleting the requirement of presenting a photocopy of the applicant's international driving permit if the applicant has one;
- (4) Adding a requirement that the applicant supply documentation of ineligibility for a social security number; and
- (5) Requiring the Director of Transportation, not the Examiner of Drivers, to determine acceptable identification documents.

As affirmed by the record of votes of the managers 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. 324, 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. 324, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Aduja, Espero, Hogue.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Hogue).

Representatives Hamakawa, B. Oshiro, Sonson, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 18 on H.B. No. 807**

The purpose of this bill is to increase public safety on our roadways by:

- (1) Establishing the status offense of "habitually operating a vehicle while under the influence of an intoxicant";

- (2) Adding certain offenses committed as a minor as "prior" offenses;
- (3) Providing for forfeiture of a motor vehicle as a condition of the sentence for driving under the influence provided that the person convicted is the registered owner of the motor vehicle; and
- (4) Repealing the requirement that a law enforcement officer inform a suspect of the sanctions for refusing to submit to a blood alcohol level test and for prior offenses.

Your Committee on Conference finds that a habitually-impaired driver poses a risk while operating a motor vehicle. Charging a habitually-impaired driver with a felony offense will serve to deter persons from driving while intoxicated.

Your Committee on Conference has amended this bill by deleting its contents and replacing it with the contents of H.B. No. 807, H.D. 2. As amended, this measure:

- (1) Creates a separate offense of "habitually operating a vehicle under the influence of an intoxicant"; and
- (2) Allows juvenile DUI adjudications to be considered prior convictions.

Other technical, nonsubstantive amendments were made for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 807, 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. 807, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Hanabusa, Chun Oakland, Kanno.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Kanno).

Representatives Souki, Hamakawa, Caldwell, Blundell.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

#### **Conf. Com. Rep. No. 19 on H.B. No. 298**

The purpose of this bill is to direct the executive branch to initiate the process to develop correctional facilities on the underdeveloped portion on the site of the Halawa correctional facility to replace OCCC.

Your Committee on Conference has amended this bill by:

- (1) Inserting that the development of the in-state correctional facilities required by this act shall commence no later than June 30, 2008.
- (2) Inserting that this act shall take effect upon its approval.
- (3) Making a technical, non-substantive amendment for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 298, 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. 298, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, English, Kokubun, Sakamoto.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Kokubun, Sakamoto).

Representatives Ito, Mindo, Caldwell, Bukoski.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Bukoski).

#### **Conf. Com. Rep. No. 20 on H.B. No. 736**

The purpose of this bill is to provide professional and vocational licensees and license applicants with due process protection, by requiring that before a licensing entity imposes license sanctions under chapter 436C, Hawaii Revised Statutes (HRS), for a student loan default, the default and other bases for the sanctions must be certified by the loan administering entity pursuant to an administrative order.



Your Committee on Conference finds that Act 226, Session Laws of Hawaii 2002, codified as chapter 436C, HRS, requires a professional or vocational licensing authority, upon receipt of a certification by a loan administering entity, to immediately deny, suspend, or revoke the license of an individual who has defaulted on or breached their student loan contract.

This bill addresses the perception that the Act does not afford license applicants and licensees sufficient due process protections, and fails to make allowance for those who lack the financial ability to fulfil their student loan commitments. The bill does so by requiring that the loan administering entity base its certification of a licensee or license applicant's default on administrative findings to that effect.

Your Committee on Conference has amended this bill by:

- (1) Replacing the requirement that the certification be based on an administrative order, with the requirement that certification be based on the judgment of a district or circuit court in this State;
- (2) Making technical amendments centralizing the certification requirements in chapter 436C, HRS, removing specific references to the requirements from the individual statutes of licensing authorities, and replacing them with the general requirement that certification be made pursuant to chapter 436C, HRS;
- (3) Providing that the court must find that the education of the licensee or license applicant was financed by the student loan, student loan repayment contract, or scholarship contract that is in default;
- (4) Listing the factors and other information that a court may consider in determining whether repayment of the loan would impose financial hardship on the defaulting licensee or license applicant;
- (5) Providing that the court need not make findings concerning financial hardship if the defaulter does not claim financial hardship, or there is a default judgment;
- (6) Removing the term "applicable" from the definition of "applicable licensing authority," and making amendments to reflect the change; and
- (7) 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. 736, 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. 736, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Hanabusa, Espero, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Hiraki, Hamakawa, Sonson, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

#### **Conf. Com. Rep. No. 21 on H.B. No. 133**

The purpose of this measure is to:

- (1) Provide immunity from prosecution to persons leaving an unharmed newborn at a hospital, and provide immunity from liability for hospitals and personnel receiving a newborn; and
- (2) Allow sheriffs to assume protective custody of child abuse victims and require sheriffs to report child abuse cases.

Your Committee on Conference finds that:

This measure would help prevent newborns from being abandoned in life-threatening situations. However, sheriffs are not at present trained or equipped to handle situations of child abuse.

Your Committee on Conference has therefore amended the bill by:

- (1) Deleting reference to sheriffs; and
- (2) Making technical and nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 133, H.D. 1, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 133, H.D. 1, S.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hanabusa, Hooser, Inouye, Trimble.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Hooser, Inouye).

Representatives Hamakawa, Ito B. Oshiro, Finnegan.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (B. Oshiro).

**Conf. Com. Rep. No. 22 on H.B. No. 562**

The purpose of the bill is to:

- (1) Make permanent the provision that criminalizes sexual penetration of or sexual contact with a fifteen or sixteen year old by a person who is not less than five years older than the minor and not legally married to the minor;
- (2) Require the Attorney General to collect data generated as a result of the task force's recommendations and report its findings to the 2004 Legislature;
- (3) Amend the sex offender registration requirements by repealing the authority of courts to reconsider lifetime public releases of registration information unless the offender proves by clear and convincing evidence that the offender suffers an extraordinary physical disability that prevents the offender from committing future sexual offenses, and requiring sex offenders moving to another state to comply with the registration laws of the new state;
- (4) Require sex offenders who remain in the state longer than ten days or an aggregate period exceeding thirty days in one calendar year to register with the county chief of police; and
- (5) Clarify that:
  - (A) It is the county prosecutors who are responsible for petitioning the court for public release of a sex offender's registration information; and
  - (B) This petition is a civil proceeding.

Your Committee on Conference finds that:

- (1) The requirements and procedures for registration and notification under Chapter 846E, Hawaii Revised Statutes (HRS), are not intended to be criminal matters in nature. There is no intent to create punitive aspects in the statutory scheme. In affirming this intent statutory language has been inserted to indicate that proceedings under these provisions are civil in nature;
- (2) However it is not intended that merely by this label of "civil proceedings" aspects familiar in the criminal court are precluded. Labels of "civil" or "criminal" do not control; the statutory intent and scheme do control. Consequently, statutory language has been inserted indicating that the county prosecutors are responsible for handling this civil proceeding, instead of the state attorney general;
- (3) Likewise the "civil" label should not preclude indigent representation by the office the public defender. Both the Hawaii state constitution and section 802-1, HRS, indicate such services may be required; and
- (4) Repealing the authority of court to reconsider lifetime notification unless there is proof of extraordinary physical disability still provides the individual with meaningful opportunity and a hearing.

Your Committee on Conference amended the bill by:

- (1) Inserting a severability clause; and
- (2) Making technical and nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 562, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 562, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, English, Fukunaga, Hogue.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Fukunaga).

Representatives B. Oshiro, Hamakawa, Lee, Finnegan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 23 on H.B. No. 1010**

The purpose of this bill is to allow the police to conduct breath, blood, or urine tests on persons involved in a motor vehicle accident who are not injured or refuse medical treatment for injuries if the police have probable cause to believe the person was driving under the influence of drugs or alcohol.

Your Committee on Conference finds that this bill allows the police to offer drivers the opportunity to take a less intrusive breath test without relieving the driver of the requirement of giving blood or urine for testing if the driver declines to take a breath test.

Your Committee on Conference affirms the policy that section 291E-21, Hawaii Revised Statutes (HRS), is separate and apart from the implied consent provisions of chapter 291, HRS.

Your Committee on Conference has amended this bill by:

- (1) Replacing the term "refuse to perform a breath test" with the term "declines to perform a breath test"; and
- (2) Inserting the sentence:

"The act of declining to perform a breath test under this section shall not be treated as a refusal under Chapter 291E and shall not relieve the declining person from the requirement of providing a blood or urine sample under this section."

As affirmed by the record of votes of the managers 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. 1010, 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. 1010, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Hanabusa, Espero.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Hamakawa, B. Oshiro, Sonson, Finnegan.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Finnegan).

**Conf. Com. Rep. No. 24 on H.B. No. 1230**

The purpose of this bill is to provide the Department of Transportation (DOT) with an emergency appropriation to fund heightened security measures throughout the State's airports and harbor systems.

Current funding of security measures at state airports and harbors are insufficient given recent global events and the increased security measures instituted by DOT. Your Committee on Conference finds that funds are also necessary for DOT to complete other capital improvement projects and that passenger facility charges are an untapped revenue source for the State.

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

- (1) Appropriating funds for capital improvement projects for DOT for fiscal year 2003-2004;
- (2) Appropriating funds to reduce debt service payment for Land Transportation Facilities and Support (TRN 595);
- (3) Establishing a Passenger Facility Charge Revenue Fund;
- (4) Authorizing moneys in the Passenger Facility Charge Revenue Fund to be used for capital improvement projects authorized by the Legislature at state airports;
- (5) Exempting the Passenger Facility Charge Revenue Fund from the requirements of reimbursement for central service expenses and the Works of Art Special Fund; and
- (6) 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. 1230, 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. 1230, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Kokubun, Aduja, Espero, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Souki, Takamine, Caldwell, Blundell.

Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 25 on H.B. No. 1154**

The purpose of this bill is to improve the administration of the Unclaimed Property Program (Program) by:

- (1) Authorizing moneys in the Unclaimed Property Trust Fund (Trust Fund) to pay for the operation, management, and enforcement of the Program;
- (2) Providing that all unencumbered and unexpended moneys in excess of \$1,300,000 remaining on balance in the Trust Fund on June 30 of each year shall lapse to the credit of the general fund; and
- (3) Appropriating \$313,888 for fiscal year (FY) 2003-2004 and \$313,888 for FY 2004-2005 out of the Trust Fund for the administration and operation of the Program.

Your Committee on Conference has amended this bill by:

- (1) Removing the appropriations for FY 2003-2004 and FY 2004-2005 for the administration and operation of the Program; and
- (2) 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. 1154, 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. 1154, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Chun Oakland, Kokubun, Hogue.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

Representatives Takamine, Karamatsu, Wakai, Waters, Meyer.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. No. 26 on H.B. No. 422**

The purpose of this bill is to enhance the nursing profession in Hawaii by:

- (1) Establishing the Center for Nursing (Center) within the University of Hawaii School of Nursing and Dental Hygiene to conduct research and collect and analyze data on nursing in Hawaii;
- (2) Creating the Center for Nursing Special Fund to support the Center;
- (3) Requiring an additional fee of \$40 to be collected for nursing licenses and deposited into a separate account in the Compliance Resolution Fund until July 1, 2009;
- (4) Appropriating moneys from the Compliance Resolution Fund into the Center for Nursing Special Fund; and
- (5) Appropriating moneys from the Center for Nursing Special Fund for the operations of the Center.

Your Committee on Conference finds that the Center is modeled after similar programs in other states that have been very successful in supporting the nursing profession. The Center will help to ensure that better data about nurses is available, which will improve health care in the State, as well as working conditions for nurses.

Your Committee on Conference has amended this bill by:

- (1) Appropriating \$5,000 in start-up moneys from the Compliance Resolution Fund into the Center for Nursing Special fund, to be reimbursed within one year;
- (2) Appropriating \$300,000 for each year of fiscal biennium 2003-2005 from the Center for Nursing Special Fund for the operations of the Center;
- (3) Providing that moneys from the new nursing fees deposited into the Compliance Resolution Fund be disbursed quarterly by the Director of Consumer Affairs and Commerce into the Center for Nursing Special Fund;
- (4) Changing the effective date to July 1, 2003; and
- (5) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 422, 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. 422, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Sakamoto, Taniguchi, Chun Oakland, Kokubun.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Sakamoto).

Representatives Takai, Arakaki, Nishimoto, Ching.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 27 on H.B. No. 320**

The purpose of this bill is to assist the University of Hawaii (UH) in managing its risks by:

- (1) Creating the UH Risk Management Special Fund; and
- (2) Enabling the UH Board of Regents to approve the indemnification of persons, companies, and governmental entities to allow UH to receive funding for research and other educational purposes.

Your Committee on Conference finds that this bill will enable UH to implement a fully functional risk management program consisting of purchased insurance, self-insurance, or both. An expanded risk management program will enhance UH's fiscal autonomy, and allow UH to pay for all but the most catastrophic judgments and settlements without receiving legislative appropriations.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to July 1, 2003; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 320, 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. 320, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Hooser, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Tsutsui).

Representatives Takai, Hamakawa, Karamatsu, Tamayo, Leong.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. No. 28 on H.B. No. 968**

The purpose of this bill is to allow an eligible unemployed individual to receive the full weekly unemployment benefit amount to which the individual is entitled, without any reduction for wages payable to the individual for that week.

Your Committee on Conference has amended this measure by changing its effective date from January 21, 2053, 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. 968, 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. 968, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Kokubun).

Representatives M. Oshiro, Mindo, Caldwell, Meyer.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 29 on H.B. No. 1303**

The purpose of this bill is to clarify laws relating to the Office of Hawaiian Affairs (OHA) by:

- (1) Providing that the salary of the administrator of OHA shall not be less than the salary of a department head or an executive officer and not more than the salary of the Governor; and
- (2) Requiring OHA, like any other state agency, to reimburse the State for contributions made by the State to the Employer-Union Health Benefits Trust Fund (Trust Fund).

Your Committee on Conference has amended this measure by:

- (1) Deleting the salary provisions relating to OHA's administrator;
- (2) Deleting the provision that specifically amends section 87A-39, Hawaii Revised Statutes (HRS), requiring OHA to reimburse the State for contributions made by the State to the Trust Fund;
- (3) Defining "state agency" for purposes of chapter 87A, HRS, relating to the Trust Fund, to include OHA; and
- (4) Making technical, nonsubstantive amendments for purposes of style and consistency.

Your Committee on Conference notes that this measure, as reported out, includes OHA in the definition of "state agency" established under the Trust Fund law. As a result, references to state agencies throughout chapter 87A, HRS, will apply to OHA as well as the other state agencies. More specifically, this measure will require OHA, like the other state agencies, to reimburse the State for contributions made by the State to the Trust 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. 1303, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1303, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, English, Kokubun, Hogue.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (English, Hogue).

Representatives Kanoho, M. Oshiro, Takamine, Moses.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Moses).

**Conf. Com. Rep. No. 30 on H.B. No. 282**

The purpose of this bill is to enable the Office of the Auditor to conduct financial audits of all State and county departments, offices, and agencies (executive agencies). This bill:

- (1) Authorizes the Auditor to charge executive agencies a reasonable fee for the cost of performing financial audits;
- (2) Establishes the Audit Revolving Fund (Revolving Fund) into which fees collected for conducting audits and other moneys will be deposited. The Auditor will use the moneys in the Revolving Fund to conduct audits of executive agencies and various types of funds;
- (3) Appropriates moneys from the General Fund to be deposited into the Revolving Fund to advance the costs of audits; and appropriates moneys from the Revolving Fund;
- (4) Appropriates moneys into the Revolving Fund for the costs of audits that are currently budgeted to state agencies; and
- (5) Specifies that moneys expended by the Auditor for these purposes shall be deemed to have been expended by the executive agencies subject to the Single Audit Act of 1984.

Your Committee on Conference recognizes that allowing a legislative agency to charge executive agencies a fee for the cost of an audit may raise concerns regarding the separation of power. Therefore, upon further consideration, your Committee on Conference has amended this bill by:

- (1) Deleting the authorization for the Auditor to charge a reasonable fee for the cost of performing an audit;
- (2) Requiring that when the costs of financial audits conducted by or contracted for by the Auditor are reimbursable by moneys appropriated to or generated by any executive agency, these cost reimbursements shall be transmitted to the Auditor for deposit into the Revolving Fund;
- (3) Restating the type of moneys to be deposited into the Revolving Fund to reflect the amendments described above;

- (4) Deleting the requirement that fees collected for conducting an audit of any special, revolving, capital improvement, or trust fund shall be deposited into the Revolving Fund; and instead requiring that moneys received for audit costs payable by these same funds shall be deposited into the Revolving Fund;
- (5) Deleting the purpose section as well as all appropriation sections of the bill;
- (6) Changing the effective date to July 1, 2003; and
- (7) Making technical, nonsubstantive amendments for the purpose 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. 282, 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. 282, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kokubun, Tsutsui, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Magaoay, Nakasone, Luke, Halford.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 31 on H.B. No. 297**

The purpose of the bill is to make permanent the Drug Dealer Liability Act and to appropriate money for:

- (1) An adolescent treatment center to treat poly-drug abuse on island of Hawaii;
- (2) Community anti-drug efforts aimed at preventing ice use on the island of Hawaii; and
- (3) County police departments for crystal methamphetamine use prevention and treatment programs.

Your Committee finds that there is a wide range of views as to the best approach in addressing society's growing drug problem. After careful consideration keeping in mind the limited resources available, the creation of a government drug nuisance abatement organization seems to be a viable approach.

Your Committee on Conference has amended this bill by deleting the contents and inserting language that:

- (1) Establishes a Drug Nuisance Abatement Unit in the Department of the Attorney General to provide for the enforcement and prosecution of violations of drug nuisance abatement laws in the penal code;
- (2) Provides for the Drug Nuisance Abatement Unit expenses to be paid out of the Criminal Forfeiture Fund in the Department of the Attorney General; and
- (3) Appropriates funds for the establishment and implementation of the Drug Nuisance Abatement Unit.

As affirmed by the record of votes of the managers 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. 297, 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. 297, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Chun Oakland, Kokubun, Hogue.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Hamakawa, Takamine, B. Oshiro, Pendleton.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

**Conf. Com. Rep. No. 32 on H.B. No. 1003**

The purpose of this measure is to amend the law relating to the Crime Victim Compensation Commission (Commission).

In particular, this measure:

- (1) Provides that restitution amounts collected by the Judiciary on behalf of the Commission for a victim who cannot be located are to be deposited to the credit of the Crime Victim Compensation Fund following public notification;

- (2) Allows the Commission to transfer a minor's compensation award to an appropriate state agency, adult, or trust company as custodian for the benefit of the minor under the Uniform Transfers to Minors Act;
- (3) Gives the Commission the authority to pay for mental health counseling services for surviving relatives in cases involving a death or sexual assault and for child witnesses or witnesses who are sixty years of age or older in cases involving domestic abuse and other violent crimes;
- (4) Amends the law relating to awards of compensation made by the Commission by repealing "pain and suffering" awards and instead awarding "acknowledgment of harm" moneys;
- (5) Requires that the Judiciary provide an annual report to the Legislature detailing their compliance with Act 206, Session Laws of Hawaii 1998, which provides for the mandatory assessment of a compensation fee, the proceeds of which are used to fund the Commission; and
- (6) Amends the definition of "victim" to include a child or a person who is sixty years of age or older who is a witness to a crime enumerated in section 351-32, Hawaii Revised Statutes, and is in need of mental health counseling services.

Your Committee finds that this measure will help the Commission better serve the intended recipients of benefits.

Your Committee amended the bill by:

- (1) Deleting the requirement that the judiciary provide a report and inserting the requirement that the judiciary provide information to the Commission in furtherance of the Commission's requirement to provide a report;
- (2) Requiring the Commission to continue to make annual reports;
- (3) Requiring that compensation for mental health services may only be provided if the services are needed based on a death, sexual assault or to the trauma of witnessing the crime;
- (4) Making technical and nonsubstantive changes for style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1003, 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. 1003, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Kokubun, Taniguchi, Hogue.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Hamakawa, Takamine, Wakai, Finnegan.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Wakai).

#### **Conf. Com. Rep. No. 33 on H.B. No. 1111**

The purpose of this measure is to satisfy the claims against the State for refunds of taxes, judgments and settlements, and for other miscellaneous payments as provided by law.

This bill serves as the vehicle by which claims against the State are transmitted to the Legislature for its consideration.

Your Committee on Conference has amended this bill pursuant to the recommendations of the Attorney General by adding the following ten additional claims totaling \$2,880,795.47:

- (1) Arakaki v. State of Hawaii, \$104,000;
- (2) Braithwaite, et al., v. State of Hawaii, \$30,000;
- (3) Captain Andy's Sailing, Inc. v. Johns, \$242,854.60;
- (4) Chong, Arylla, Miscellaneous Claim of, \$575;
- (5) Evans, et al., v. State of Hawaii, et al., \$1,990,000;
- (6) Querubin v. State of Hawaii, \$30,000;
- (7) Rahsaan v. State of Hawaii, \$425,000;
- (8) Smith v. State of Hawaii, Campaign Spending Commission, \$31,786.31;



- (9) Smith v. State of Hawaii, Campaign Spending Commission, \$14,079.56; and
- (10) Washino v. Ventura, \$12,500.

Items (8) and (9) above represent attorneys' fees and costs on behalf of two different prevailing parties in the same action.

Your Committee on Conference has further amended this bill by transferring the L.T.M. Corp. dba Civil Mechanical v. State of Hawaii settlement from Part II section 3 to Part I section 1 to indicate that this settlement is to be funded by the general fund, rather than the Department of Accounting and General Services.

Your Committee on Conference has also made technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1111, 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. 1111, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Kokubun, Chun Oakland, Taniguchi, Hogue.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Hamakawa, Takamine, B. Oshiro, Pendleton.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

**Conf. Com. Rep. No. 34 on H.B. No. 1255**

The purpose of this bill is to appropriate funds for the Office of Elections to meet the five per cent matching fund requirement of the federal Help America Vote Act of 2002.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation of \$50,000; and
- (2) Making a technical, nonsubstantive amendment for clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1255, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1255, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Ihara, Kokubun, Hogue.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

Representatives Hamakawa, Takamine, Mindo, Finnegan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 35 on H.B. No. 1361**

The purpose of this bill is to provide flexibility in the income level requirements of the Medicaid Prescription Drug Expansion Program (Program) established in Act 75, Session Laws of Hawaii 2002, to ensure compliance with federal requirements for funding approval by:

- (1) Allowing the income eligibility limit for the Program to be set at any maximum income limit established by the Centers for Medicare and Medicaid Services for approval of federal funding for the Program;
- (2) Clarifying that pharmacies and not pharmacists are to be paid by the Program; and
- (3) Repealing the Program on July 1, 2006.

Your Committee on Conference acknowledges that the cost of prescription drugs has risen drastically in a short period of time. This measure will further strengthen the Program by allowing the flexibility to modify eligibility to the Program based on limits established by the federal government.

Your Committee on Conference has amended this bill by:

- (1) Specifying that the Program income eligibility requirements meet the criteria required by the Centers for Medicare and Medicaid Services; and
- (2) Making technical, nonsubstantive amendments for 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 H.B. No. 1361, 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. 1361, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Chun Oakland, Taniguchi, Kokubun, Whalen .  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Kokubun, Whalen).

Representatives Kahikina, Arakaki, Kawakami, Ching.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 36 on H.B. No. 293**

The purpose of this bill is to provide an effective venue for agricultural marketing and promotion in Hawaii by appropriating funds to assess the economic feasibility of establishing a world-class farmers' market in Hawaii.

Your Committee on Conference notes that in addition to the marketing benefits for Hawaii's agricultural industry, a world-class farmers' market will allow consumers access to a wide variety of fresh produce in a centralized location. Furthermore, a world-class farmers' market will have the potential to stimulate economic growth by attracting tourists and residents to the site.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$7,000;
- (2) Changing the effective date of this bill to July 1, 2003; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 293, 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. 293, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Espero, Kokubun, Aduja, English, Taniguchi, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 3 (English, Kokubun, Whalen).

Representatives Abinsay, Karamatsu, Sonson, Jernigan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 37 on H.B. No. 1579**

The purpose of this bill is to stimulate economic development in Hawaii by requiring the Department of Business, Economic Development, and Tourism (DBEDT) to develop and implement plans, programs, and initiatives to diversify Hawaii's economy.

Your Committee on Conference recognizes the value in fostering viable alternatives to the tourism industry. This bill will facilitate the development of other industries by requiring DBEDT, among other things, to develop and implement a long-range plan for economic diversification, conduct market development-related research as necessary, work to eliminate barriers to economic diversification, and collaborate with other public and private entities and partners.

Your Committee on Conference has amended this measure by:

- (1) Making the bill effective upon its approval; and
- (2) Making technical, nonsubstantive amendments for 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 H.B. No. 1579, 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. 1579, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Taniguchi, Kawamoto, Aduja, Hooser, Kim, Kokubun.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 3 (Hooser, Kokubun, Taniguchi).

Representatives Schatz, Takamine, Wakai, Leong.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Leong).

**Conf. Com. Rep. No. 38 on H.B. No. 317**

The purpose of this bill is to allow a faculty member, lecturer, or administrative, professional, or technical employee of the University of Hawaii (UH) with multiple part-time appointments aggregating to at least one half-time equivalent position to meet eligibility requirements for the Employees Retirement System (ERS).

Your Committee on Conference finds that UH has traditionally reported these employees as eligible for ERS without specific statutory guidelines. This bill will ensure that these guidelines for eligibility are permanently established in statute.

Your Committee on Conference has amended this bill by:

- (1) Specifying that only current or past administrative, professional, or technical employees of UH with multiple part-time appointments who have been reported by UH as meeting eligibility requirements for ERS benefits shall retain their ERS benefits;
- (2) Changing the effective date to July 1, 2003; and
- (3) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 317, 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. 317, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Sakamoto, Taniguchi, Kawamoto, Tsutsui, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Slom).

Representatives Takai, M. Oshiro, Nakasone, Ontai.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ontai).

**Conf. Com. Rep. No. 39 on H.B. No. 1509**

The purpose of this bill is to preserve the historic, visual, and cultural aspects of lands in South Kona on the island of Hawaii by establishing the South Kona Wilderness Area and requiring the development of a comprehensive management plan for the area.

Your Committee on Conference has amended this bill by:

- (1) Expanding the boundaries of the Wilderness Area in Honomalino by including lands from the shoreline to 6,000 feet inland rather than 1,750 feet inland;
- (2) Authorizing the Department of Land and Natural Resources (DLNR) to acquire private lands by a value-for-value exchange of other state lands; these provisions replace language requiring DLNR to develop a plan for acquisition of lands as well as authorizing it to include a value-for-value trade of other state lands;
- (3) Requiring that the costs associated with any appraisal relating to a land exchange shall be borne by the private landowner or by private funds, grants, or contributions;
- (4) Deleting references to arbitration proceedings in the event agreement cannot be reached on the land exchange;
- (5) Setting July 1, 2003, as the effective date of this measure;
- (6) Setting December 31, 2006, as the automatic repeal date if the exchange transactions to acquire the lands are not consummated prior to that date; and
- (7) Making technical, nonsubstantive amendments for 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. 1509, 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. 1509, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi, Espero, Aduja, Kokubun.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Kanoho, Takamine, Karamatsu, Jernigan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 40 on H.B. No. 1613**

The purpose of this bill is to make an appropriation to acquire lands adjacent to the Kohala Historical Sites State Monument (Monument).

Your Committee on Conference finds that the acquisition of certain adjacent lands is essential to protect and enable access to the Monument. The eight parcels identified for acquisition total about 250.5 acres. While such a sizable buffer area may be desirable or deemed necessary, the inability to acquire all of these lands in the past through purchase or exchange suggests that other alternatives should be explored. One alternative would include the possibility of initially reducing the size of the area to be acquired to those lands immediately abutting the Monument. Initial acquisition would be less difficult and, if successful, assures a minimum buffer in perpetuity. Subsequent purchase acquisitions may be effected as the State's financial situation improves.

The Department of Land and Natural Resources (DLNR) is therefore requested to discuss with both representatives of the Mo`okini Luakini Corporation and the landowner, the feasibility of incremental acquisition of these buffer lands.

Due to the absence of available funds, your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation provision;
- (2) Directing DLNR to renew its efforts to acquire the lands adjacent to the Monument through the exchange of state lands;
- (3) Correcting tax map key number 5-5-05:02 to read 5-5-05:05;
- (4) Changing the effective date of the bill to upon its approval; and
- (5) Making technical, nonsubstantive amendments were made for 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 H.B. No. 1613, 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. 1613, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi, Aduja, Espero, Kokubun, Whalen.  
Managers on the part of the Senate.  
Ayes, 6. Noes, none. Excused, none.

Representatives Kanoho, Kawakami, Magaoy, Jernigan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 41 on H.B. No. 507**

The purpose of this bill is to enable a licensed Emergency Medical Technician (EMT) employed with the City and County of Honolulu Emergency Services Department (EMS) to retire after 25 years of service, regardless of the EMT's age.

Your Committee on Conference recognizes that EMTs are often placed in physically and emotionally demanding situations similar to that of other public safety personnel. Unlike other public safety personnel, EMTs are ineligible to retire after 25 years of service without penalty, regardless of age upon retirement. Your Committee on Conference believes that this is a matter of statewide concern.

Your Committee on Conference has amended this bill by:

- (1) Removing provisions pertaining to the allowance on service retirement that do not reference EMTs; and
- (2) Making technical, nonsubstantive amendments for 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 H.B. No. 507, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 507, H.D. 3, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun, Tsutsui, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Slom).

Representatives Arakaki, M. Oshiro, Nishimoto, Stonebraker.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

**Conf. Com. Rep. No. 42 on H.B. No. 914**

The purpose of this bill is to protect residents of adult residential care homes by:

- (1) Establishing licensing qualifications and personnel, staffing, and family requirements for Type I and Type II adult residential care homes (ARCHs) and expanded adult residential care homes (expanded ARCHs); and
- (2) Requiring the Department of Health (DOH) to conduct unannounced inspections of every licensed ARCH and expanded ARCH.

Your Committee on Conference has consulted with interested parties on the matter of unannounced inspections for ARCHs and expanded ARCHs and believes a compromise has been reached to satisfy the majority of those affected. While most ARCH and expanded ARCH operators do not object to having reasonable unannounced visits for purposes of ensuring the health and safety of residents, the operators are concerned about unannounced inspections for purposes of determining compliance with licensing requirements, because of the volume of paperwork that is involved and time consumed that could otherwise be spent caring for residents.

The managers of your Committee on Conference are committed to establishing a law that works properly and well, and will request that the House Speaker and Senate President convene a group to meet at least once within the next two years to monitor the effectiveness of this law, identify concerns, and recommend amendments to improve the law. Members of this group may include adult residential care home operators, representatives of AARP and DOH, and legislators from the subject-matter committees responsible for developing this law.

Your Committee on Conference has amended this measure by:

- (1) Deleting reference to licensing qualifications and personnel, staffing, and family requirements;
- (2) Changing the term "inspections" to "visits" except with regard to licensing inspections;
- (3) Specifying that the purpose of unannounced visits is to ensure the health, safety, and welfare of residents rather than to determine compliance with licensing requirements;
- (4) Specifying that unannounced visits may be conducted during or outside regular business hours;
- (5) Specifying that annual inspections for relicensing shall be conducted with notice during regular business hours or at intervals determined by DOH; and
- (6) Making technical, nonsubstantive amendments for 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 H.B. No. 914, 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. 914, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Baker, Hanabusa, Hooser, Inouye, Tsutsui, Trimble.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 3 (Hanabusa, Inouye, Tsutsui).

Representatives Arakaki, Kahikina, Nishimoto, Wakai, Meyer.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. No. 43 on H.B. No. 32**

The purpose of this bill is to, among other things, enact various reforms to public education to:

- (1) Improve kindergarten services;
- (2) Exempt publishers of library books, including publishers of library books written in the Hawaiian language, from requirements that the publisher furnish the State with computer diskettes from which braille versions can be produced; and

- (3) Institute a textbook deposit fee to be used to make textbooks and instructional materials more readily available to students.

Your Committee on Conference has amended this bill by:

- (1) Deleting all provisions relating to kindergarten;
- (2) Deleting all provisions relating to the textbook deposit fee; and
- (3) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 32, 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. 32, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Chun Oakland, Hooser, Hogue.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Hooser).

Representatives Takumi, Mindo, Evans, Ching.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ching).

**Conf. Com. Rep. No. 44 on H.B. No. 130**

The purpose of this bill is to clarify laws pertaining to the retirement benefits of public employees by:

- (1) Requiring notice to a spouse or reciprocal beneficiary for any retirement benefit option selected by a member of the Employees' Retirement System; and
- (2) Allowing nine-, ten-, and eleven-month employees, elective officers, and appointees of the Governor to specify the effective date of their retirement.

After careful consideration, your Committee has amended this bill by:

- (1) Eliminating language that would allow nine-, ten-, and eleven-month employees, elective officers, and appointees of the Governor to specify the effective date of their retirement; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

As affirmed by the record of votes of the managers 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. 130, 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. 130, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun, Tsutsui, Hogue.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

Representatives M. Oshiro, Nakasone, Ito, Moses.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ito).

**Conf. Com. Rep. No. 45 on H.B. No. 290**

The purpose of this bill is to stabilize Hawaii's economy in light of the significant downturn in the visitor industry, the unpredictability of escalating global events, and the numerous layoffs, work furloughs, and decreased work hours that resulted for workers throughout the State.

Specifically, this bill:

- (1) Establishes a program to provide extended state unemployment insurance benefits to individuals filing claims after September 11, 2001;
- (2) Ensures that these extended benefits will cease once the unemployment insurance fund reaches the threshold where the Department of Labor and Industrial Relations would be required to increase the unemployment taxes paid by employers;

- (3) Conforms and allows state statutory provisions to be conformed to the federal Temporary Extended Unemployment Compensation (TEUC) Act of 2002; and
- (4) Provides that unemployment insurance trust fund moneys may be used to pay for unemployment benefits as well as administrative costs.

Your Committee on Conference finds that on April 16, 2003, the President signed into law a measure providing additional temporary extended unemployment benefits for a restricted class of beneficiaries. Temporary Extended Unemployment Compensation for displaced airline related workers, or TEUC-A, provides up to 39 additional weeks of benefits to unemployed workers whose exhausted regular unemployment compensation claim was based in whole, or in part, on qualifying employment with a certified air carrier, an airport facility, or a direct producer or supplier of products or services to air carriers. Any regular TEUC benefits received are to be deducted from benefits available under this special program.

Those eligible for TEUC-A benefits are persons who have exhausted regular, additional, extended, or regular TEUC benefits (including TEUC-X), or persons with an existing TEUC claim on file with a balance remaining, whose regular claim for unemployment compensation was based in whole, or in part, on employment and wages from qualifying employment, and who were laid-off from such employment on or after September 11, 2001, due to:

- (1) Reductions in airline service because of the terrorist actions of September 11, 2001;
- (2) The closure of a U.S. airport because of the terrorist actions or security measures; or
- (3) The conflict with Iraq.

It is the intent of your Committee on Conference that extended state unemployment compensation benefits be provided only to persons who have exhausted regular unemployment compensation benefits and extended or regular TEUC benefits. Your Committee on Conference does not intend that extended state unemployment compensation benefits be provided to persons who receive additional extended federal unemployment compensation benefits for a restricted class of workers pursuant to legislation enacted by Congress and signed into law after April 1, 2003.

Your Committee on Conference has amended this bill by:

- (1) Deleting the provision appropriating funds to create a program to provide additional benefits to unemployed workers by extending their unemployment insurance benefits;
- (2) Changing the effective date to July 1, 2003;
- (3) Inserting a repeal date of June 30, 2005; and
- (4) Making technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

As affirmed by the record of votes of the managers 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. 290, 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. 290, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Kawamoto).

Representatives M. Oshiro, Nakasone, Ito, Blundell.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ito).

#### **Conf. Com. Rep. No. 46 on H.B. No. 531**

The purpose of this bill is to ensure parity for employees who are excluded from collective bargaining.

This bill requires that proposed adjustments to compensation and benefit packages for excluded civil service employees be at least equal to the compensation and benefit packages provided under collective bargaining agreements for employees within the appropriate authority's jurisdiction.

Your Committee on Conference made a technical amendment in paragraph (3) of this bill by clarifying that the proposed adjustments be equivalent or not less than the adjustments provided within the employer's jurisdiction.

As affirmed by the record of votes of the managers 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. 531, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 531, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Kokubun, Tsutsui).

Representatives M. Oshiro, Takamine, Nakasone, Jernigan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 47 on H.B. No. 1362**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to St. Patrick School in an amount not to exceed \$7,000,000 for planning, acquisition, construction, or improvement of educational facilities.

Your Committee on Conference finds that the improvement of educational facilities at St. Patrick School serves a public purpose and qualifies as a "project" under Act 257, Session Laws of Hawaii 2002.

Your Committee on Conference has amended this bill by making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1362, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1362, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Chun Oakland, Kawamoto, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Kawamoto, Hemmings).

Representatives Takumi, Nishimoto, Evans, Ontai.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ontai).

**Conf. Com. Rep. No. 48 on H.B. No. 1465**

The purpose of this bill is to make it more convenient for Hawaii consumers to purchase wine by:

- (1) Clarifying that unlicensed adults are not required to obtain a permit to receive shipments of liquor pursuant to the reciprocal shipping privilege; and
- (2) Increasing the number of cases of wine that may be shipped from two to three per year.

Your Committee on Conference finds that permit requirements can make it difficult for consumers to ship wine, because shippers may be reluctant to accept shipments if they may be held responsible for ensuring that the recipients have obtained proper permits. This measure removes the permit requirement for these consumers.

Your Committee on Conference also finds that a reasonable increase in the number of cases of wine permitted to be shipped pursuant to the reciprocal shipping law will not detract from local sales.

Your Committee on Conference has amended this measure by making this bill 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. 1465, 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. 1465, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Kokubun, Whalen.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Hiraki, Takamine, Kawakami, Stonebraker.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

**Conf. Com. Rep. No. 49 on H.B. No. 1164**

The purpose of this bill is to improve the insurance laws by conforming the Hawaii Insurance Code and related statutes to the Producer Licensing law, Act 216, Session Laws of Hawaii 2001.



Your Committee on Conference agrees that these revisions by the Department of Commerce and Consumer Affairs will modernize insurance licensing laws and provide uniformity and reciprocity with the laws of other states as required by the federal Gramm-Leach-Bliley Act, as well as increase the consistency and efficiency of Hawaii's insurance laws.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date from July 1, 2050, to July 1, 2003; and
- (2) Making technical, nonsubstantive amendments for purposes of consistency and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1164, 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. 1164, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Espero, Kanno, Whalen.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Hiraki, Magaoay, Herkes, Stonebraker.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

**Conf. Com. Rep. No. 50 on H.B. No. 1652**

The purpose of this bill is to appropriate funds to the Medicaid Prescription Drug Rebate Special Fund.

Your Committee on Conference has amended this bill by:

- (1) Inserting the sum of \$500,000 for fiscal year 2003-2004;
- (2) Specifying that the funds may be used for:
  - (a) The development of a waiver; and
  - (b) Activities associated with securing approval for the waiver,from the Centers for Medicare and Medicaid Services for the expansion of prescription drug benefits under the Medicaid Program;  
and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1652, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1652, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Chun Oakland, Taniguchi, Baker, Whalen.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Baker, Whalen).

Representatives Takamine, Kawakami, Nakasone, Moses.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 51 on S.B. No. 295**

The purpose of this measure is require the counties to establish registration and special license plate requirements for commercial tow trucks, increase the limit on storage fees for towed vehicles, and shorten the period for notification of a tow by a tow operator to a vehicle's owner.

Your Committee has amended this measure by replacing language requiring the counties to establish a registration and special license plate system for commercial tow trucks and shortening the notification period, with language that authorizes, but does not require the county councils to enact ordinances regulating towing operations. Your Committee has retained language authorizing an increase in fees charged by tow companies for storage of towed vehicles.

As affirmed by the record of votes of the managers 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. 295, 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. 295, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Baker, Espero, Whalen.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Souki, Caldwell, Ito, Blundell.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ito).

**Conf. Com. Rep. No. 52 on S.B. No. 1200**

The purpose of this measure is to authorize additional persons to act as signatories on a captive insurer's letter of financial condition, clarify the applicability of certain insurance code provisions to captives, and make other clarifying amendments, including the replacement of existing language with more appropriate terminology.

Your Committee finds that this measure will establish greater internal consistency within article 19 of the insurance code and further enhance Hawaii's attractiveness as a captive insurance company domicile.

Your Committee made technical amendments to this measure to correct paragraph and section numbers.

As affirmed by the record of votes of the managers 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. 1200, 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. 1200, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Ige, Whalen.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives Hiraki, Herkes, Sonson, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 53 on S.B. No. 1630**

The purpose of this measure is to allow the boards of planned community associations with a minimum of 2,500 members to authorize the election of directors or officers by mail.

This measure will facilitate the election process for large planned community associations and the participation of greater numbers of association members in board elections.

Your Committee on Conference made a nonsubstantive stylistic amendment to the language describing the nonprofits that may conduct the election by mail only if so authorized in the organization's bylaws or articles of incorporation.

As affirmed by the record of votes of the managers 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. 1630, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1630, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Espero, Whalen.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives Hiraki, Caldwell, Herkes, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 54 on S.B. No. 933**

The purpose of this bill is to amend the stalking laws by:

- (1) Amending §711-1106.5, Hawaii Revised Statutes (HRS), by requiring the defendant to engage in a course of conduct involving pursuit, surveillance, or non-consensual contact on more than one occasion without legitimate purpose;

- (2) Defining “non-consensual contact” as any contact that occurs without the individual’s consent or in disregard of that person’s express desire that the contact be avoided or discontinued, and includes direct personal oral contact, and contact via telephone, facsimile, or electronic mail transmission;
- (3) Amending §711-1106.4, HRS, by deleting paragraphs (1)(a) and (b), and the requirement that the defendant have been convicted previously of harassment by stalking involving the same person, and inserting that the defendant have been convicted previously of harassment by stalking within five years of the instant offense.

Your Committee amended the bill by inserting the words “visual or” on page 3, line 3. This amendment is intended to punish stalkers who intimidate their victims by appearing in places where they know their victim will be. This amendment is not intended to include situations where it was not the defendant’s intent to be seen by the victim.

As affirmed by the record of votes of the managers 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. 933, 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. 933, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Fukunaga, Hogue.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Fukunaga).

Representatives Hamakawa, Lee, B. Oshiro, Finnegan .  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Finnegan).

**Conf. Com. Rep. No. 55 on S.B. No. 1267**

The purpose of this bill is to refine and improve the enforcement responsibilities of the Department of the Attorney General (AG) regarding enforcement of the Tobacco Master Settlement Agreement.

Your Committee amended the bill by:

- (1) Adding the words “or not” on page 10, line 5 before the word “whether”;
- (2) Adding a paragraph (3) to §486P-C(c) on page 11 that requires entities licensed pursuant to chapter 245, Hawaii Revised Statutes, to maintain for five years, and make available to the AG all documentation of sales of nonparticipating manufacturer cigarettes and other information relied on for reporting to the AG;
- (3) Deleting the words “the forfeiture of” on page 17, line 1; and
- (4) Making technical, nonsubstantive changes for drafting 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. 1267, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1267, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Chun Oakland, Hogue.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hogue).

Representatives Hiraki, B. Oshiro, Hamakawa, Stonebraker.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

**Conf. Com. Rep. No. 56 on S.B. No. 1274**

The purpose of this bill is to establish extreme mental or emotional disturbance as an affirmative defense to murder or attempted murder.

Your Committee finds that establishing extreme mental or emotional disturbance (EMED) as an affirmative defense requires the defense to prove by a preponderance of the evidence that the defendant suffers from EMED. Under existing law, a defendant charged with murder or attempted murder need not raise EMED as a defense, and may not legitimately have EMED, and yet the prosecution must still disprove that the defendant suffers from EMED.

Your Committee amended the bill, however, by replacing the reasonable person standard. Specifically, the bill is amended by:

- (1) Inserting the word “reasonable” before the word “person” on line 10; and

- (2) Deleting the words "defendant's situation under the" on line 11.

As affirmed by the record of votes of the managers 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. 1274, 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. 1274, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Chun Oakland, English, Hogue.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Chun Oakland).

Representatives Hamakawa, Caldwell, B. Oshiro, Pendleton).  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Caldwell).

**Conf. Com. Rep. No. 57 on S.B. No. 1460**

The purpose of this measure is to require the Hawaii Tourism Authority (HTA) to include in its contracts certain provisions to ensure accountability and efficient use of public funds, and to require that intellectual property arising from works for hire contracted by the HTA become the intellectual property of the State.

Your Committee on Conference finds that enacting contract requirements into statute, though unusual, is the best means of ensuring the accountability and efficient use of public funds in future contracts even though the current executive director of the HTA has strived to include these provisions in all HTA contracts.

Your Committee on Conference has amended this measure by:

- (1) Replacing language in the new section 201B- (a), with language from the Senate Draft 2 version to clarify that the required contract provisions are to ensure accountability and efficient use of public funds and are provisions that a reasonably prudent person would expect in a contract; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1460, 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. 1460, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Tsutsui, Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Chang, Karamatsu, Herkes, Ontai.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ontai).

**Conf. Com. Rep. No. 58 on S.B. No. 1319**

The purpose of this measure is to update the laws governing limited partnerships in Hawaii.

This measure repeals the Uniform Limited Partnership Act, codified in chapter 425D, Hawaii Revised Statutes, and replaces it with a modified version of the 2001 Revised Uniform Limited Partnership Act. Your Committee on Conference finds that this measure will help to improve Hawaii's business climate by modernizing the limited partnership laws and making them more consistent with the laws of the other states.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2004, and by making technical amendments to reflect preferred drafting 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. 1319, 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. 1319, S.D. 1, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Espero, Whalen.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives Hiraki, B. Oshiro, Karamatsu, Finnegan.  
Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 1 (Finnegan).

**Conf. Com. Rep. No. 59 on S.B. No. 1051**

The purpose of this measure is to regulate electric personal assistive mobility devices, otherwise known as Segways.

Your Committee on Conference generally agreed with regard to several provisions in this measure, and therefore used the H.D. 2 version of this measure as a base, and recommends further amendments as set forth below.

Your Committee on Conference amended this measure to remove the provisions in the H.D. 2 version that authorize a Segway to be used on the shoulder of a street instead of a sidewalk, under certain circumstances. Your Conference Committee believes that it may be too dangerous to use the Segway on a street, except in a bicycle path.

Your Conference Committee also amended this measure to clarify that the provisions prohibiting the sale of Segway models that can operate at greater than eight miles per hour apply to "consumer" models rather than "commercial" models.

Finally, your Conference Committee amended this measure to make its provisions effective upon approval, rather than on July 1, 2050.

As affirmed by the record of votes of the managers 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. 1051, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1051, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Hanabusa, English, Espero.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (English).

Representatives Souki, Hamakawa, B. Oshiro, Moses.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 60 on S.B. No. 837**

The purpose of this measure is to address critical needs of private industry and promote business development by clarifying the duties of the Workforce Development Council (WDC).

Your Committee on Conference finds that to compete in the global economy, Hawaii must develop a workforce with high-demand, cross-functional skill sets. However, your Committee on Conference finds that relevant benchmarks must be established to assess whether the workforce development goals of the state departments, University of Hawaii, and WDC are being met and, most importantly, whether Hawaii's workforce is acquiring the skills and education that are in demand by employers directly resulting in increased employment.

Your Committee on Conference has amended this measure by:

- (1) Requiring the Departments of Business, Economic Development, and Tourism, Labor and Industrial Relations, Human Services, Education, and Public Safety, and the University of Hawaii to report on their workforce development programs; and
- (2) Requiring that all workforce development reports by the state departments, University of Hawaii, and WDC be posted electronically on the Internet.

As affirmed by the record of votes of the managers 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. 837, 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. 837, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Kanno, Aduja, Ige, Ihara, Trimble.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, 1 (Ige).

Representatives Schatz, M. Oshiro, Wakai, Leong.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 61 on S.B. No. 41**

The purpose of this measure is to require public disclosure of publicly funded contracts and subcontracts of the Hawaii Tourism Authority (HTA).

Although the HTA is exempt from chapter 103D, Hawaii Revised Statutes, relating to the public procurement code, your Committee on Conference finds that the contracts and subcontracts of the HTA should be subject to public inspection inasmuch as public funds are involved. However, your Committee on Conference is cognizant of the sensitive nature of contract negotiations involving the HTA, particularly as to proprietary information of the contractors and subcontractors which could be disclosed to the HTA in the course of negotiations.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a government record as defined in chapter 92F, Hawaii Revised Statutes, otherwise known as the sunshine law and as applied to the authority, includes publicly funded contracts and subcontracts and any information acquired during the course of securing and monitoring such contracts and subcontracts, but exempts from disclosure, proprietary information of contractors and subcontractors; and
- (2) Making technical amendments that have no substantive effect.

As affirmed by the record of votes of the managers 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. 41, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 41, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Kawamoto, Taniguchi, Espero, Slom.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Chang, Hamakawa, Karamatsu, Pendleton.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 62 on S.B. No. 665**

The purpose of this measure is to prohibit persons employed by a managed care plan, other than health care providers, from serving as members on the Prepaid Health Care Advisory Council.

Your Committee on Conference, upon further consideration, has amended this measure by:

- (1) Deleting the amendment to section 393-7(d), Hawaii Revised Statutes, which specified that representatives of the medical and public health professions be actual providers of such services;
- (2) Deleting language which provided that a person employed by a managed care plan, other than a health care services provider, shall not be appointed to the prepaid health care advisory council;
- (3) Deleting language defining "managed care plan";
- (4) Deleting language concerning the possibility of preemption by the Employees Retirement Income Security Act of 1974 (ERISA) and the protective repeal and reenactment of prior law provisions if the proposed amendment is deemed preempted by ERISA; and
- (5) Including language to preclude persons representing a health maintenance organization, a mutual benefit society that issues individual and group hospital or medical service plans, or any other health care organization from serving as a member on the Prepaid Health Care Advisory Council.

As affirmed by the record of votes of the managers 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. 665, 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. 665, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Kawamoto, Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Kawamoto).

Representatives Arakaki, Hiraki, Herkes, Finnegan.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Finnegan).

**Conf. Com. Rep. No. 63 on S.B. No. 1395**

The purpose of this measure is to amend or repeal obsolete tax laws.

Your Committee finds that this housekeeping bill will allow the Department of Taxation to administer the state tax laws more efficiently and provide better service to Hawaii's taxpayers.

Your Committee has amended the bill by:

- (1) Repealing section 235-16, Hawaii Revised Statutes, in its entirety (section 9 of the bill) as functus instead of only amending subsection (a) of that section;
- (2) Retaining and deleting the references to section 237-13(3) and 237-13(2), Hawaii Revised Statutes, respectively, under section 238-2.3, Hawaii Revised Statutes (section 6 of the bill);
- (3) Repealing section 248-2.5, Hawaii Revised Statutes, in its entirety (section 14 of the bill) as functus instead of only amending subsection (b) of that section; and
- (4) Renumbering the section numbers accordingly.

As affirmed by the record of votes of the managers 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. 1395, 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. 1395, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kokubun, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Kokubun).

Representatives Kawakami, Karamatsu, Waters, Jernigan.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Jernigan).

**Conf. Com. Rep. No. 64 on S.B. No. 946**

The purpose of this measure is to allow a caregiver of a minor who lives with the minor, but is not the minor's legal guardian, to execute an affidavit of caregiver consent to enroll the minor in school and allow the minor to participate in school activities. This measure also provides that a caregiver who makes a false statement in the affidavit for caregiver consent shall be subject to criminal penalties.

Your Committee on Conference, upon further consideration, has amended the measure by changing the effective date from "July 1, 2050" 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. 946, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 946, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hanabusa, English, Trimble.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Trimble).

Representatives Kahikina, Hamakawa, B. Oshiro, Ching.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 65 on S.B. No. 1201**

The purpose of this measure is to restore regulatory licensing of motor vehicle manufacturers and motor vehicle distributors by articulating in the statutes, prohibited practices related to franchising, and granting both distributors and dealers the right to recover certain specified damages for violation of those prohibitions.

With the passage of this measure, Hawaii will be in the majority of states that maintain motor vehicle franchise protection laws for locally-owned businesses, thereby protecting the investments of franchised dealers, while concomitantly protecting customers from inflated new motor vehicle costs.

The Department of Commerce and Consumer Affairs and affected parties have worked together throughout this session to reach an agreement regarding regulation that is supported by all parties.

It is your Committee's intent that the licensing provisions that are contained in this measure create licensing requirements only for manufacturers and distributors as those entities may be described in Chapter 437, Hawaii Revised Statutes (Chapter 437). It is not this Committee's intent to require individual offices or establishments maintained by a distributor licensed under Chapter 437 to be

separately licensed, nor is it this Committee's intent to require individual distributor representatives that are employed by or under contract with a distributor licensed under Chapter 437 to be separately licensed.

It is also this Committee's intent that the private remedies set forth in Section 1 of the measure become effective upon its approval, while all licensing requirements that may be contained in or created by this measure are delayed in effect until January 1, 2004. Failure to be licensed prior to January 1, 2004, is not a violation of the law.

Your Conference Committee, upon further consideration, has made the following amendments to S.B. 1201, S.D. 2, H.D. 1:

- (1) Inserted a provision for private right of action remedies and the recovery of damages by motor vehicle licensees;
- (2) Inserted provisions for the Department of Commerce and Consumer Affairs to set fees for licensing and enforcement;
- (3) Changed the effective date of this Act to take effect upon its approval, provided that sections 6 and 7 take effect on January 1, 2004; and
- (4) Made technical nonsubstantive amendments for the purpose of clarification.

As affirmed by the record of votes of the managers 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. 1201, 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. 1201, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Menor, Whalen.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives Hirakai, Hamakawa, B. Oshiro, Finnegan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 66 on S.B. No. 931**

The purpose of this measure is to assist the victims of domestic violence, sexual assault and stalking, and their minor children by allowing these victims to take paid or unpaid leave to:

- (1) Seek medical attention;
- (2) Obtain services from a victim services organization;
- (3) Obtain psychological or other counseling;
- (4) Temporarily or permanently relocate; or
- (5) Take legal action.

After careful consideration, your Committee on Conference has amended this measure by making technical, nonsubstantive amendments for purposes of clarity, style, and conformity. Specifically, the word "either" was added to page 4, line 10, and a section symbol was added to the proposed section 378-C, on page 9, line 10.

As affirmed by the record of votes of the managers 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. 931, 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. 931, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Hanabusa, Kawamoto, Whalen.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives M. Oshiro, Nakasone, Caldwell, Pendleton.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

**Conf. Com. Rep. No. 67 on S.B. No. 1312**

The purpose of this measure is to require the Employees' Retirement System (ERS) to finalize a retiree's pension benefits within six months of the retiree's retirement or pay interest to a retiree for noncompliance with the six month deadline.



This measure specifies that beginning January 1, 2004, or the first calendar month following the month of retirement, whichever is later, interest payments calculated as simple interest shall be prorated up to the date payment is made; provided that no interest shall be paid for any pension adjustment made after the retiree's pension has been finalized. This measure also requires the ERS to impose a monthly fee upon departments or agencies that fail to timely comply with any ERS request for information. Finally, the measure authorizes the appropriation of \$1 from the Employees' Retirement System's investment earnings for the purposes of this Act.

Your Committee on Conference finds that a lengthy delay exists between the date of an employee's retirement and the finalization of pension benefits. This delay results in an unnecessary burden and often a financial hardship upon retirees. However, your Committee on Conference determines that the entirety of the delay does not rest solely with the ERS, but may also be attributed to other departments or agencies. Therefore, in addition to the requirement that the ERS pay the retiree any interest associated with a failure to finalize pension benefits within six months of retirement, the ERS shall also assess a fee against any department or agency that fails to comply with the ERS's requests for information.

Furthermore, in efforts to maintain fiscal awareness and responsibility, your Committee on Conference has amended the measure to appropriate the sum of \$90,000, from the Employees' Retirement System's investment earnings for the purposes of this Act; provided that the amount expended does not exceed \$90,000.

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. 1312, 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. 1312, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Kawamoto, Kokubun).

Representatives M. Oshiro, Nakasone, Ito, Blundell.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

#### **Conf. Com. Rep. No. 68 on S.B. No. 830**

The purpose of this bill is to implement the recommendations of the Criminal History Record Check Working Group (Working Group) that was established by Act 263, Session Laws of Hawaii 2001, and extends the Working Group to 2005, to review and analyze all issues related to the use of criminal history record information for employment, licensing, and other matters.

Your Committee finds that the Working Group's recommendation of requiring criminal history record checks for applicants who may have contact with vulnerable populations such as children and dependent adults, or with persons in correctional facilities, is necessary to ensure the health, safety, and welfare of the public. Conversely, this requirement is not intended to interfere with the collective bargaining rights of an employee whose current employment may be called into question if the employee applies for a new position requiring a criminal history record check and is denied employment because of a previous conviction. Therefore, you Committee amended the bill by:

- (1) Deleting the phrase "[a]ny termination of employment shall be subject to the employee's rights under collective bargaining" on page 6, line 22 – page 7, line 2, and inserting a paragraph (3) and the phrase "[n]othing in this section shall abrogate an employee's rights under collective bargaining to appeal a termination of employment";
- (2) Adding the phrase "[n]othing in this subsection shall abrogate any applicable appeal rights under chapters 76 or 89, or administrative regulation of the department of education" at the end of §302A-A(b), Hawaii Revised Statutes (HRS), on page 11, line 7;
- (3) Adding the phrase "[n]othing in this subsection shall abrogate any applicable appeal rights under chapters 76 or 89" at the end of §321- (c), HRS, on page 15, line 22; and
- (4) Adding the phrase "[n]othing in this subsection shall abrogate any applicable appeal rights under chapters 76 or 89" at the end of §831-3.1(a)(2), HRS, on page 54, line 14.

As affirmed by the record of votes of the managers 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. 830, 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. 830, S.D. 1, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, English, Kawamoto, Hogue.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Hogue).

Representatives M. Oshiro, Hamakawa, Shimabukuro, Pendleton.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

**Conf. Com. Rep. No. 69 on S.B. No. 1324**

The purpose of this bill is to allow Medical Claim Conciliation Panel (MCCP) claimants to submit their claim to an alternative dispute resolution (ADR) process.

Your Committee agrees that claimants should be given the option and opportunity to resolve their claims through ADR. Claims resolved through ADR benefit not only the claimants, but also the MCCP and potentially the court system.

Since 1976, medical tort claims against health providers are required to undergo a merit review by the MCCP before the claims may be litigated. Your Committee finds that a growing number of baseless claims have been filed with the MCCP which results in increased costs and expenses for health care providers and health care facilities that must defend against the baseless claims. These costs are passed on to physicians in the form of higher medical malpractice insurance premiums that ultimately result in higher health care services to the public. Therefore, your Committee amended the bill by:

- (1) Inserting an amendment to chapter 671, Hawaii Revised Statutes (HRS), that requires claims filed with the MCCP to be accompanied by a certificate stating that the claimant consulted with at least one licensed physician knowledgeable or experienced in the same medical specialty as the health care professional against whom the claim is made, and that the claim is reasonable and meritorious; providing a certificate filing extension for those claims that would be impaired by a statute of limitations; requiring that the claimant make one good faith attempt to obtain a consultation; exempting informed consent claims from the consultation requirement; and providing for the confidentiality of consulting physicians;
- (2) Adding a definition for “good faith attempt” to §671- (a)(3), HRS;
- (3) Replacing its effective date of July 1, 2050, with September 1, 2003; and
- (4) Making technical, nonsubstantive changes for drafting 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. 1324, 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. 1324, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, English, Hogue.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Hiraki, B. Oshiro, Hamakawa, Stonebraker.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

**Conf. Com. Rep. No. 70 on S.B. No. 1492**

The purpose of this measure is to allow a condominium project under chapter 514A, Hawaii Revised Statutes (HRS), or a cooperative housing corporation project under chapter 421I, HRS, to establish a separate corporation, partnership, or association, which may enter into a contract with a provider to provide assisted living services. The measure also requires that such entities become licensed and regulated as an assisted living facility by the Department of Health.

Upon further consideration, your Committee on Conference has amended the measure by deleting the substantive provisions of the measure and inserting, therefor, provisions that:

- (1) Require the Department of Health and the Real Estate Commission to conduct a study on the impact and feasibility of allowing condominium and cooperative housing corporation projects to become licensed as assisted living facilities to provide assisted living services for its residents, and submit a report of findings and recommendations, including proposed legislation, to the Legislature prior to the convening of the 2004 Regular Session. The study shall address issues, including, but not limited to, the following:
  - (A) A new definition of “assisted living services” that would be provided in a condominium or cooperative housing project that becomes licensed as an “assisted living facility,” taking into consideration that such projects would differ from other assisted living facilities in the provision of housing;
  - (B) Liability insurance issues;
  - (C) Potential liability exposure of individual owners as well as the board of directors of a condominium or cooperative housing corporation project that becomes licensed as an assisted living facility;
  - (D) Apportionment of fees and costs between the individual owners of the condominium or cooperative housing corporation project and those owners who have elected to receive assisted living services; and

- (E) The appropriateness of licensing vendors that would provide assisted living services to residents of a condominium or cooperative housing corporation project for a fee, under contract with its board of directors; and
- (2) Impose a moratorium on the licensing of any further condominium or cooperative housing corporation projects as assisted living facilities by the Department of Health, until the Legislature has acted upon the report or July 1, 2004, whichever occurs first.

As affirmed by the record of votes of the managers 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. 1492, 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. 1492, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Menor, Espero, Fukunaga, Trimble.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Espero).

Representatives Arakaki, Kahikina, Hiraki, Stonebraker.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

**Conf. Com. Rep. No. 71 on S.B. No. 255**

The purpose of this measure is to invalidate prospective land use agreements that purport to restrict or prohibit agricultural activities on lands classified as agricultural by the Land Use Commission, with the exception of restrictions intended to protect environmental and cultural resources.

Your Committee on Conference finds that this measure serves overwhelmingly important public interests in maintaining open space and agricultural lands. Agriculture preserves Hawaii's unique rural communities, generates income for farmers, their employees, and their families, and provides sustenance for Hawaii's people. Your Committee on Conference also finds that a covenant currently may restrict a farmer from growing anything beyond a certain height. This type of covenant is normally found only in housing subdivisions, and is overly restrictive to a bona fide farming operation in an agricultural district.

Your Committee on Conference amended the measure by adding a purpose clause to show that it appreciates that the United States and Hawaii Constitutions protect against the deprivation of private property for public use without just compensation and due process of law. The purpose clause further explains, using legislative history, the State's constitutional recognition of the importance of promoting and preserving agriculture, and the Constitution's allowance that a person may contract away a legal right so long as that contract does not impact anyone else's legal rights nor be "contrary to the public good". Thus, a covenant that violates the constitutional intent of preserving and conserving agricultural lands and uses in the State cannot be in the public good.

Your Committee has also amended the measure by:

- (1) Removing language that would have allowed restrictions to agricultural uses if characteristics such as topography or soil quality render agricultural use unsuitable; 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 S.B. No. 255, 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. 255, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Aduja, Hooser, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Abinsay, Kanoho, B. Oshiro, Caldwell, Finnegan.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. No. 72 on S.B. No. 975**

The purpose of this measure is to provide the State and counties with tort immunity from claims arising from the use of public skateboard parks, except in cases where the public entity has failed to adequately repair or maintain the park.

Your Committee on Conference has agreed that limited liability for the State and counties is appropriate, in order to encourage the establishment of skateboard parks.

Your Committee on Conference amended this measure to extend immunity to volunteers working at such parks without remuneration.

As affirmed by the record of votes of the managers 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. 975, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 975, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Fukunaga, Chun Oakland, Baker.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Chun Oakland).

Representatives Chang, B. Oshiro, Karamatsu, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 73 on S.B. No. 740**

Your Committee on Conference finds that the public health nursing services program (PHN) was established by the Department of Health in 1923 to provide communicable disease control, infant welfare services, and nutrition services. Since its inception, PHN has contributed tremendously toward maintaining and improving the health of Hawaii's residents and is involved in all levels of service, including early intervention services, Felix-related services, breast and cervical cancer programs, and others. Clearly, PHN has become an indispensable program for the State. Your Committee on Conference finds that this measure assures PHN's continued existence and the continued provision of nursing services to thousands around Hawaii.

Your Committee on Conference has amended this measure by making a technical amendment to clarify that PHN is to be established "within" the Department of Health.

As affirmed by the record of votes of the managers 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. 740, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 740, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Kokubun, Chun Oakland, Tsutsui, Taniguchi, Hogue.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Hogue).

Representatives Arakaki, Nishimoto, Hale, Meyer.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Meyer).

**Conf. Com. Rep. No. 74 on S.B. No. 38**

The purpose of this measure is to make an appropriation to the Hawaii tourism special fund to implement an integrated marketing plan.

After further consideration, your Committee on Conference has amended this measure to revert its language to the original measure, S.B. No. 38, to allow the Hawaii Tourism Authority (Authority) to hire its own attorneys. The House Conferees believe that another measure in conference may be a more appropriate vehicle to make the appropriation.

Your Committee on Conference finds that the responsibilities of the Authority, particularly with regard to negotiating complex contracts, require specialized legal expertise and the services of an attorney able to focus attention exclusively on the legal needs of the Authority. With the staggering work demands on the Attorney General, your Committee on Conference finds that the expediency required by the work of the Authority necessitates that it have its own attorneys.

As affirmed by the record of votes of the managers 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. 38, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 38, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Hanabusa, Taniguchi, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Chang, Hamakawa, Karamatsu, Ontai.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ontai).

**Conf. Com. Rep. No. 75 on S.B. No. 1352**

The purpose of this measure is to provide for the continuation of licensing and regulation of community care foster family homes by the Department of Human Services (DHS), by extending the repeal date of Act 273, Session Laws of Hawaii 2001 (Act 273), from June 30, 2003, to June 30, 2004. This measure also requires DHS to report to the Legislature prior to the convening of the 2004 Regular Session on the cost-effectiveness and administration of the licensing and certification process established by Act 273, and the possibility of integrating or consolidating the classification of community care foster family homes with adult residential care homes (ARCHs) as defined in section 321-15.1, Hawaii Revised Statutes.

Upon further consideration, your Committee on Conference has made the following amendments to this measure:

- (1) Amending the purpose section of the measure to reflect the need to extend the DHS' community care foster family home licensing and certification demonstration projects established under Act 273;
- (2) Adding a section to the measure that would also extend the DHS' community care foster family home licensing and certification demonstration projects established under Act 273, Session Laws of Hawaii 2001, for one year, until June 30, 2004, to ensure that the demonstration project parameters remain consistent throughout the extended term of Act 273; and
- (3) Appropriating \$65,000 from the criminal history record improvement revolving fund for fiscal year 2003-2004, to conduct criminal history record checks for operators of community care foster family homes regulated under such projects.

As affirmed by the record of votes of the managers 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. 1352, 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. 1352, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Taniguchi, Aduja, Espero, Hooser, Inouye, Trimble.  
Managers on the part of the Senate.  
Ayes, 6. Noes, none. Excused, 1 (Espero).

Representatives Kahikina, Hamakawa, Shimabukuro, Ching.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 76 on S.B. No. 1423**

The purpose of this measure is to establish the Commission on Fatherhood to make recommendations and oversee policies to create programs, services, and contracts that promote healthy family relationships between parents and children that are father-friendly and inclusive.

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

- (1) Establishing the Commission on Fatherhood within the Office of the Lieutenant Governor for administrative purposes, rather than the Department of Human Services;
- (2) Clarifying that the purpose of the Commission is to promote healthy family relationships between parents and children;
- (3) Providing that eight members shall be appointed by the Governor in accordance with section 26-34, Hawaii Revised Statutes, as follows:
  - (A) Two members shall be appointed from a list of three nominees submitted by the President of the Senate and two members shall be appointed from a list of three nominees submitted by the Speaker of the House of Representatives; and
  - (B) Four members shall be appointed from the community;
- (4) Providing that one voting member shall be designated by the Hawaii Coalition for Dads;
- (5) Providing that all members shall serve for a term of two years;
- (6) Clarifying that the Commission shall serve in an advisory capacity to state agencies to promote healthy family relationships between parents and children, and amending the duties of the Commission to be consistent thereto;
- (7) Inserting a sunset (repeal) date of June 30, 2005; and
- (8) Making other technical, nonsubstantive amendments for the purposes of clarity, consistency, and formatting.

Your Committee on Conference notes that the Commission on Fatherhood is intended to function independently without administrative support from the Office of the Lieutenant Governor, and further notes that no state funds are appropriated for the Commission on Fatherhood.

As affirmed by the record of votes of the managers 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. 1423, 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. 1423, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Taniguchi, Hooser, Kanno, Kawamoto, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

Representatives Kahikina, Shimabukuro, Wakai, Finnegan.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Wakai).

**Conf. Com. Rep. No. 77 on S.B. No. 205**

The purpose of this measure is to encourage parents to be actively involved in the education of their children by establishing that public employees shall be eligible for at least two hours of paid leave, under certain conditions, to attend either:

- (1) A mutually-scheduled parent-teacher conference for children in grades kindergarten through twelve; of
- (2) A mutually-scheduled parent-caregiver conference for a preschool-aged child attending a licensed child care center.

Additionally, this measure establishes a limit of no more than four conferences per child in a calendar year. This measure also provides that the paid leave permitted shall not be credited against a public employee's vacation or sick leave benefits, and that such leave shall not interfere with the operations of the work unit or require the affected agency to incur any overtime costs or additional human resources. Furthermore, the measure specifies that travel time is to be included within the two hours allotted an employee per conference.

Your Committee on Conference has determined that it is important to support and facilitate parents' ability to become involved in the lives of their children. In order to help foster the parent-child relationship, public employees should be provided with paid leave to attend parent-teacher and parent-caregiver conferences. Currently, under Administrative Directive 93-02, State employees are permitted to utilize up to four hours of paid leave to attend parent-teacher or parent-caregiver conferences per school year. However, the same leave policy is not provided to all public employees on a consistent basis. Your Committee on Conference has further determined that the statutory codification of the existing policy supporting parental involvement will act to firmly establish the State's dedication to the welfare of the family unit.

Upon further deliberation, your Committee on Conference has amended this measure by reducing the number of conferences permitted per year per child from four conferences to two conferences.

As affirmed by the record of votes of the managers 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. 205, S.D. 3, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 205, S.D. 3, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Kawamoto, Kokubun).

Representatives M. Oshiro, Nakasone, Mindo, Blundell.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 78 on S.B. No. 1443**

The purpose of this measure is to fund authorizations and appropriations for collective bargaining cost items for bargaining unit (11), firefighters, and excluded counterparts.

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

- (1) Inserting specific amounts to be appropriated to cover the costs of the salary increases of the respective agencies' employees and collective bargaining cost items negotiated for collective bargaining unit 11 and excluded counterparts from both general and special funds;
- (2) Adding new sections to the measure that include appropriations for all cost items provided in the arbitrated settlement for Hawaii Employer-Union Trust Fund costs for collective bargaining unit 11 and excluded counterparts;
- (3) Changing the effective date from upon approval to July 1, 2003; and
- (4) Making technical, nonsubstantive amendments for 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. 1443, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1443, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kokubun, Tsutsui, Slom.  
Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Kokubun, Slom).

Representatives M. Oshiro, Takamine, Mindo, Moses.  
Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 79 on S.B. No. 1444**

The purpose of this measure is to fund authorizations and appropriations for collective bargaining cost items for bargaining unit (12) negotiated by the bargaining representative for fiscal biennium 2003-2005.

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

- (1) Changing the measure to apply to members of bargaining unit (9), registered professional nurses, and excluded counterparts, rather than bargaining unit (12);
- (2) Adding new sections that include appropriations for all cost items provided in the arbitrated settlement for Hawaii Employer-Union Trust Fund costs for collective bargaining unit (9) and state officers and employees excluded from collective bargaining;
- (3) Adding new sections that include appropriations for all cost items provided in the arbitrated settlement for salary increases and other wage related costs for bargaining unit (9) and excluded counterparts;
- (4) Adding new sections that indicate that the funds appropriated by the Act to Program Planning, Analysis, Budgeting (BUF 101) shall be allotted by the Director of Finance to the appropriate state departments;
- (5) Adding new sections that indicate that the funds appropriated by the Act to Administrative Director Services (JUD 201) shall be allotted by the Chief Justice; and
- (6) Changing the effective date from upon approval to July 1, 2003; and
- (7) Making technical, nonsubstantive amendments for 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. 1444, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1444, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kokubun, Tsutsui, Slom.  
Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Kokubun, Slom).

Representatives M. Oshiro, Takamine, Mindo, Bukoski.  
Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 80 on S.B. No. 1309**

The purpose of this measure is to:

- (1) Clarify to whom monthly pensions are payable upon the death of the pensioner;
- (2) Allow the Employees' Retirement System (ERS) Board of Trustees (Board) to set the salary of the ERS Administrator without specific limitations;
- (3) Require the effective date of retirement to be the first day of the month or the last day of the year for a judge or elective officer who retires after attaining the seventy-five per cent benefit limitation;
- (4) Correct statutory references within section 88-74, Hawaii Revised Statutes (HRS), to correspond to the appropriate subsections of section 88-81, HRS; and

- (5) Restore the method used to calculate a member's average final compensation prior to the enactment of Act 128, Session Laws of Hawaii 2002.

Your Committee on Conference finds that certain groups of employees were adversely affected by Act 128, Session Laws of Hawaii 2002, which amended the methods of calculation of a retiree's average final compensation. Your Committee on Conference also finds that the restoration of the previous method of calculating a retiree's average final compensation is necessary to address the current concerns of these retirees.

Additionally, in an effort to maintain fiscal awareness and responsibility, your Committee on Conference has amended this measure by requiring the ERS Board to set the ERS administrator's salary at not more than that of the Governor, as established under section 26-51, HRS.

As affirmed by the record of votes of the managers 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. 1309, 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. 1309, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Kawamoto, Kokubun).

Representatives M. Oshiro, Nakasone, Mindo, Blundell.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 81 on S.B. No. 1040**

The purpose of this measure is to:

- (1) Require that ten per cent of the revenue collected from the transient accommodations tax and allocated to tourism promotion and visitor industry research, be deposited into the special land and development fund for the Hawaii statewide trail and access program; and
- (2) Delete the limit of \$500,000 in any fiscal year that may be expended for management, maintenance, and development of trails and trail accesses.

This measure effectuates the intent of Act 250, Session Laws of Hawaii (SLH) 2002, which authorized a portion of the TAT revenues to be expended on the Hawaii statewide trail and access program, which is funded from the special land and development fund. However, Act 250, SLH 2002, did not specify a deposit into any special fund. This measure corrects that omission.

The effect of this measure, as well as Act 250, SLH 2002, is to make dedicated moneys available for the Hawaii statewide trail and access program, which is being enjoyed by increasing number of tourists and residents, without added cost to the general fund.

Your Committee on Conference views this measure as promoting ecotourism, a new marketing niche for attracting visitors. Hawaii is unique in its natural beauty, which most tourists find attractive. Ecotourism is a means of enhancing the tourist experience.

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. 1040, 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. 1040, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Taniguchi, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Chang, Kanoho, Takamine, Ontai.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ontai).

**Conf. Com. Rep. No. 82 on S.B. No. 1505**

The purpose of this measure is to establish the Hawaii Invasive Species Council in session law for the temporary and special purpose of coordinating and improving invasive species control and eradication efforts throughout the State.

Your Committee has fully recognized and addressed each of the concerns presented by the Attorney General in a letter addressed to your Committee on Conference, dated April 21, 2003, by making the following amendments:



- (1) Inserting July 1, 2008, as the sunset date for the Council;
- (2) Clarifying the special purpose of the invasive species council;
- (3) Designating invasive species control efforts by particular function rather than by species throughout the measure;
- (4) Clarifying that the Department of Agriculture's weed risk assessment protocol shall be incorporated and expanded upon rather than duplicated or overrun by the council;
- (5) Deleting the invasive species administrator position;
- (6) Authorizing the issuance of a warrant when a private property owner refuses entry after receiving notice of intent to control or eradicate an invasive species on his or her property; and
- (7) Clarifying that the warrant should be issued to direct the police officer to assist the department or its agent in gaining entry to the property and executing control and eradication measures.

Further, your Committee notes that the Hawaii Invasive Species Council proposed in this measure is like other councils/commissions that are similarly temporary, for a special purpose, and administratively attached to the Office of the Governor the Council/Commission have previously passed legal muster and continue to exist.

As affirmed by the record of votes of the managers 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. 1505, 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. 1505, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Kokubun, Hooser.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Morita, Abinsay, Karamatsu, Halford.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Abinsay).

**Conf. Com. Rep. No. 83 on S.B. No. 582**

The purpose of this measure is to authorize the issuance of general obligation bonds to finance projects for the executive branch and the judiciary.

Your Committee finds that the total amount of principal and interest estimated for the general obligation bonds authorized under this measure, and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit of the State to be exceeded at the time of issuance.

Article VII, section 13, of the Constitution of the State of Hawaii requires the Legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds, which shall declare the issuance of state bonds authorized will not cause the debt limit to be exceeded at the time of issuance.

Your Committee on Conference has amended this measure by:

- (1) Inserting the appropriate amounts provided by the Department of Budget and Finance; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 582, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 582, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kokubun, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Takamine, Kaho`ohalahala, Karamatsu, Kawakami, Magaoay, Mindo, Nakasone, Nishimoto, Shimabukuro, Wakai, Waters, Bukoski, Jernigan, Meyer, Moses.  
Managers on the part of the House.  
Ayes, 13. Noes, none. Excused, 2 (Waters, Bukoski).

**Conf. Com. Rep. No. 84 on S.B. No. 459**

The purpose of this bill is to restore the integrity of the election process by:

- (1) Prohibiting fundraising in buildings being used for state or county purposes;
- (2) Prohibiting contributions by government contractors with contracts over \$25,000, commencing with any procurement activity conducted by a purchasing agency or notice of appropriation, and ending twenty-four months after the termination of the procurement activity or completion of any government contract;
- (3) Prohibiting the use of campaign contributions for personal expenditures, and limiting payments from campaign funds to \$4,000 in a four-year period prior to an election in which the candidate seeks nomination or election to a four-year term office, and \$2,000 in a two-year period prior to the election in which the candidate seeks nomination or election to a two-year term office;
- (4) Amending the registration requirements for candidates seeking reelection;
- (5) Replacing the requirement that the Campaign Spending Commission adopt a Code of Fair Campaign Practices as part of its rules with the requirement that the commission adopt a schedule of administrative fines for categories of violations incorporating the penalties that are provided by statute;
- (6) Amending the campaign contributions limit to \$4,000 for candidates seeking offices of four-year terms, \$2,000 for candidates seeking offices of two-year terms, \$2,000 for noncandidate committees in a two-year election period, \$5,000 per year for a party, and a maximum limit of \$25,000 in the aggregate for all contributions from an individual in a two-year election period, and clarifies that excess contributions not returned within thirty days escheat to the Hawaii Election Campaign Fund;
- (7) Prohibiting campaign contributions in excess of \$6,000 in the aggregate from corporations, labor organizations, member organizations, cooperatives, or corporations without capital stock;
- (8) Defining the ownership interest in a corporation as twenty-five percent for purposes of campaign contribution limits by individuals;
- (9) Clarifying that a person who is prosecuted and convicted of campaign violations is not subject to administrative enforcement, and provides that falsifying reports with intent to circumvent the law or deceive the commission is a class C felony;
- (10) Amending the public funding provisions to require a candidate to receive a scheduled amount of qualifying contributions from individual residents of Hawaii, and eliminating public funding for special elections;
- (11) Repealing §11-203, Hawaii Revised Statutes (HRS), relating to fundraisers and fundraising activities; and
- (12) Adding definitions and clarifying terms for consistency of application.

Your Committee amended the bill by:

- (1) Deleting §11-B, HRS, entitled "campaign contributions; prohibited by corporations, labor organizations, member organizations, cooperatives, or corporations without capital stock";
- (2) Adding a definition for "bundle" to §11-191, HRS;
- (3) Amending the definition of "committee" in §11-191, HRS, to include a party;
- (4) Removing the amendments to the definition of "contribution" in §11-191, HRS;
- (5) Amending paragraph (4) of the definition for "expenditure" in §11-191, HRS, by adding the words "that states the purpose of the payment is to influence the nomination and election of the donor candidate. Such payments shall be made with the following designation: "This donation is made to influence the nomination and election of the donor [candidate's name]";
- (6) Replacing the \$1000 expenditure aggregate amount with \$100 in §§11-194(d) and 11-194(e), HRS;
- (7) Clarifying in §11-194(e), HRS, that the registration requirement applies to committees forming within ten days of a primary or general election;
- (8) Raising the maximum campaign and surplus funds payment amount to community service or charitable organizations from \$4,000 to \$8,000 in a four-year period prior to an election for a four-year term of office, and from \$2,000 to \$4,000 in a two-year period prior to an election for a two-year term of office;
- (9) Deleting §11-204(c), HRS, on page 27, lines 19-20;
- (10) Replacing the words "in an election" on page 28, line 6, with the words "for the election in which the candidate seeks office";
- (11) Removing the brackets and strikethrough from §11-204(g), HRS, on page 30, lines 5-12;

- (12) Removing the brackets and strikethrough from §11-204(h), HRS, on page 30, line 13, for the words “an individual”, and adding the words “who owns more than twenty-five per cent of the outstanding shares of a corporation or interest in a partnership, shall be treated as one person with the corporation or partnership”;
- (13) Deleting §11-204(m)(4), HRS, on page 32, lines 16-21;
- (14) Removing the brackets and strikethrough from the words “except for subsection” in §11-204(n), HRS, on page 33, line 1;
- (15) Replacing the words “for a period of time” with “at any time” in §11-205.5(a), HRS, on page 34, line 13;
- (16) Deleting §11-205.5(d), HRS, on page 35, lines 7-9;
- (17) Reformatting §11-205.5(e), HRS, into two paragraphs, deleting the words “less than” from paragraph (1) on page 35, line 11, and adding the words “any business that seeks or has any government contract obtained through low bid price” to form paragraph (2);
- (18) Adding a new §11-205.5(e), HRS, that allows a government contractor to contribute to a candidate if the candidate holds or is seeking a public office that does not have the authority or discretion to enter into, approve, or ratify the government contract sought or held by the government contractor;
- (19) Amending the definition for “government contract” in §11-205.5(f), HRS, on page 36, lines 17-20 by deleting the word “procurement” before the word “contract”, and replacing the words “covered by” before the words “the Hawaii public procurement code” with the words “not excluded from the application of”;
- (20) Amending the definition of “government contractor” in §11-205.5(f), HRS, on page 36, line 21 – page 37, line 2, to mean any business that seeks a nonbid government contract valued in excess of \$25,000 or has one or more nonbid government contracts that exceed \$25,000 in the aggregate;
- (21) Adding a definition for “nonbid” to §11-205.5(f), HRS;
- (22) Amending §11-228(d), HRS, to require that administrative fines collected by the campaign spending commission be deposited into the general fund instead of the Hawaii Election Campaign Fund;
- (23) Amending the effective date to specify that the Act’s provisions shall not be applied retroactively to any contributions made prior to its effect;
- (24) Conforming the purpose section to these amendments; and
- (25) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 459, 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. 459, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Kawamoto, English, Espero, Whalen.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

Representatives Hamakawa, Caldwell, B. Oshiro, Bukoski.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Bukoski).

#### **Conf. Com. Rep. No. 85 on S.B. No. 1134**

The purpose of this bill is to establish new court administrative costs associated with the processing of certain civil filings, and authorizes the deposit of these costs into the Judiciary Computer System Special Fund.

Your Committee amended the bill by replacing its effective date of July 1, 2010, with July 1, 2003. Your Committee finds that moneys in the Judiciary Computer System Special Fund will be used to implement the integrated Judiciary Information Management System that will allow the Judiciary to increase its efficiency by upgrading the court’s outdated, fragmented, and overloaded computer system.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1134, 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. 1134, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Chun Oakland, Kokubun.

Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Hamakawa, Nishimoto, B. Oshiro, Pendleton.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

**Conf. Com. Rep. No. 86 on S.B. No. 1135**

The purpose of this bill is to authorize the deposit of certain district court fees into the Judiciary Computer System Special Fund.

Your Committee amended the bill by:

- (1) Adding an appropriation section that appropriates \$3.5 million from the Judiciary Computer System Special Fund in fiscal years 2003-2004 and 2004-2005 for the purpose of implementing the Judiciary Information Management System (JIMS); and
- (2) Replacing its effective date of July 1, 2010, with July 1, 2003.

Your Committee finds that moneys in the Judiciary Computer System Special Fund will be used to implement JIMS which will allow the Judiciary to increase its efficiency by upgrading the court's outdate, fragmented, and overloaded computer system.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1135, 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. 1135, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Kokubun, Chun Oakland, Taniguchi, Hogue.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Hamakawa, Nishimoto, B. Oshiro, Bukoski.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 87 on S.B. No. 1333**

The purpose of this bill is to authorize the Judiciary Salary Commission (Commission) to determine salaries for justices, judges, and appointed Judiciary administrative officers effective July 1, 2004, and every eight years thereafter, subject to legislative and gubernatorial disapproval.

Your Committee finds that allowing the Commission to review and recommend salaries on a regular basis ensures the separation of powers and independence of the Judiciary. Your Committee further finds that Article VI, section 3 of the State Constitution requires that "justices and judges shall have salaries as provided by law". Because laws are made by the legislative branch of government, your Committee believes the Commission's recommendations should only be reviewed by the legislature. Therefore, your Committee amended the bill by:

- (1) Deleting reference to the governor in §601-3(a), Hawaii Revised Statutes (HRS), on page 2, line 2;
- (2) Deleting reference to the governor in §601-3(c), HRS, on page 2, line 15;
- (3) Deleting reference to the governor in §602-2, HRS, on page 3, line 9;
- (4) Deleting reference to the governor in §602-52, HRS, on page 4, lines 1-2;
- (5) Deleting reference to the governor in §603-5, HRS, on page 4, line 13;
- (6) Deleting reference to the governor in §604-2.5, HRS, on page 5, line 2;
- (7) Replacing the word "determinations" with the word "recommendations" on page 7, line 9, and reinserting the word "recommended" on page 8, line 6;
- (8) Deleting the phrase "with a copy to the governor" on page 7, lines 10-11;
- (9) Adding a provision authorizing incremental salary increases that take effect over the span of years occurring prior to the convening of the next Commission;
- (10) Replacing the phrase "the new salaries shall take effect at the beginning of the next fiscal year" on page 7, lines 11-12, with "the recommended salaries submitted by the commission shall become effective July 1 of the next fiscal year";
- (11) Deleting the words "by the legislature" on page 7, lines 15-16;

- (12) Replacing the words "recommendation is submitted" on page 7, line 19, with "recommended salaries are submitted";
- (13) Deleting §608-1.5(c)(2), HRS, on page 7, line 20 – page 8, line 2, that allows the governor to disapprove a salary recommendation;
- (14) Rewording page 8, lines 3-4 to read "provided that pursuant to article VI, section 3 of the State Constitution";
- (15) Adding the words "and not disapproved by the legislature" after the word "commission" on page 8, line 7;
- (16) Adding a provision that allows the Commission to reconvene in the month of November following legislative disapproval of a salary recommendation to review the legislature's reasons for disapproving its salary recommendation, and allowing the Commission to submit a new salary recommendation in the next regular session; and
- (17) Making technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1333, 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. 1333, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Chun Oakland, Kokubun.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Chun Oakland).

Representatives M. Oshiro, Takamine, Nakasone, Jernigan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 88 on S.B. No. 1462**

The purpose of this measure is to:

- (1) Adjust the compensation package of the Executive Director of the Hawaii Tourism Authority (HTA);
- (2) Allow the HTA to appoint a sports coordinator;
- (3) Exempt the HTA from chapters 38 and 40, Hawaii Revised Statutes, governing the deposits of public funds and audit and accounting procedures;
- (4) Require the HTA to notify the Legislature of the execution of any contract or agreement of \$25,000 and over;
- (5) Allow the Executive Director to disburse funds from the convention center enterprise special fund and tourism special fund; and
- (6) Require the HTA to engage a certified public accountant to conduct an annual audit of its financial transactions.

This measure is intended to enhance the operational effectiveness of the HTA and make it more financially accountable to the State. The sports coordinator would provide management services for all sporting events supported through the HTA, in recognition of sporting events as a viable and profitable tourist attraction.

Your Committee on Conference has amended this measure by:

- (1) Designating the existing sections 1 to 6 of this measure as part I;
- (2) Adding a new section to part I to require the HTA to establish a Hawaii tourism registry, to enhance tourism promotion efforts and adding to the HTA's powers and duties, the authority to enter into agreements with Hawaii-based groups in the registry to market and promote Hawaii;
- (3) Adding a part II to appropriate \$8,000,000 to the HTA to enable the HTA to respond to unstable market conditions of world conflicts, terrorists threats, and the outbreak of severe acute respiratory syndrome and the resulting impact on the economy and the welfare of the people of Hawaii, and to strengthen the programs and operations of the HTA; allow the HTA to amend its existing contracts for this purpose; and require the HTA to report to the Legislature by January 15, 2004, on the details of how the funds were expended;
- (4) Designating the Ramseyer and effective date sections as part III; and
- (5) Changing the effective date to July 1, 2003, and changing the statutory sections to be repealed and reenacted.

As affirmed by the record of votes of the managers 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. 1462, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1462, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Taniguchi, Sakamoto, Tsutsui, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Sakamoto, Slom).

Representatives Chang, Karamatsu, Herkes, Ontai.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ontai).

**Conf. Com. Rep. No. 89 on S.B. No. 44**

The purpose of this measure is to provide economic relief to airport concessionaires whose businesses have been affected by the September 11, 2001, terrorist attacks, subsequent implementation of stricter safety measures, and reduced number of air travelers.

Both houses passed substantially similar versions of this measure, which served as the base for the C.D. 1 version. Your Committee on Conference amended this measure based on language submitted by the airport concessionaires, in part to address concerns raised by the Federal Aviation Administration (FAA).

Your Committee on Conference amended this measure to include force majeure language, which states that all airport concession contracts may contain language authorizing the Department of Transportation (DOT) to negotiate contract modifications with concessionaires if there is a drop in gross receipts resulting from a reduction in passengers due to events beyond either party's control. If negotiation is unsuccessful, the matter is resolved via the courts unless arbitration or another form of alternative dispute resolution is agreed to.

Your Committee on Conference also amended this measure to basically restate as session law many of the provisions that are codified in other portions of this measure. This amendment does not mandate that the DOT provide any relief. If the DOT does not provide relief to concessionaires whose businesses decline the specified percentage, the DOT may either terminate the concessionaire's contract or allow the concession to operate on a no profit, break even basis. Disputes under this section will be resolved by a court appointed arbitrator

Under this section, if a concession is terminated, it has no claims against the State, but can recover its security and bonds and will not be barred from doing business with the State for five years, as provided under existing law.

Any concessionaire who received relief under Act 15, Third Special Session Laws of Hawaii 2001, will have its relief under this measure offset accordingly. Likewise, a concessionaire may not received duplicative relief under the various provisions of this measure.

Finally, if the relief provided in this measure causes a shortfall in airport revenues, it shall be drawn from unrestricted surplus funds, which shall not continue past June 30, 2006, the date on which most contract terms end. Your Committee on Conference finds that this language is important to address concerns raised by the FAA.

As affirmed by the record of votes of the managers 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. 44, 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. 44, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Taniguchi, Aduja, Espero, Kim, Kokubun.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Kim, Kokubun).

Representatives Souki, Takamine, Caldwell, Pendleton.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

**Conf. Com. Rep. No. 90 on S.B. No. 464**

The purpose of this measure is to require the Department of Transportation (DOT), in conjunction with the Oahu Metropolitan Planning Organization, to develop an action plan for implementation of a fixed rail transit system on Oahu.

Your Committee on Conference amended this measure to restore the contents of the S.D. 2 version, which allows the DOT to explore the feasibility of a monorail if a full-fledged fixed rail system is not feasible.

In addition, your Committee on Conference deleted the section of the S.D. 2 version that would have required the DOT to begin acquiring land for the fixed rail or monorail through the State's eminent domain powers once the site had been selected.

Finally, your Conference Committee amended the measure so that it is effective upon approval rather than on July 1, 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 S.B. No. 464, 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. 464, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Taniguchi, Aduja, Espero, Kim, Kokubun, Sakamoto.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 3 (Kim, Kokubun, Sakamoto).

Representatives Souki, Takamine, Caldwell, Pendleton.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

**Conf. Com. Rep. No. 91 on S.B. No. 528**

The purpose of this measure is to transfer certain Hawaii county lands and improvements now used for public school purposes to the State.

Your Committee on Conference amended this measure to add the lands on which Keaau Middle School is situated to those being transferred to the State, to amend the entry for Keaau Middle and Intermediate Schools to exclude certain buildings (which will be retained by the county), and to make various technical amendments for purposes of accuracy and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 528, 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. 528, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Inouye, Espero, Kokubun, Aduja, Taniguchi, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kokubun, Taniguchi).

Representatives Kanoho, Kaho`ohalahala, Magaoy, Meyer.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Meyer).

**Conf. Com. Rep. No. 92 on S.B. No. 1262**

The purpose of this measure is to amend various provisions of the state procurement code.

Your Committee on Conference met numerous times to discuss the differences between the House and Senate versions of this measure before reaching agreement. Your Committee on Conference used the S.D. 1 version of this measure as a base to prepare the C.D. 1 version, incorporating the amendments discussed below.

Your Committee on Conference amended the pre-bid conference provisions of this measure to require a pre-bid conference for all construction or design-build projects with a total estimated contract value of \$500,000 or more that are awarded pursuant to competitive sealed bidding, and for all such projects with an estimated value of \$100,000 or more awarded through a request for proposals. Your Committee on Conference also amended the language to clarify that only one pre-bid conference is required.

In addition, your Committee on Conference inserted a provision to require the head of the purchasing agency to invite all potential interested subcontractors and union representatives to attend the pre-bid conference.

Your Committee on Conference also included language from the H.D. 1 version of this measure to authorize nonselected offerors and nonselected professional service providers to request a "debriefing" prior to filing an official protest. Rather than include the language in section 103D-701, Hawaii Revised Statutes (HRS), your Committee on Conference inserted the language directly into sections 103D-303 and 103D-304, HRS. Your Committee on Conference also amended section 103D-701, HRS, to make the protest timeframe consistent.

Your Committee on Conference retained the language from the S.D. 1 version regarding procurement of professional service providers, but added language to give the purchasing agency greater flexibility when awarding professional service contracts for less than \$25,000, and to require the head of the purchasing agency to document the reason if a contract is not successfully negotiated with the first or second ranked person on the list. Your Conference Committee also included language to require electronic posting of every professional service contract awarded for more than \$5,000, rather than \$25,000.

Your Committee on Conference amended the "offeror responsibility" provisions to address constitutionality concerns. As amended, offerors still must demonstrate compliance with Hawaii employment laws, but only once they are awarded a contract. In addition, offerors must be incorporated or organized under the laws of the State of Hawaii or must register a separate branch or division in the State that is capable of fully performing under the contract.

As affirmed by the record of votes of the managers 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. 1262, 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. 1262, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Aduja, Espero, Sakamoto, Whalen.  
Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Sakamoto, Whalen).

Representatives Hiraki, Magaoay, Herkes, Meyer.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 1 (Meyer).

**Conf. Com. Rep. No. 93 on S.B. No. 254**

The purpose of this measure is to amend a prior appropriation to demolish and rebuild a bridge crossing Waimea Irrigation System in Puukapu Homesteads, Second Series Puukapu, South Kohala, Island of Hawaii.

Your Committee on Conference finds that homeowners, on Kamuela property that was subdivided to two-acre parcels in 1926, are facing a serious safety issue because of a wooden bridge used to access their property. The bridge crosses a state-owned and managed irrigation ditch to provide access to seven lots on the north side of the ditch running through the subdivision. The ditch was used to irrigate sugar cane fields along the Hamakua Coast and was managed by the Department of Land and Natural Resources until the late 1980s, when it was transferred to the Department of Agriculture. Because no other vehicular access is available, residents continue to use the wooden bridge, which is in such serious disrepair that emergency vehicles refuse to cross it. Your Committee finds that it is in the public interest of health, safety, and welfare to demolish the existing bridge and build a new one.

Your Committee has amended this measure by changing the effective date from July 1, 2010, to July 1, 2003.

As affirmed by the record of votes of the managers 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. 254, 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. 254, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi, Espero, Kokubun, Whalen.  
Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Kokubun, Whalen).

Representatives Kanoho, Kaho`ohalahala, Waters, Moses.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 94 on S.B. No. 534**

The purpose of this measure is to appropriate funds to the University of Hawaii College of Tropical Agriculture and Human Resources (CTAHR) for various agricultural research and outreach programs beyond the University's base budget request.

Your Committee on Conference finds that CTAHR is an important institution that helps support and strengthen Hawaii's agricultural industry. It is critical that CTAHR has the ability to provide applied research techniques and extension services to farmers statewide.

Your Committee on Conference has amended this measure to list the contributions of the State's agricultural industry and areas that must be expanded upon by that industry. As amended, the measure requests the development of such high-value products as pest, disease, and nutrient management systems, and bioremediation technologies. The measure has been further amended to include the appropriation of \$400,000 solely for fiscal year 2003-2004.

As affirmed by the record of votes of the managers 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. 534, 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. 534, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Sakamoto, Taniguchi, Kokubun, Aduja, Kawamoto, Tsutsui, Whalen.  
Managers on the part of the Senate.

Ayes, 5. Noes, none. Excused, 3 (Kawamoto, Kokubun, Whalen).

Representatives Takai, Wakai, Tamayo, Ching.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.



**Conf. Com. Rep. No. 95 on S.B. No. 1258**

The purpose of this measure is to retain the current selection process for the board of directors of the Agribusiness Development Corporation (ADC) by repealing provisions that replace the ADC board members with the members of the Board of Agriculture (BOA) on July 1, 2005.

Your Committee finds that the organizational and governance problems that were the impetus for replacing the ADC board with the members of the BOA have been satisfactorily resolved. This measure will enable the ADC and Hawaii's agriculture industry to benefit from the expertise and pro bono work of professionals and executives. The ADC's recent accomplishments demonstrate that it is able to meet the challenges of the agricultural transition occurring in this State and deserves the expression of support shown by this measure in assuring its longevity.

Your Committee has amended this measure by changing the order of the sections of the measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1258, 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. 1258, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Kokubun, Espero, Taniguchi, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

Representatives Abinsay, Karamatsu, Sonson, Meyer.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 96 on S.B. No. 1403**

The purpose of this measure is to give the Harbors Division of the Department of Transportation greater flexibility to lease its harbor lands and facilities to a broader variety of users, subject to the approval of the Board of Land and Natural Resources.

Your Committee finds that this measure will expand the definition of activities for which the Harbors Division may lease lands under its control, which will help to diversify harbor revenue. This will help reduce the pressure to raise wharfage fees and to keep the cost of goods in Hawaii lower. As the most geographically isolated state in the nation, Hawaii is critically dependent on its harbors and harbor infrastructure for receipt of life-sustaining supplies and as an economic driver with the rapidly growing passenger cruise and ocean tourism industries.

Your Committee has amended this measure by changing its effective date from July 1, 2005, 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. 1403, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1403, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Kawamoto, Aduja, Espero, Whalen.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Espero, Whalen).

Representatives Souki, Kawakami, Caldwell, Blundell.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 97 on S.B. No. 1496**

The purpose of this measure is to extend the authorization of the Department of Budget and Finance to issue special purpose revenue bonds on behalf of Hawaii Gold Cacao Tree, Inc., from June 30, 2003, to June 30, 2005.

Your Committee on Conference finds that Hawaii Gold Cacao Tree's success with growing, processing, and marketing cacao beans in Hawaii gives hope to independent farmers who want to invest in this crop. Hawaii Gold Cacao Tree has been proactive in developing the commercial growth of seedlings and trees to support a processing facility, and its commitment to building a cacao processing and chocolate manufacturing facility in Hawaii gives farmers the assurance that they will have a local outlet for their product. Your Committee on Conference recognizes that the effect of September 11, 2001, on international trade and the shipment of equipment has led to unavoidable delays in establishing the processing facility.

Your Committee has amended this measure by changing its effective date from "July 1, 2010", 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. 1496, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1496, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Espero, Kokubun, Taniguchi, Tsutsui, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Tsutsui).

Representatives Abinsay, Karamatsu, Sonson, Jernigan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 98 on S.B. No. 1440**

The purpose of this measure is to appropriate funds to pay for salary increases and other collective bargaining cost items for bargaining unit (5) and officers and employees of the Department of Education (DOE) excluded from collective bargaining.

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

- (1) Changing the language to fund Hawaii Employer-Union Health Benefits Trust Fund (EUTF) costs for employees of bargaining unit (5) and officers and employees of the DOE excluded from collective bargaining instead of all collective bargaining cost items;
- (2) Inserting specific amounts to be appropriated to cover the Hawaii EUTF costs for employees of bargaining unit (5) and officers and employees of the DOE excluded from collective bargaining.

As affirmed by the record of votes of the managers 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. 1440, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1440, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun, Tsutsui, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Whalen).

Representatives M. Oshiro, Takamine, Mindo, Moses.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 99 on S.B. No. 1441**

The purpose of this measure is to provide fund authorizations and appropriations for collective bargaining cost items for bargaining unit (7), and excluded counterparts, negotiated by the bargaining representative for fiscal biennium 2003-2005.

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

- (1) Changing the language to fund Hawaii Employer-Union Health Benefits Trust Fund (EUTF) costs for employees of bargaining unit (7) and excluded counterparts instead of all collective bargaining cost items;
- (2) Inserting specific amounts to be appropriated to cover the Hawaii EUTF costs for employees of bargaining unit (7) and excluded counterparts.

As affirmed by the record of votes of the managers 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. 1441, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1441, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun, Tsutsui, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Whalen).

Representatives M. Oshiro, Takamine, Mindo, Bukoski.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Bukoski).

**Conf. Com. Rep. No. 100 on S.B. No. 1332**

The purpose of this measure is to establish an Executive Salary Commission (ESC) to review the salaries of the Governor, Lieutenant Governor, executive branch department heads other than the President of the University of Hawaii and the Superintendent of Education, and deputy department heads.

This measure also:

- (1) Requires that the members of the ESC shall be appointed as follows:
  - (a) Two members appointed by the President of the Senate;
  - (b) Two members appointed by the Speaker of the House of Representatives; and
  - (c) One member by the Chief Justice of the Supreme Court;
- (2) Requires the ESC to convene in November 2003, and every eight years thereafter, and submit new salary recommendations to the Legislature prior to the fortieth day of the regular session of 2004, and every eight years thereafter; and
- (3) Allows the Legislature or the Governor to reject the ESC's recommendations.

Your Committee on Conference has amended the measure as follows:

- (1) Deleting the authority of the Governor to reject the ESC's recommendations;
- (2) Allowing the ESC to include incremental increases that take effect throughout the eight-year span occurring prior to the convening of the next salary commission; and
- (3) Following the disapproval of recommended salary amounts by the Legislature, requiring the ESC to reconvene in the following November to review the reasons for disapproval and to subsequently prepare and submit a report of findings and new salary recommendations to the Legislature for the next session.

As affirmed by the record of votes of the managers 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. 1332, 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. 1332, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

Representatives M. Oshiro, Takamine, Nakasone, Bukoski.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

#### **Conf. Com. Rep. No. 101 on S.B. No. 540**

The purpose of this measure is to support agricultural research and market development, and pineapple research projects by appropriating funds to be expended by the Department of Agriculture.

Your Committee on Conference finds that both agricultural research and market development are essential to Hawaii's agricultural industry, which is an important component of Hawaii's economy. Research helps producers raise their yields through informed choices about which crops to plant, when and where to plant them, how to protect them from pests, and how to optimize post-harvest quality. Market development complements research by expanding the consumer base that knows and values Hawaii's agricultural products.

Your Committee on Conference also finds that pineapple research, in particular, needs to be singled out because the pineapple industry is a leader within Hawaii's agricultural sector and a strong component of the State's agricultural base, but is facing increased global competition. The pineapple industry requires continued research and development to ensure effective competition with countries that have lower labor, land, and water costs, with less stringent environmental requirements.

Your Committee on Conference has amended the measure to provide \$800,000, in a grant-in-aid, to the Hawaii Farm Bureau Federation, which, in turn, will disburse funds to the Hawaii Agriculture Research Center for sugar and diversified agriculture research. Of that money, \$500,000 will be earmarked for sugar research. The measure further appropriates \$50,000 from general revenues of the State of Hawaii for pineapple research. The amended measure lists research projects for which the money can be used, but deletes the specified monetary allotments for each project. Due to the current fiscal crisis facing the State, your Committee on Conference amended the measure further by only appropriating funds for the 2003-2004 fiscal year.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 540, 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. 540, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Kokubun, Espero, Taniguchi, Whalen.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Kokubun, Whalen).

Representatives Abinsay, Magaoay, Sonson, Ontai.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ontai).

**Conf. Com. Rep. No. 102 on S.B. No. 317**

The purpose of this measure is to appropriate funds to allow the Fiftieth Anniversary Commemoration of the Korean War Commission to complete its activities regarding the fiftieth anniversary of the Korean War.

The Senate and House versions of this measure were nearly identical. Your Committee on Conference used the H.D. 1 version of this measure as a base, and inserted the sum of \$30,000 in the appropriation section.

As affirmed by the record of votes of the managers 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. 317, 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. 317, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Taniguchi, Aduja, Kim, Kokubun.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Kim, Kokubun).

Representatives Hale, Shimabukuro, Kaho`ohalahala, Moses.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 103 on S.B. No. 1050**

The purpose of this measure is to require the Office of Veterans' Services to provide grants to pay for the cost of funeral, burial, or repatriation expenses for Filipino-American veterans of World War II.

Your Committee on Conference used the S.D. 2 version of this measure as a base, which provided for an unspecified appropriation to the Comptroller for the disbursement of grant funds. Your Committee on Conference incorporated several amendments into the S.D. 2 version.

First, your Committee on Conference amended the S.D. 2 version to authorize the Office of Veterans' Services (OVS), rather than the Comptroller, to disburse the funds for burial, funeral, or repatriation of remains.

Your Committee on Conference also amended the S.D. 2 version to establish specific eligibility criteria to determine whether the veteran was a Hawaii state resident at the time of death.

Your Committee on Conference also inserted the sum of \$30,000 that has been allotted for this program this year.

Finally, your Committee on Conference made numerous technical, nonsubstantive amendments for purposes of accuracy, 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. 1050, 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. 1050, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kawamoto, Taniguchi, Aduja, Espero, Kokubun.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Kokubun).

Representatives Ito, Mindo, Magaoay, Pendleton.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

**Conf. Com. Rep. No. 104 on S.B. No. 614**

The purpose of this measure is to establish civil penalties for the commission of health insurance fraud and grant immunity from civil liability to persons reporting health insurance fraud, unless the reporting involved malice or perjury.

Your Committee on Conference has amended this measure by:

- (1) Deleting the word "immunities" from the title of the new statutory sections being established in chapters 431:10A, 432:1, and 432D, Hawaii Revised Statutes;
- (2) Clarifying the types of fraud reporting actions that are subject to immunity from civil liability;
- (3) Deleting language that:
  - (a) States that the purpose of the Act is to provide penalties for insurance fraud in health insurance;
  - (b) Defines "malice";
  - (c) Provides that the immunity provision shall not be construed to impose a duty upon the Insurance Commissioner to investigate or prosecute fraud;
  - (d) Requires health insurance applications and claim forms to contain language notifying applicants and claimants that insurance fraud is a criminal act subject to fines or imprisonment; and
  - (e) Amends the insurance fraud provision in the motor vehicle insurance law;
- (4) Deleting the savings clause provision; and
- (5) Inserting an effective date of July 1, 2003.

Finally, your Committee on Conference notes that during the legislative interim, discussions on the issues presented in this measure will continue to be held among the stakeholders and other interested parties in an effort to reach a further consensus.

As affirmed by the record of votes of the managers 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. 614, 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. 614, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Kim, Kokubun, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Kim, Whalen).

Representatives B. Oshiro, Waters, Hamakawa, Pendleton.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Pendleton).

**Conf. Com. Rep. No. 105 on S.B. No. 855**

The purpose of this measure is to establish renewable energy tax credits for systems installed after June 30, 2003, subject to a declaration by the Governor that tax collections are higher than 7.5 percent of the general fund revenues collected in the prior two fiscal years.

Upon further consideration, your Committee on Conference has made the following amendments to S.B. 855, S.D. 1, H.D. 3:

- (1) Changing the reporting deadline for the energy-efficiency policy review and evaluation to the regular session of 2007;
- (2) Providing for thirty-five percent of the actual cost or \$350 per unit, which ever is less, for multi-family residential property for solar thermal energy systems;
- (3) Providing for thirty-five percent of the actual cost or \$250,000, which ever is less, for commercial property for solar thermal energy systems
- (4) Providing for twenty percent of the actual cost or \$200 per unit, which ever is less, for multi-family residential property for wind powered energy systems;
- (5) Providing for twenty percent of the actual cost or \$250,000, which ever is less, for commercial property for wind powered energy systems;
- (6) Providing for thirty-five percent of the actual cost or \$1,750, which ever is less, for single family residential property for photovoltaic energy systems;
- (7) Providing for thirty-five percent of the actual cost or \$350 per unit, which ever is less, for multi-family residential property for photovoltaic energy systems;

- (8) Providing for thirty-five percent of the actual cost or \$250,000, whichever is less, for commercial property for photovoltaic energy systems;
- (9) Amending the definition of "actual cost" to include costs for which another credit is claimed under chapter 235, Hawaii Revised Statutes;
- (10) Deleting the requirement of a declaration by the Governor when tax collections are higher than 7.5 percent of the general fund revenues collected in the prior two fiscal years;
- (11) Deleting the provision allowing taxpayers not able to claim the tax credit due to the cap to claim the credit in a subsequent year;
- (12) Requiring the Director of Taxation to prepare forms identifying the technology type of each tax credit claimed, whether for solar thermal, photovoltaic from the sun, or wind;
- (13) Requiring the Department of Taxation to assist with data collection by or before December, 2005, to the extent feasible using existing resources to assist the energy-efficiency policy review and evaluation; and
- (14) Removing required data collection by installation type.

As affirmed by the record of votes of the managers 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. 855, 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. 855, S.D. 1, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Taniguchi, Hooser, Kokubun, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Tsutsui).

Representatives Schatz, Morita, Takamine, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 106 on S.B. No. 1286**

The purpose of this measure is to transfer administrative responsibility for the Housing and Community Development Corporation of Hawaii (HCDCH) from the Department of Business, Economic Development, and Tourism (DBEDT) to the Department of Human Services (DHS).

Upon further consideration, your Committee on Conference has amended this measure by recasting the language in section 6, which provides for the transfer of personnel and the rights and benefits of employees transferred by this measure, to reflect the reforms made under Act 253, Session Laws of Hawaii 2000, and the subsequent adoption of revised rules, additional collective bargaining provisions, and expanded Executive Orders.

As affirmed by the record of votes of the managers 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. 1286, 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. 1286, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Menor, Taniguchi, Tsutsui, Trimble.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Tsutsui).

Representatives Schatz, Kahikina, M. Oshiro, Nakasone, Ontai.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Ontai).

**Conf. Com. Rep. No. 107 on S.B. No. 1647**

The purpose of this measure is to authorize the Public Utilities Commission to assess fees to continue toll-free statewide access to the Newline service furnished by the National Federation of the Blind, beginning July 1, 2010.

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

- (1) Deleting the provisions that would have allowed the Public Utilities Commission to assess fees to fund the Newline service;
- (2) Appropriating \$43,000 for fiscal year 2003-2004 to the Public Utilities Commission to continue a telephonic reading system that provides individuals who are blind or visually impaired with toll-free statewide telephonic access to time-sensitive information for one year;

- (3) Allowing the Public Utilities Commission to enter into a contract with a qualified private, nonprofit organization to provide these services;
- (4) Revising the purpose section to be consistent with these amendments; and
- (5) Changing the effective date to July 1, 2003.

As affirmed by the record of votes of the managers 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. 1647, 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. 1647, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Menor, Fukunaga, Inouye, Trimble.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Inouye).

Representatives Kahikina, Hiraki, Shimabukuro, Ching.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ching).

**Conf. Com. Rep. No. 108 on S.B. No. 585**

The purpose of this measure is to improve services under the children's health insurance program by appropriating moneys from the Hawaii Tobacco Settlement Special Fund to:

- (1) Expand eligibility to 300 per cent of federal poverty guidelines or the maximum amount allowed by federal officials; and
- (2) Provide outreach services to qualified children.

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

- (1) Replacing its contents with the Senate version of this measure, S.B. No. 585, S.D. 1, which makes an emergency appropriation of unexpended tobacco settlement moneys to the Department of Human Services to fund children's health programs for fiscal year 2002-2003; and
- (2) Specifying that the effective date of this measure shall be the date of its approval.

Your Committee on Conference finds that this is an acceptable approach to allow the Department of Human Services (DHS) to utilize surplus tobacco settlement moneys in the 2002-2003 fiscal year. DHS has reassured your Committee on Conference that this emergency appropriation is a one-time request. Your Committee on Conference emphasizes that the emergency appropriation provided by this measure involves an extraordinary circumstance.

Your Committee on Conference further requests that DHS:

- (1) Redouble their outreach efforts to educate families about available children's health programs;
- (2) Seek out and identify children that may participate in those programs;
- (3) Streamline and simplify the application process for children's health insurance program applicants;
- (4) Work with public school health aides and public health nurses to identify students who are uninsured; and
- (5) Provide a report on the progress of these efforts to the 2004 Legislature no later than twenty days prior to the convening of the Regular Session of 2004.

As affirmed by the record of votes of the managers 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. 585, 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. 585, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Kokubun, Taniguchi, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

Representatives Kahikina, Arakaki, Takamine, Finnegan.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Finnegan).

**Conf. Com. Rep. No. 109 on S.B. No. 745**

The purpose of this measure is to:

- (1) Require the Department of Health to integrate emergency aeromedical services into statewide emergency medical services; and
- (2) Appropriate funds for aeromedical services for Maui County, ambulance services for the Waianae Coast, and advanced life support ambulance services for parts of Maui and Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Replacing the purpose section for part II of this measure relating to an appropriation to fund emergency aeromedical helicopter services for the County of Maui with the Senate version of the purpose section language on the same subject in part II of H.B. No. 1182, H.D. 2, S.D. 2;
- (2) Deleting the appropriations for ambulance services in the Waianae Coast, Kihei/Wailea region of Maui, and Hawaii Ocean View Estates on the island of Hawaii;
- (3) Deleting the requirement that the emergency aeromedical helicopter may only be utilized in geographic locations and emergency situations where Hawaii's current fixed-wing operations are unable to provide appropriate service;
- (4) Making an appropriation of \$611,500 for fiscal year 2004-2005 to fund the provision of emergency aeromedical helicopter services for the county of Maui and requiring a one-to-one match from the county of Maui before the funds are made available;
- (5) Making an appropriation of \$388,500 to integrate additional ground ambulance services with the emergency aeromedical helicopter services; and
- (6) Requiring that the emergency helicopter aeromedical services shall use triage protocols and be based on national aeromedical, triage, and transport guidelines established by the Association of Air Medical Services, the American College of Surgeons, and the National Association of Emergency Medical Services Physicians.

As affirmed by the record of votes of the managers 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. 745, 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. 745, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Kokubun, Chun Oakland, English, Taniguchi, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

Representatives Arakaki, Takamine, Karamatsu, Bukoski.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Karamatsu).

**Conf. Com. Rep. No. 110 on S.B. No. 748**

The purpose of this measure is to improve nursing education in Hawaii by:

- (1) Establishing a nursing education loan program (program) to provide loans to qualified nursing students; and
- (2) Appropriating funds for nursing faculty at the University of Hawaii.

Your Committee on Conference finds that there is an acute shortage of nurses in Hawaii. The numbers of these critical medical personnel have dwindled due to an aging workforce, and a decline in the number of young individuals choosing nursing as a career. Your Committee finds that the program represents an important step in training and retaining quality nurses in Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 748, 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. 748, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.



Senators Baker, Sakamoto, Kokubun, Chun Oakland, Taniguchi, Tsutsui, Hogue.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 3 (Kokubun, Taniguchi, Hogue).

Representatives Takai, Wakai, Tamayo, Ching.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 111 on S.B. No. 1088**

The purpose of this measure is to establish a funding mechanism to implement Act 245, Session Laws of Hawaii 2002, relating to the Hawaii Long-Term Care Financing Act, and to create a long-term care income tax credit.

Act 245 established a Temporary Board of Trustees of the Long-Term Care Financing Act, to study the issue of providing a universal and affordable tax-based system of financing long-term care that is actuarially sound. This measure enacts the recommendations of the trustees as contained in their report to the Legislature, "The Hawaii Long-Term Care Financing Program" (November 2002). After much deliberation over nearly a year of study, and after consultation with long-term care providers, consumers, experts, and actuaries, the Trustees determined that a financially viable system would require a mandatory contribution from the public. While the Legislature is reluctant to denominate this contribution as a "tax", the contribution is referred to as a tax only because it is collected through the income tax collection mechanism.

This measure is the latest and best effort of the Hawaii State Legislature to design a long-term plan that is simple, effective, market-oriented, affordable, cost-efficient, consumer driven, and fair. It is the beginning of a move towards privatization of long-term care while reducing our reliance on the state Medicaid program to provide that care. It also acts as a stimulus for the private insurance market to sell more policies and to develop new and affordable supplemental plans.

This measure represents the culmination of fifteen years of legislative and administrative efforts, beginning in 1988, to provide long-term care to Hawaii's older adults and disabled population. Over the years, we have seen several studies, task forces, planning boards, reports, and measures, all designed to address the State's compelling need to create an affordable and universal method of financing long-term care services. Finally, in 2002, the Legislature enacted Act 245, to establish the long-term care financing program, which created a temporary board of trustees to design a tax-based plan.

According to research of the University of Hawaii, nearly a quarter of Hawaii residents will be 65 years of age or older by the year 2030, with the first wave of baby boomers turning 65 in 2011. Hawaii's elderly population is growing at a faster rate than most states. In just a matter of a few years, 1 out of 5 people in Hawaii will be over the age of 60. It has been estimated that 3 out of 4 people over the age of 65 will need some type of long-term care service in their lifetime.

More precisely, according to the State of Hawaii population projection, in the year 2000, there were 207,000 individuals age 60 or older, and in the year 2010, the estimate is for that figure to swell to 272,000. In addition, the average life expectancy of a Hawaii resident is 78.85 years. As our population ages, the assistance that is needed grows as well as the costs of care.

As the baby boomer generation ages, these figures are projected to increase causing a host of social and economic demands. Aging brings concomitant chronic health diseases such as cancer, cardiovascular disease, diabetes, and stroke, all of which necessitate intense daily care in the latter years of life. A report by a local health research firm and major health insurer in 2001, assessing Hawaii long-term care needs, stated that the implication is that the increasing proportion of elderly in Hawaii's population signals the need to monitor the ability of health care resources to meet the elderly's greater need for long-term care services (particularly on the Neighbor Islands). The report further concluded that the proportion of the population deemed "work age" (19-65) is decreasing relative to the elderly population, raising questions about the social burdens this decreasing population segment must bear. In essence, inevitably, a fewer number of Hawaii's working people will be paying for the care of more elderly and others needing long-term care.

The costs of long-term care are expensive. Private day health care costs \$65 per day. Expanded care adult residential care homes charge up to \$3,000 or more per month for private pay residents, while skilled home care visits cost on average about \$85 per visit. Nursing home costs average between \$5,000 and \$7,000 per month. The Executive Office on Aging predicts that by the year 2020, Hawaii families may face nursing home costs of at least \$200,000 per year per person!

The whole dynamic of the extended family will radically change to place an impossible financial and social hardship on Hawaii's families. As people age or become disabled, they need services to help with activities of daily living (such as bathing, continence, dressing, eating, toileting, and transferring). In keeping with the Ohana spirit, Hawaii families normally prefer to care for their loved ones in the home rather than in an institutional setting. But, caring for a family member in the home all day long usually means that another family member must either quit work or work part-time. The resulting sacrifice of income can have serious consequences for family cohesion.

Current methods of financing long-term care in Hawaii involve predominantly Medicaid, private insurance, and personal assets. Medicaid eligibility is qualified by income limits. Private insurance is not widespread (the Executive Office on Aging estimates that only 6 percent of Hawaii residents have long-term care insurance), because it is generally too expensive for most people to purchase (of course, plans and benefits vary widely from company to company with some plans being more affordable than others). Most people have insufficient personal assets to pay for long-term care (resulting in a spend down of assets with the aim of becoming eligible for Medicaid).

Medicaid, the state program for the poor, now pays for three out of four people in Hawaii who receive long-term residential care. Medicaid is supported about equally by state and federal dollars. It is estimated that each taxpayer in Hawaii contributes more than \$400 every year towards the Medicaid program.

This deplorable situation begs the question: where does this leave most folk to pay for long-term care?

There is a compelling need to create an affordable method of financing long-term care services, because increasing numbers of Hawaii's residents will need these services. It is incumbent upon the State to provide long-term care to the elderly and disabled. However, the inextricable reality of the current economic condition of the State is that state revenues are down and other state services could be affected accordingly. Nonetheless, the Legislature is determined not to allow fortuity and timing to sabotage a plan that has been in the making for at least fifteen years. Even during sunnier economic days, the time will never be "right" for a state-sponsored long-term care financing system.

In developing the funding mechanism, the Temporary Board of Trustees sought and received information and advice from one of the two national actuaries engaged by the federal Office of Personnel Services to evaluate long-term care insurance proposals for coverage of federal government employees. The Trustees also sought to respond to questions and issues raised during the 2002 Legislative Session by legislators and others.

Every dollar collected under this measure will be paid out in the future to taxpayers by way of long-term care benefit payments. These benefits under this measure have been actuarially estimated to cover seventy-five per cent of the costs for the first year of home and community based care, which is typically the most prevalent and preferable for most people. The amounts collected will be held in a trust fund to be used for no other purpose than for paying for long-term care services. To ease the burden of paying the collected amount, this measure provides a long-term care tax credit for those who purchase additional long-term care insurance.

These measures, as well as Act 245, have been carefully and meticulously crafted in collaboration with experts in long-term care actuarial science and long-term care plan administrators and providers. All other states are struggling with the same problem of financing long-term care, so we are not alone, but Hawaii is now taking the lead in the nation, as Hawaii has a proud tradition of so doing, in this matter of national importance.

This measure is intended to supplement, not supplant long-term care insurance. The benefit payments under this measure are intended to pay for a portion of the costs of long-term care services. The goal is to ease the financial burden, and this measure will go a long way for many people in that regard.

Your Committee on Conference believes that the public should be encouraged to purchase private long-term care insurance in order to relieve the financial burden on Medicaid and other governmental services.

Your Committee on Conference has deleted the contents of this measure and inserted the provisions of its companion measure, H.B. No. 1616, SD2, with the following amendments:

- (1) Changing the commencement date of benefit payments from January 1, 2007, to January 1, 2008, which was the original intended date in the interests of actuarial soundness, and moving up by one year the schedule of increases in benefits accordingly;
- (2) Clarifying the confidentiality provision to specify the types of information that Department of Taxation is required to annually provide to the Board of Trustees of the Long-Term Care Financing Act on each taxpayer, in the interests of protecting privacy;
- (3) Repealing subsection (c) of section 346C-4, Hawaii Revised Statutes, relating to contracting with an entity to assume the underwriting risk, and inserting a new subsection (c) to safeguard the information in the possession of a contracted entity and amending the section title appropriately;
- (4) Authorizing the Board of Trustees of the Long-Term Care Financing Act to adopt rules;
- (5) Changing the name of the long-term care benefits fund to the long-term care benefits trust fund, as the more appropriate name;
- (6) Inserting appropriation amounts;
- (7) Changing the effective date of the Act to July 1, 2003, and applying it to taxable years beginning after December 31, 2004; and
- (8) Making technical changes that have no substantive effect.

As affirmed by the record of votes of the managers 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. 1088, 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. 1088, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Chun Oakland, Kokubun, Taniguchi, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Tsutsui).

Representatives Arakaki, Kahikina, Takamine, Halford.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Halford).

**Conf. Com. Rep. No. 112 on S.B. No. 1279**

The purpose of this measure is to consolidate the tax stamp fees collected for the enforcement of the cigarette tax and tobacco laws with the moneys received for enforcement of the tobacco Master Settlement Agreement, and to further refine the laws relating to the Master Settlement Agreement.

Your Committee on Conference finds that this consolidation and refinement will provide the necessary funding for the Tobacco Enforcement Unit within the Department of the Attorney General.

Your Committee on Conference has amended this measure by:

- (1) Making changes to ensure conformance with the Master Settlement Agreement;
- (2) Decreasing the proposed ceiling of the tobacco enforcement special fund for the administration and operation of tobacco enforcement activities to \$1,000,000 and appropriating \$1,000,000 for fiscal year 2003-2004, and \$1,000,000 for fiscal year 2004-2005 from the fund for the administration and operation of tobacco enforcement activities; and
- (3) Making technical, nonsubstantive changes for style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1279, 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. 1279, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Hanabusa, Taniguchi, Chun Oakland, Hogue.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

Representatives B. Oshiro, Waters, Hamakawa, Moses.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Moses).

**Conf. Com. Rep. No. 113 on S.B. No. 1321**

The purpose of this measure is to make the mental health parity law permanent.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the definition of "serious mental illness" by replacing "bipolar mood disorder" with "bipolar types I and II";
- (2) Adding a conforming technical amendment to Act 243, Session Laws of Hawaii 2000, to remain consistent with the intent to make the mental health parity law permanent; and
- (3) Adding language to the purpose section of this measure to reflect the amendments described herein.

As affirmed by the record of votes of the managers 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. 1321, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1321, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Menor, Chun Oakland.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Arakaki, Hiraki, Nishimoto, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 114 on S.B. No. 1446**

The purpose of this measure is to establish a cancer detection revolving fund and to make an appropriation from the general fund into the revolving fund.

Cancer remains a serious and pervasive health problem afflicting Hawaii's population. Your Committee on Conference believes that every effort should be made to harness the resources of Hawaii's internationally renowned health and biomedical technology

industries and encourage efforts to develop technologies that detect cancer in its early stages. Through early detection, cancers can be identified, treated, and eliminated before they significantly threaten the health of an individual. Although there has been significant strides in treating and preventing cancer partly due to aggressive prevention education programs and the research activities of the University of Hawaii and the State's health and biotechnology industries, cancer continues to plague our population.

Your Committee on Conference has amended this measure by deleting the appropriation section.

As affirmed by the record of votes of the managers 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. 1446, 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. 1446, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Ige, Kokubun, Aduja, Taniguchi, Hogue.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Hogue).

Representatives Schatz, Arakaki, Wakai, Leong).  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Leong).

**Conf. Com. Rep. No. 115 on S.B. No. 1034**

The purpose of this measure is to ensure the long-term, productive use of agricultural lands by allowing certain agricultural lands leased or available to be leased by the Department of Land and Natural Resources to be transferred to and managed by the Department of Agriculture.

Your Committee on Conference finds that the Department of Agriculture has the expert resource base more in tune with the needs of the agricultural community and with the policy set by the State Constitution. The Department of Agriculture works with the agricultural community on a daily basis and on a variety of issues. It would be more efficient for the state agricultural lessees to deal with one state agency. Your Committee on Conference wants the transferred leases to be in consonance with long-term use of agricultural production and to encourage agricultural activity. Therefore, your Committee on Conference does not want the transferred leased lands to be used for golf courses, nor does it want the lands left idle or fallow.

Your Committee on Conference has amended this measure by:

- (1) Changing the title of the new chapter to "Non-Agricultural Park Lands";
- (2) Changing all references of "other agricultural lands" to "non-agricultural park lands" to clarify the management of which lands will be transferred from the Department of Land and Natural Resources to the Department of Agriculture;
- (3) Adding language to assure that none of the transferred lands with soils classified as A or B will be used for golf courses, golf driving ranges, or country clubs;
- (4) Deleting a provision that would not have allowed the funding for personnel related to the management of the transferred lands to also be transferred to the Department of Agriculture;
- (5) Assuring that, notwithstanding any law to the contrary, leases of the transferred lands will not have their rents or the length of their leases reduced during the remaining terms of those leases from the time of their transfer; and
- (6) Making technical, nonsubstantive changes 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 S.B. No. 1034, 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. 1034, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Kokubun, Espero, Taniguchi, Tsutsui, Whalen.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

Representatives Abinsay, Kanoho, Kaho`ohalahala, Halford.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Halford).

**Conf. Com. Rep. No. 116 on S.B. No. 574**

The purpose of this measure is to establish and fund three insurance examiner positions within the Captive Insurance Administration Branch of the Insurance Division, and to require the Captive Insurance Administrator to report directly to the Insurance Commissioner (Commissioner).

Your Committee on Conference has amended this measure by:

- (1) Deleting the provisions establishing and appropriating moneys for three permanent insurance examiner positions in the Captive Insurance Branch of the Insurance Division; and
- (2) Providing that the Act becomes effective upon approval.

Your Committee on Conference finds that this measure, as amended, will enhance the development of Hawaii's captive industry, and thereby expand the State's economic base. Currently, the Captive Insurance Administrator reports to an administrator who has the authority to make decisions on daily operational matters, but not decisions regarding broader policy issues. Requiring that the head of the Captive Insurance Branch report directly to the Commissioner will facilitate critical decisionmaking at the policy level and enable Hawaii to compete more effectively and successfully as a captive domicile.

As affirmed by the record of votes of the managers 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. 574, 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. 574, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Kim, Kokubun, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Kim, Whalen).

Representatives Hiraki, Magaoay, Herkes, Stonebraker.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

**Conf. Com. Rep. No. 117 on S.B. No. 1661**

The purpose of this measure is to require the Housing and Community Development Corporation of Hawaii (HCDCH) to complete construction of the Villages of Kapolei within five years and collaborate with the Department of Transportation or the City and County of Honolulu to implement traffic study recommendations.

Your Committee on Conference has amended this measure to:

- (1) Require HCDCH to complete construction of the Villages of Kapolei by June 30, 2011;
- (2) Authorize, rather than require HCDCH to collaborate and coordinate with the State or City and County to implement traffic study recommendations;
- (3) Include as one of the traffic study recommendations, the construction of traffic improvements at certain specified major intersections, including but not limited to the construction of traffic signals and crosswalks at the intersections of Kapolei Parkway and Kama'aha Avenue fronting Kapolei Middle School, and Kapolei Parkway and Malu Ohai Street fronting Kapolei High School;
- (4) Appropriate \$900,000 from the Dwelling Unit Revolving Fund to be expended by HCDCH to construct the traffic improvements at the aforementioned intersections; and
- (5) Take effect on July 1, 2003.

Your Committee on Conference also made 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 S.B. No. 1661, 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. 1661, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Kawamoto, Taniguchi, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Kahikina, Shimabukuro, Hale, Stonebraker.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

**Conf. Com. Rep. No. 118 on S.B. No. 377**

The purpose of this measure is to establish a tax credit for qualified costs in the development of facilities for attractions and educational purposes at Ko Olina Resort and Marina.

Your Committee on Conference finds that the tax credit established in this measure will stimulate economic development on the Leeward side of Oahu, including the second city of Kapolei, and enhance Hawaii as a tourism destination. The intended development at Ko Olina Resort and Marina will provide not only economic benefit to the State, but also will create additional jobs, both temporary and permanent, for area residents.

Thus, your Committee on Conference further finds that this measure is justified as being in the public interest and for the public health, safety, and general welfare of the people of Hawaii. Your Committee on Conference strongly believes that the "public purpose" requirement of section 4 of Article VII of the Hawaii State Constitution is satisfied by the economic stimulus provided by the tax credit, which furthers the general welfare.

Your Committee on Conference has amended this measure by:

- (1) Adding the Makaha Resort to the tax credit provided to Ko Olina, in view of recent information that Ko Olina is in the process of acquiring Makaha Resort to utilize as a hotel and resort training facility to prepare area resident students for work at Ko Olina or other resort facilities, and amending the purpose section accordingly;
- (2) Setting the maximum aggregate tax credit amount at \$75,000,000;
- (3) Specifying that the tax credit may be claimed for taxable years beginning after December 31, 2004, for qualified costs incurred from June 1, 2003 through May 31, 2009, with a maximum credit per year of \$7,500,000;
- (4) Clarifying that in the case of a partnership, limited liability company, S corporation, estate, trust, or association of apartment owners, the tax credit allowable is for qualified costs incurred by the entity, to be determined at the entity level;
- (5) Requiring that to qualify for the credit, the taxpayer acquire or own the Makaha Resort and lease it for a period of at least six years or sell it to a taxpayer to use as training and educational facilities;
- (6) Adding a definition of "Makaha Resort" and specifying its tax map key identification;
- (7) Clarifying the definition of "qualified costs" to conform to the amendments;
- (8) Deleting references to declaration by the Governor to effectuate the credit;
- (9) Clarifying the effective date to specify that the measure applies to qualified costs incurred after May 31, 2003, and deleting the repeal date; and
- (10) Making technical changes that have no substantive effect.

As affirmed by the record of votes of the managers 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. 377, 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. 377, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Taniguchi, Espero, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Chang, Karamatsu, Takamine, Moses.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 119 on S.B. No. 1305**

The purpose of this measure is to allocate moneys from the Tobacco Settlement Special Fund to the general fund.

Your Committee on Conference has amended this measure by replacing its contents with provisions that appropriate funds from the emergency and budget reserve fund for various health and human services and programs and from the general revenues to implement the Hawaii Rx Program.

Your Committee on Conference finds that State revenues will not cover expenditures for programs essential to the public health, safety, and welfare. As a direct result of the state budgetary shortfall, the State would need to eliminate or severely cut necessary programs, services, and projects provided by hospitals, health centers, and other health and human services agencies throughout the State, especially in rural areas. This reduction in health and human services would occur abruptly and immediately jeopardize the public health, safety, and welfare. Therefore, your Committee on Conference finds that the grants, subsidies, and appropriations provided in this measure, as amended, are in the public interest and serve the public health, safety, and welfare.

With respect to the appropriation for Kalihi area youth service centers, the Office of Youth Services is encouraged to utilize the resources of professional providers, including the Susannah Wesley Center.

In addition, your Committee on Conference notes that the grants, subsidies, and appropriations made in this measure, as amended, were publicly heard by the appropriate standing committees of the Senate and House of Representatives through various measures, including H.B. 512, H.D. 1, S.D. 2, H.B. 688, S.D. 2, S.B. 870, S.D. 2, H.D. 1, H.B. 1342, H.D. 1, S.D. 1, and H.B. 1430, H.D. 2, S.D. 2.

As affirmed by the record of votes of the managers 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. 1305, 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. 1305, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kim, Kokubun, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Kim).

Representatives Takamine, Kawakami, Waters, Moses.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 120 on S.B. No. 576**

The purpose of this measure, as received by your Committee, is to authorize expenditures from the University of Hawaii (UH) tuition and fees special fund to promote alumni activities and generate private donations to the UH Foundation, and require an annual report to the Legislature of such expenditures.

Your Committee on Conference finds that concerns have been raised regarding the use of public funds by the UH to generate donations to the UH Foundation, a nonprofit organization that coordinates many fundraising functions and manages an endowment for the UH. Your Committee on Conference further finds that the efforts of the UH Foundation are critical to the UH's ability to generate funds and operate effectively.

However, your Committee on Conference believes that it is necessary to ensure that there is a balance between providing increasing fiscal autonomy to the UH and accountability to the public for expenditure of public funds. While your Committee on Conference recognizes the importance of the UH seeking private contributions, if public funds are used, the public has the right to know how the funds were expended.

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

- (1) Requiring that expenditures from this fund for purposes of generating private donations be subject to the provisions of chapter 42F, Hawaii Revised Statutes, related to providing access to legislative staff and the state auditor to expenditure records and other related documents;
- (2) Requiring that the state auditor be subject to the same restrictions on disclosure of donor information as is the University of Hawaii foundation;
- (3) Providing that the state auditor, upon written request of a private donor not disclose the name or personal information of the donor; and
- (4) Requiring the submission of a report to the Legislature no later than thirty days prior to the convening of each regular session containing information about how the UH foundation is supported by public funds, the purposes and activities of the UH Foundation and their benefits to the UH, all expenditures of the UH foundation, and all moneys transferred to the university support fund and how such transfers benefit the UH.

As affirmed by the record of votes of the managers 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. 576, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 576, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Kawamoto, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Kawamoto).

Representatives Takai, Wakai, Tamayo, Ontai.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ontai).

**Conf. Com. Rep. No. 121 on S.B. No. 58**

The purpose of this measure is to support the Hawaii 3R's program offering a private-public partnership to assist with repair and maintenance projects at our public schools, and to provide an appropriation for a state coordinator position in support of the Hawaii 3R's program.

Your Committee finds that the backlog of repair and maintenance projects in public schools continues to be of concern and that all means of addressing the problem should be explored and supported. To this end, Act 309, Session Laws of Hawaii 2001, laid the foundation for Hawaii 3R's, a project of the private, nonprofit organization, Helping Hands Hawaii, by providing a \$1,000,000 grant and funding a coordinator position in the Department of Accounting and General Services (DAGS). This measure provides an additional grant to Helping Hands Hawaii which would be used to continue its school repair and maintenance effort and provide continued funding for the coordinator position to DAGS to assist in coordinating the public and private partnership.

Your Committee has amended this measure by:

- (1) Inserting a general fund appropriation of \$148,688 as a grant to Helping Hands Hawaii in the fiscal year 2003-2004; and
- (2) Inserting an general fund appropriation of \$51,312 to support the Hawaii 3R's coordinator position with DAGS.

As affirmed by the record of votes of the managers 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. 58, 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. 58, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Hooser, Kawamoto, Hogue.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Hooser, Kawamoto).

Representatives Takumi, Waters, Evans, Ontai.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ontai).

**Conf. Com. Rep. No. 122 on S.B. No. 402**

The purpose of this measure is to establish the Hawaii medical education council within the University of Hawaii to address health care industry workforce issues and health care training programs, specifically in graduate medical education programs.

Your Committee on Conference finds that Hawaii is facing a shortage of health care professionals, including physicians, nurses, pharmacists, medical laboratory technologists and other technicians, and speech pathologists. Your Committee on Conference further finds that the establishment of a medical education council will provide a comprehensive statewide approach to assessing the current status of the State's health care workforce, analyzing the capability of existing health care training programs to meet those needs, projecting future workforce needs, and implementing a plan to ensure that adequate funding is available to train Hawaii's health care workforce.

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

- (1) Clarifying that the dean of the school of medicine, the dean of the school of nursing and dental hygiene, and the vice dean of academic affairs, respectively of the University of Hawaii, the director of health, and the director of the Cancer Research Center of Hawaii, are ex-officio members of the council and are not appointed by the Governor;
- (2) Clarifying that the remaining members of the council shall be appointed by the Governor;
- (3) Inserting an appropriation from the Hawaii medical education special fund to authorize an expenditure ceiling of \$800,000 from the fund in each year of the 2003-2005 fiscal biennium; and
- (4) Making technical non-substantive changes 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. 402, 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. 402, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Baker, Taniguchi, Chun Oakland, Hogue.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Hogue).

Representatives Takai, Arakaki, Nishimoto, Ching.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 123 on S.B. No. 1237**

The purpose of this measure is to provide for the enforcement of the law prohibiting teaching in the public schools without a license issued by the Hawaii Teacher Standards Board.



In addition, this measure defines, for statistical and reporting purposes, “teaching out-of-field”, “out-of-field teaching”, and “out-of-field teacher” (which refer to teaching outside one’s authorized field as indicated on the license issued by the Hawaii Teacher Standards Board).

Your Committee has amended this measure by:

- (1) Deleting the appropriation for the Hawaii Teacher Standards Board to maintain a national board certification candidate support program for public school teachers;
- (2) Deleting the provision granting immunity to a person participating in good faith in the making of a report concerning teaching without a license;
- (3) Deleting the appropriation for the Hawaii Teacher Standards Board to hire necessary staff to conduct the Board’s licensing and license renewal functions;
- (4) Adding a provision allowing the Hawaii Teacher Standards Board to:
  - (A) Fund its currently established positions without having to reestablish them contingent on the availability of moneys in the Hawaii Teacher Standards Board Special Fund; and
  - (B) Make the foregoing positions permanent if the Board approves this action; and
- (5) Making technical nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1237, 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. 1237, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Chun Oakland, Hooser, Hogue.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Hogue).

Representatives Takumi, Waters, Evans, Ontai.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ontai).

**Conf. Com. Rep. No. 124 on S.B. No. 1700**

The purpose of this measure is to establish a new methodology for funding charter schools.

Your Committee finds that this measure is a step forward in providing support to the charter school movement by clarifying the funding levels for charter schools and providing the charter schools with an administrative support structure separate from the Department of Education. Your Committee further believes that this measure reflects a level of increased collaboration between the Department of Education and the charter school community, which the legislature expects to continue and from which shall be formed an ongoing partnership working together in the best interests of all our public school students.

Your Committee has amended this measure by:

- (1) Deleting all references to a separate EDN program identification code for charter school appropriations;
- (2) Clarifying that beginning with the 2004-2005 fiscal year supplemental budget request, the charter schools shall submit to the board of education and the governor, a general fund budget request for consideration and appropriation by the legislature, based upon a per pupil formula that counts each regular and special education student, and which is based upon figures from the most recently published department of education consolidated annual financial report;
- (3) Clarifying that any appropriations for charter schools may be restricted by the governor similar to appropriations to the department of education schools;
- (4) Establishing a separate charter school administrative office responsible for the internal organization, operation, and management of the charter schools, including budget preparation and executing, allocation of annual appropriations, preparation and execution of contracts for services between the department of education and other state agencies, representation of the charter schools in communications with the board of education, the governor, and the legislature, and monitoring of legal compliance and support of the charter schools;
- (5) Providing that the executive director of the charter school administrative office is appointed by the board of education upon recommendations from a charter school organization operating within the State, or from a list of nominees submitted by charter schools;

- (6) Providing that education and related services of special education students enrolled in charter schools shall be provided by the charter schools within their abilities and resources, provided that the department of education shall provide the required services if the charter school is unable;
- (7) Requiring the department of education to collaborate with the charter school administrative office to develop guidelines related to the provision of special education services and resources;
- (8) Requiring the department of education to review the requirements of all special education students enrolled in charter schools and use a per pupil weighted formula implemented by the department to determine resource needs of special education students enrolled in charter schools;
- (9) Authorizing the department of education to offer services to special education students enrolled in charter schools at a public school within the same school complex as the charter schools;
- (10) Requiring the department of education to allocate \$5,355 per regular and special education student enrolled in a charter school, for the fiscal year 2003-2004, with the allocations to be divided into three payments of forty percent, forty percent, and twenty percent by January 1, 2004;
- (11) Adding a severability clause; and
- (12) Changing the effective date to upon approval, provided that the 2003-2004 allocations to charter schools shall be effective on July 1, 2003.

As affirmed by the record of votes of the managers 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. 1700, 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. 1700, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Kokubun, Chun Oakland, Kawamoto, Hogue.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

Representatives Takumi, Waters, Evans, Ontai.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ontai).

**Conf. Com. Rep. No. 125 on S.B. No. 17**

The purpose of this measure, as received by your Committee, is to advance the cut-off date for entrance into kindergarten to age five by September 1 of the school year, beginning with the 2007-2008 school year, and to make kindergarten attendance mandatory.

Your Committee finds that only two states, Hawaii and Maryland, allow entrance into kindergarten to children who achieve age five by December 31 of the school year. Your Committee further finds that this creates a kindergarten cohort where early born students are developmentally more advanced and ready to learn than their younger classmates. Thus, those who are younger often struggle and fall behind, needing remedial services as they advance into the first grade and possibly throughout their educational experience. Your Committee on Conference believes that advancing the age for entry into kindergarten will not only provide a more inclusive educational experience for students, but will provide kindergarten teachers with a more homogeneous cohort of students who are more likely to learn and succeed.

Your Committee on Conference recognizes the concerns expressed about the need for educational programs for those "gap group" children who will no longer be eligible for kindergarten, and agrees that the State should assist in this regard. However, since the change in the age cut-off will not take effect for several years, your Committee on Conference will defer to the DOE for further information before making a decision regarding mandatory kindergarten or pre-kindergarten services.

After careful consideration and discussion, your Committee on Conference has amended this measure by:

- (1) Deleting mandatory attendance for kindergarten;
- (2) Authorizing the DOE to assess readiness of children for kindergarten, and provide an exception in the case of a child who is found ready for kindergarten;
- (3) Providing that beginning with the 2005-2006 school year, children will need to attain the age of five year on or before August 1 of the school year;
- (4) Providing that beginning with the 2005-2006 school year, for children who attain the age of five on August 2 or before January 1 of the school year, the DOE shall offer appropriate educational programs, including junior kindergartens or pre-kindergartens, as determined by the DOE based upon the need of the children not eligible to attend kindergarten;
- (5) Authorizing the DOE to accept gifts and donations for pre-kindergarten programs, and to offer available space for public or privately-operated pre-kindergartens;

- (6) Authorizing the DOE to the extent practicable and within available resources, to allow a child to attend a public or privately-operated pre-kindergarten at an elementary school within their home school complex, if such programs are not available at their home elementary school;
- (7) Repealing section 302A-1131, Hawaii Revised Statutes (HRS), which contains similar provisions contained in section 302A-411, HRS;
- (8) Requesting the DOE to study and submit to the Legislature a report on the programmatic and fiscal impacts of changing the entrance age for kindergarten to August 1 and providing appropriate educational services to those children not eligible for kindergarten services once the cut-off age is advanced to August 1;
- (9) Requesting the DOE to reallocate to pre-kindergarten services any cost-savings from changing the entrance age for kindergarten, and requesting the superintendent to submit to the Legislature a report of such estimated cost-savings; and
- (10) 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 S.B. No. 17, 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. 17, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Chun Oakland, Hooser, Hogue.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Hooser).

Representatives Takumi, Karamatsu, Evans, Ontai.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ontai).

**Conf. Com. Rep. No. 126 on S.B. No. 209**

The purpose of this measure is to appropriate funds to convert certificated positions from ten-month to twelve-month status, as needed, for multi-track schools.

Your Committee on Conference finds that due to rapidly increasing student populations in certain school districts, schools within those districts have adopted a multi-track schedule to accommodate the numbers of student within existing educational facilities. Your Committee on Conference further finds that this conversion to a multi-track system has necessitated the expansion of support services at schools that use this type of system, and this measure is an attempt to provide adequate services to students at multi-track schools.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation of \$60,000 in the fiscal year 2003-2004; and
- (2) Deleting the appropriation for fiscal year 2004-2005.

As affirmed by the record of votes of the managers 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. 209, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 209, S.D. 3, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Kanno, Kokubun, Hooser, Kawamoto.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives M. Oshiro, Nakasone, Mindo, Moses.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 127 on S.B. No. 789**

The purpose of this measure is to establish a schedule for the caps on the employer contributions for health benefits under the Employer-Union Health Benefits Trust Fund (EUTF), effective July 1, 2004.

This measure also:

- (1) Prohibits the employer's monthly contribution from exceeding the actual cost of the health benefits plan and from covering increased benefits beyond those initially contracted for by the EUTF for plan year 2004-2005;

- (2) Requires that the adjusted base composite monthly contribution be adjusted annually, beginning July 1, 2005, and calculated using the highest actual contracted premium rate for health benefits plans as of July 1, 2004; and
- (3) Appropriates the sum of \$12.5 million for additional employer contributions for retiree health benefit plans for fiscal year 2004-2005.

Your Committee on Conference finds that due to the rising cost of health coverage a new employer contribution schedule is needed. Similarly, with a new schedule in effect beginning July 1, 2004, any adjustment to the base composite monthly contribution need not be made until July 1, 2005. At the same time, however, your Committee on Conference is mindful of the current fiscal restraints plaguing our economy that also necessitates the prohibition of the payment of an employer contribution that exceeds the actual cost of health benefit plans or that covers increased coverage beyond that which was contracted for by the fund for plan year 2004-2005. Consequently, your Committee on Conference also determines that the appropriation of funds is equally necessary to cover the increased costs associated with the purposes of this Act.

Your Committee on Conference also recognizes that the increase in costs extends to the Medicare Part B premium and has amended the measure to require the EUTF to pay for the entire cost of the Medicare Part B premium and reimburse the retiree for any cost differential due to any such rate increase within thirty days of the rate change. Additionally, due to its inclusion in the State Budget, your Committee on Conference has amended the measure by deleting the appropriation of the sum of \$12.5 million for additional employer contributions for retiree health benefits for fiscal year 2004-2005.

As affirmed by the record of votes of the managers 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. 789, 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. 789, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun, Tsutsui, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Whalen).

Representatives M. Oshiro, Takamine, Nakasone, Blundell.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 128 on S.B. No. 1393**

The purpose of this bill is to:

- (1) Divide and transfer the Department of Public Safety's functions into two separate entities, the Department of Corrections and the Department of Law Enforcement; and
- (2) Establish a management team whose members are appointed by the governor for the purpose of developing a transition plan.

Your Committee believes that it would not be prudent to implement the division of the Department of Public Safety (Department) without thoroughly studying the ramifications of the division, and without a carefully devised transition plan. Your Committee further believes that the Department's new director should be given time to take stock of the Department and determine if dividing the Department would result in operational and economic efficiencies. Therefore, your Committee amended the bill by:

- (1) Deleting sections 1 to 17 and section 20;
- (2) Combining sections 18 and 19 into section 1, and modifying the language to require the Director of Public Safety (Director) to conduct a study based on specific criteria, to determine whether dividing the Department into the Department of Corrections and the Department of Law Enforcement is feasible;
- (3) Requiring the Director to provide further information such as justifications, cost/benefit analysis, organizational structures, and proposed budgets if the Director determines that dividing the Department is feasible;
- (4) Requiring the Director to submit the report to the legislature no later than twenty days before the convening of the regular session of 2004; and
- (5) Changing its effective date from July 1, 2004, 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. 1393, 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. 1393, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Kawamoto, Taniguchi, English, Kokubun, Hogue.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, 1 (Hogue).

Representatives Ito, M. Oshiro, Hamakawa, Takamine, Pendleton.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Pendleton).

**Conf. Com. Rep. No. 129 on S.B. No. 1438**

The purpose of this measure is to provide fund authorization and appropriation for collective bargaining items for Unit 1 and their excluded counterparts.

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

- (1) Changing the language to fund Hawaii Employer-Union Health Benefits Trust Fund (EUTF) costs for employees of collective bargaining unit (1) and excluded counterparts instead of all collective bargaining cost items or salary increases and all collective bargaining cost items;
- (2) Inserting specific amounts to be appropriated to fund the EUTF costs negotiated for collective bargaining unit (1) and excluded counterparts from the general fund;
- (3) Deleting Parts II, IV, and V;
- (4) Renaming Part III to Part II, including the renumbering of Sections 5 and 6 to Section 3 and 4, respectively;
- (5) Renaming Part VI to Part III, including the renumbering of Sections 11, 12, and 13 to Sections 5, 6, and 7, respectively; and
- (6) Changing the effective date of the Act to July 1, 2003.

As affirmed by the record of votes of the managers 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. 1438, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1438, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun, Tsutsui, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Whalen).

Representatives M. Oshiro, Takamine, Mindo, Bukoski.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 130 on S.B. No. 1439**

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

- (1) Deleting any reference to appropriations for employees of collective bargaining unit (9);
- (2) Changing the language to fund Hawaii Employer-Union Health Benefits Trust Fund (EUTF) costs for employees of collective bargaining units (2), (3), (4), (6), (8), and (13), state employees assigned to the Hawaii Health Systems Corporation, and excluded from collective bargaining instead of salary increases and all collective bargaining cost items;
- (3) Inserting specific amounts to be appropriated to cover the costs of the Hawaii Employer-Union Health Benefits Fund for collective bargaining units (2), (3), (4), (6), (8), and (13) and excluded from collective bargaining from the general fund;
- (4) Deleting Parts III, IV, and V;
- (5) Renaming Part VI to Part III, including renumbering Sections 11, 12, and 13 to be Sections 5, 6, and 7, respectively; and
- (6) Changing the effective date to July 1, 2003.

As affirmed by the record of votes of the managers 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. 1439, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1439, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun, Tsutsui, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Whalen).

Representatives M. Oshiro, Takamine, Mindo, Meyer.

Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 131 on S.B. No. 1442**

The purpose of this measure is to fund all collective bargaining cost items in the arbitration award for state employees in collective bargaining unit (10), including excluded employees and employers assigned to the Hawaii Health Systems Corporation.

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

- (1) Changing the language to fund Hawaii Employer-Union Health Benefits Trust Fund (EUTF) costs negotiated for employees of collective bargaining unit (10) and state officers and employees excluded from collective bargaining;
- (2) Inserting specific amounts to be appropriated to fund EUTF costs negotiated for collective bargaining unit (10) and state officers and employees excluded from collective bargaining from the general fund;
- (3) Deleting Parts II, IV, and V;
- (4) Renaming Parts III and VI to be Parts II and III, respectively, which includes the renumbering of Sections 5 and 6 to Sections 3 and 4, respectively, and Sections 11, 12, and 13 to Sections 5, 6, and 7, respectively; and
- (5) Changing the effective date of the Act to July 1, 2003.

As affirmed by the record of votes of the managers 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. 1442, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1442, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Kawamoto, Kokubun, Tsutsui, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Whalen).

Representatives M. Oshiro, Takamine, Mindo, Meyer.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 132 on H.B. No. 1456**

The purpose of this bill is to improve the deposit beverage container law by:

- (1) Amending the law to decrease the burden on dealers required to operate bottle redemption centers; and
- (2) Clarifying certain requirements of the law.

Among other things, the bill:

- (1) Exempts deposits collected under Chapter 342G, part VIII, Hawaii Revised Statutes (HRS), from chapter 235, HRS;
- (2) Requires each deposit beverage distributor to generate to the Department of Health (DOH) a monthly report of total sales to dealers or consumers;
- (3) Moves the start date for the payment of fees and deposits from October 1, 2002 to January 1, 2005;
- (4) Changes the amount due from deposit beverage distributors to include all containers sold, even those exported out of the State, which were previously excluded;
- (5) Requires annual reports by October 15 of each year, for all importers and manufacturers;
- (6) Clarifies that dealers shall post a clear and conspicuous sign, which specifies the address and hours of operation of the closest nondealer redemption center, at the primary public entrance of their place of business;
- (7) Grants DOH more leeway in siting redemption centers; and
- (8) Requires handling fees to be paid within sixty days of the receipt of redemption reports.

Your Committee on Conference has amended this measure by:

- (1) Requiring that monthly payment of the deposit beverage fee and deposits shall be made beginning in October 1, 2002, instead of January 1, 2005;

- (2) Allowing dealers to charge the deposit to customers at any time before January 1, 2005, rather than allowing dealers to charge the deposit to customers only beginning in October 1, 2004;
- (3) Requiring all importers and manufacturers to submit an annual report to DOH by January 31, 2004, and each January 31 thereafter;
- (4) Clarifying that if DOH chooses to establish by rules minimum population requirements for areas to be served by a redemption center, these rules shall apply to high-density population areas;
- (5) Amending the effective date to be upon approval of the act; and
- (6) Making technical, nonsubstantive amendments for 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 H.B. No. 1456, 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. 1456, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Menor, Kokubun, Hooser, Kim.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Kim).

Representatives Morita, Wakai, Evans, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 133 on H.B. No. 512**

The purpose of this bill is to:

- (1) Allow a patient's next of kin to obtain copies of the patient's medical records;
- (2) Allow mental health service providers to release records for billing purposes under certain circumstances;
- (3) Appropriate funds from the Emergency Budget and Reserve Fund to various health-related agencies and organizations; and
- (4) Make permanent the mental health parity law.

Your Committee on Conference finds that it is necessary to comply with the federal Health Insurance Portability and Accountability Act by allowing a patient's next of kin access to the patient's records. The other portions of this bill have been addressed in other measures and have been deleted. Additionally, your Committee on Conference notes that it is essential to transfer the Executive Office on Aging (EOA) to an executive agency because it is a permanent entity.

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

- (1) Deleting all portions of the bill except those provisions that allow a patient's next of kin access to the patient's records;
- (2) Inserting a provision transferring EOA from the Office of the Governor to the Department of Health; and
- (3) Making technical, nonsubstantive amendments for 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 H.B. No. 512, 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. 512, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi, Chun Oakland, Kokubun, Tsutsui, Hogue.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

Representatives Arakaki, Hamakawa, Takamine, Nakasone, Halford.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Nakasone, Halford).

**Conf. Com. Rep. No. 134 on H.B. No. 1412**

The purpose of this bill is to recognize professional counselors and provide them parity with other mental health professionals by establishing a Professional Counselors Licensing Program (Licensing Program).

The Licensing Program:

- (1) Sets educational and practical experience for licensure;
- (2) Requires licensure for those who indicate to the public that they are a professional counselor;
- (3) Provides penalties for those who use the title of "licensed professional counselor" without first having secured a license; and
- (4) Prohibits professional counselors from having to testify in alimony and divorce actions.

Your Committee on Conference acknowledges that most states require licensure for professional counselors. Licensure would provide savings in reimbursement rates, provide consumer safeguards, and increase the availability of qualified professionals to meet the requirements of the *Felix Consent Decree*.

Your Committee on Conference has amended this bill by:

- (1) Specifying that practicum intern experience be supervised;
- (2) Deleting the provision that practicum experience not apply to persons holding a master's or doctoral degree in counseling from the University of Hawaii; and
- (3) Making technical, nonsubstantive amendments for 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 H.B. No. 1412, 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. 1412, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Espero, Kokubun, Whalen.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, 1 (Whalen).

Representatives Arakaki, Hiraki, Karamatsu, Stonebraker.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

**Conf. Com. Rep. No. 135 on H.B. No. 281**

The purpose of this measure is to enable the Department of Education to set priorities for school repair and maintenance projects, which would then be carried out by the Department of Accounting and General Services.

The intent of this measure is to reduce the backlog of all identified school repair and maintenance projects from \$640,000,000 to \$100,000,000. In particular, this measure:

- (1) Requires the Department of Accounting and General Services to compile and submit quarterly reports to the Department of Education regarding the current status of all school repair and maintenance projects;
- (2) Requires the Department of Education to compile and report information to all school complexes and schools indicating the current status of all school repair and maintenance projects; and
- (3) Requires the Department of Accounting and General Services and the Department of Education to submit recommendations and proposed legislation to the Legislature transferring authority over school repair and maintenance funds from the Department of Accounting and General Services to the Department of Education.

Your Committee agrees with the intent of this measure, and finds that it will help to reduce the backlog of school repair and maintenance projects to prevent the further deterioration of public schools and to improve public education in Hawaii.

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

- (1) Designating sections 1 to 3 of the bill as part I of the bill;
- (2) Adding a new part II of the bill to accomplish the following:
  - (A) Amend the state educational facilities repair and maintenance account and the school physical plant operations and maintenance account to provide that appropriations or authorizations from the account are to be based on the prioritization approved by the Department of Education for repair and maintenance;
  - (B) Make departmental school district business and fiscal officers responsible for coordinating physical plant operations and maintenance activities with the Department of Education, in addition to the Department of Accounting and General



Services, and for planning capital improvement projects only with the Department of Education and not the Department of Accounting and General Services;

- (C) Amend the six-year financial program and financial plan for school repair and maintenance to require the Comptroller to develop and implement appropriate planning procedures and follow-up accountability reports to ensure sound planning, control, and accountability in allocated funds and to report annually to the Legislature; and
  - (D) Require each school to meet with the Department of Education, in addition to the Department of Accounting and General Services, on an annual basis regarding the prioritization of repair and maintenance, and provide that where there are differing views as to priorities, that the Department of Education has the power to make the final decision;
- (3) Changing the effective date from July 1, 2030, to July 1, 2003; and
- (4) Making technical nonsubstantive changes for the purposes of clarity and consistency, including adding a "Ramseyer" section stating that statutory material to be repealed is bracketed and stricken, and new statutory material is underscored.

As affirmed by the record of votes of the managers 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. 281, 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. 281, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Kawamoto, Tsutsui, Hogue.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Hogue).

Representatives Takumi, Kawakami, Evans, Ontai.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ontai).

**Conf. Com. Rep. No. 136 on H.B. No. 638**

The purpose of this bill is to support the Hawaii State Public Library System by establishing a check-off box on tax returns allowing taxpayers to contribute \$2 of their income tax refund to the Libraries Special Fund.

Your Committee on Conference finds that this bill will help to support Hawaii's public libraries, and ensure that they can provide more effective services, maintain a comprehensive collection of books and other materials, and continue to provide public access to a wide range of information.

Your Committee on Conference has amended this bill by:

- (1) Making the bill apply to taxable years beginning after December 31, 2003; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 638, 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. 638, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Chun Oakland, Kawamoto, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Kawamoto).

Representatives Takumi, Magaoay, Evans, Moses.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. No. 137 on H.B. No. 289**

The purpose of this bill is to improve the administration of the Department of Education (DOE) by establishing seven regional education agencies, comprising, among other things, regional boards of directors and principal advisory councils.

Your Committee on Conference finds that DOE is currently implementing major decentralization efforts to transform the public schools from a district-based system to a complex-based system. These changes will help to ensure that regional needs are met more efficiently and that school complexes may be administered more effectively by bringing the DOE governance structure closer to the schools.

Your Committee on Conference has amended this bill by:

- (1) Deleting the seven regional educational agencies;
- (2) Instituting fifteen complex areas comprised of multiple school complexes;
- (3) Conforming statutes to reflect the new complex area structure; and
- (4) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 289, 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. 289, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Hooser, Kawamoto, Hogue.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Kawamoto, Hogue).

Representatives Takumi, Takamine, Kawakami, Ching.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ching).

**Conf. Com. Rep. No. 138 on H.B. No. 1175**

The purpose of this bill is to enact various administrative reforms to the Department of Education (DOE), including:

- (1) Allowing the Board of Education to set the salary of the Deputy Superintendent;
- (2) Changing the title of "district superintendent" to "administrative superintendent" and changing the role of these positions to chief administrative officer of a school complex, responsible for supervising the delivery of services to the complex; and
- (3) Capping the salaries of the deputy superintendent, assistant superintendents, and administrative superintendents at 80 percent of the salary of the Superintendent of Education's salary.

Your Committee on Conference finds that this bill will ensure that the statutes better reflect the decentralization reforms being implemented within the Department of Education. Furthermore, this bill provides an improved salary structure for various DOE administrators.

Your Committee on Conference has amended this bill by:

- (1) Changing all references to "administrative superintendent" to read "complex area superintendent";
- (2) Changing the effective date to July 1, 2003; and
- (3) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1175, 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. 1175, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Hooser, Tsutsui, Hogue.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Hooser).

Representatives Takumi, Takamine, Evans, Ontai.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ontai).

**Conf. Com. Rep. No. 139 on H.B. No. 640**

The purpose of this measure is to transfer funds from the hurricane relief fund to the loss mitigation grant fund in order to develop and implement the loss mitigation grant program. The Insurance Commissioner will administer the funds.

Your Committee has amended this bill by adding language requiring the State to apply for federal pre-disaster hazard mitigation funds. Your Committee has been informed that federal funds will be available but these funds will be awarded on a competitive basis. Your Committee was further informed that state moneys need to be expended in order to receive these federal funds.

As affirmed by the record of votes of the managers 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. 640, 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. 640, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Espero, Kokubun, Whalen.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Whalen).

Representatives Wakai, Karamatsu, Nishimoto, Meyer.  
Managers on the part of the House.  
Ayes, 3. Noes, 1 (Meyer). Excused, none.

**Conf. Com. Rep. No. 140 on H.B. No. 1152**

The purpose of this bill is to:

- (1) Repeal certain revolving and special funds that no longer serve the purpose for which they were originally established, are not an appropriate means of financing for the programs or activities, or are not financially self-sustaining;
- (2) Transfer excess balances from a number of other funds to the state general fund; and
- (3) Specify the division of excess amounts of tobacco settlement moneys appropriated into the University Revenue-Undertakings Fund between the Emergency and Budget Reserve Fund and the Hawaii Tobacco Prevention and Control Trust Fund.

Upon careful consideration, your Committee on Conference has amended this bill by, among other things:

- (1) Increasing the amount transferred from the Hawaii Capital Loan Revolving Fund to the general fund from \$500,000 to \$4,000,000;
- (2) Decreasing the amount transferred from the Compliance Resolution Fund to the general fund from \$4,800,000 to \$3,000,000;
- (3) Providing for the transfer of \$4,000,000 from the Hawaii Capital Loan Revolving Fund to the general fund;
- (4) Providing for the transfer of \$1,300,000 from the Hawaii Strategic Development Corporation Revolving Fund to the general fund;
- (5) Deleting the exemption for passenger-facility charges from certain laws to prevent prohibited revenue diversion; and
- (6) Making technical, nonsubstantive amendments for purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1152, 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. 1152, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kokubun, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Takamine, Karamatsu, Wakai, Waters, Moses.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. No. 141 on H.B. No. 1400**

The purpose of this bill is to stimulate Hawaii's tourism and construction industries by:

- (1) Extending the Hotel Construction and Remodeling Tax Credit (Tax Credit) to construction or renovation costs incurred before July 1, 2004, provided that after July 1, 2003, the taxpayer shall also dedicate, in each taxable year for which the Tax Credit is claimed, 10 percent of the occupied retail space within the qualified hotel facility, if any, to the promotion and sale of Hawaii-made products;  
and
- (2) Expanding the definition of "qualified hotel facility" to include commercial buildings and facilities located within a qualified resort area.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provision that extends the Tax Credit to construction or renovation costs incurred before July 1, 2004, provided that after July 1, 2003, the taxpayer shall also dedicate, in each taxable year for which the Tax Credit is claimed, 10 percent of the occupied retail space within the qualified hotel facility, if any, to the promotion and sale of Hawaii-made products;
- (2) Deleting the provision that expands the definition of "qualified hotel facility" to include commercial buildings and facilities located within a qualified resort area;
- (3) Extending the tax credit increase an additional four years;
- (4) Changing the amount of the tax credit to 8 percent of the construction or renovation costs incurred for each qualified hotel facility in Hawaii;
- (5) Repealing the provision that the tax credit shall be available for taxable years beginning after December 31, 1998, but not for taxable years beginning after December 31, 2005;
- (6) Repealing the provision requiring that the taxpayer be in compliance with all applicable federal, state, and county statutes, rules, and regulations to qualify for the tax credit;
- (7) Changing the effective date of this bill so that:
  - (A) The amount of the tax credit will remain 10 percent for any hotel construction and remodeling costs incurred after November 1, 2001, and prior to the effective date of this bill; and
  - (B) The 8 percent amount will apply to construction costs incurred from the effective date of this bill until June 30, 2007, at which time the tax credit shall be repealed in its entirety;

and
- (8) Making technical, nonsubstantive amendments for style and clarity;

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1400, 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. 1400, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Fukunaga, Taniguchi, Tsutsui, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Slom).

Representatives Chang, Schatz, Takamine, Ontai.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ontai).

#### **Conf. Com. Rep. No. 142 on H.B. No. 200**

The purpose of this bill is to fund the Executive branch's operating and capital improvement expenditures for the fiscal biennium July 1, 2003 through June 30, 2005.

#### **Overview**

The Legislature has never faced the level of fiscal uncertainty that it has this session. Declining projected revenues, coupled with increasing fiscal needs, have greatly impacted the manner in which your Conference Committee constructed this Biennial Budget. Your Conference Committee had to choose among valid competing needs and has set forth, herein, its budgetary priorities.

#### **Economic Backdrop**

##### Fiscal Situations in Other States

According to the National Conference on State Legislatures' "State Budget Update: November 2002" report:

- Thirty-one states reported budget gaps in the early months of fiscal year 2002-2003. Some states have already taken action to close them. Seventeen states report no gap or indicate that it is too early to specify the size of a potential budget gap, and two states did not provide information.
- The current cumulative budget gap for all states is approximately \$17.5 billion for fiscal year 2002-2003 (3.6 percent of original fiscal year 2002-2003 appropriations). This amount has grown since the fiscal year began. When developing their fiscal year 2002-2003 budgets, states faced an aggregate gap of \$49.1 billion.

- State revenue collections continue to be anemic. Thirty-three states report that revenue collections are below forecasted levels through October.
- Twenty-nine states revised their revenue estimates for fiscal year 2002-2003. The revenue forecast was lowered in 26 states.
- The revenue outlook for the remainder of the fiscal year does not reflect confidence for a strong national recovery. Twenty-nine states are concerned about revenue performance, and nine are pessimistic. Eight states report a stable outlook, and two are optimistic.

Twenty-nine states report that spending is exceeding budgeted levels. Twenty-four states report that Medicaid or health care programs are over budget.

#### Outlook

The visitor industry plays a large role in the health of Hawaii's economy. Consequently, the State's growth is strongly correlated to the rate of economic expansion in U.S. and international visitor markets. Consensus projections of U.S. economic performance continue to indicate a weak economy. The Blue Chip Economic Forecast, based on an average of fifty major U.S. forecasts, adjusted the forecast for growth in real U.S. gross domestic product in 2003 downward in February 2003 to 2.7 percent.

In 2003, total visitor arrivals were predicted to grow 5.3 percent with visitor expenditures forecast to increase 6.8 percent. Positive growth in visitor arrivals was expected to come from a strong recovery of tourism from Japan together with growth from mainland areas. Visitor arrivals were projected to regain their 2000 levels in 2004, with an additional 4.2 percent increase over 2003, and subsequently return to its historical growth level in the 2 percent range. However, preliminary department of business, economic development, and tourism passenger counts for March 2003 versus March 2002 show a 1.3 percent decline in domestic arrivals and a 12.3 percent decline in international arrivals.

In addition, the recent outbreak of Severe Acute Respiratory Syndrome (SARS) threatens to reduce Hawaii's much needed visitor counts. Cases of the respiratory illness have been reported primarily in Asia. More than 3,800 cases of SARS and more than 200 deaths have been reported in 26 countries, with a vast majority of cases and deaths in mainland China and Hong Kong. Visitors from both East and West may be less inclined to travel aboard an airliner, as the chances for contracting the disease increase in such a close-quarters environment. Since the SARS outbreak appears to be in its infancy, its long-term economic effects on Hawaii are unknown.

It is clear that these negative factors will continue to affect Hawaii's economy--an economy that is still recovering from the effects of the national recession that began in early 2001. Your Conference Committee believes that Hawaii will continue to experience a decline in revenues, in the short-term. As such, the reductions made throughout the budget were necessary to provide for the most critical of services.

#### National Budget Shortfalls and Solutions

Last year, many states used rainy day funds and other measures to address the \$49.1 billion shortfall. States raised taxes by \$9.1 billion in the aggregate, breaking a trend of annual tax cuts that began in 1994. Only Hawaii cut taxes by more than one percent while eighteen states raised taxes more than one percent.

For the current fiscal year ending June 30, states must address a collective \$17.5 billion budget gap. The list of states with expected deficits is long. Hawaii's budget deficit stood at approximately \$165 million. Hawaii was one of only two states optimistic about revenue performance.

State legislatures around the country are currently experiencing similar problems. Declining revenues and growing demands will necessitate intense scrutiny of state budgets. Other states are dealing with their shortfalls in ways comparable to the choices made by your Conference Committee. For example, thirty-one states are imposing budget cuts, twenty-eight states are tapping various state funds, fourteen states are tapping rainy day funds, and twenty-one states are using tobacco settlement funds.

Revenue collections have been lethargic during the first four months of the fiscal year, and overruns, particularly in Medicaid programs, are already being reported in at least twenty-four states. Massachusetts will cut 50,000 people from its Medicaid rolls and still faces a \$300 million dollar gap in the program. Georgia reports a \$417 million shortfall in Medicaid. Consequently, states may be looking at raising the standards for Medicaid eligibility.

#### Council on Revenues

At its January 7, 2003 meeting, the Council on Revenues forecasted a growth rate of 6.1 percent for fiscal year 2002-2003. This estimate did not take into account the geopolitical uncertainty the nation faced at the time, namely, the impending war with Iraq.

During its March 13, 2003 meeting, the Council revised its estimated growth rate of 6.1 percent down to 4.3 percent. The Council stated that this downward revision was due almost entirely to tax credits claimed in 2001. According to the Council, the credits that may have the greatest unanticipated impact were high technology investment, research activities, and residential and remodeling tax credits. This 1.8 percent drop in estimated revenues for the current fiscal year amounted to a loss of approximately \$56 million.

#### Budget Chronology

A key component of balancing the prior administration's six-year financial plan was the transfer of \$175 million from the Hawaii Hurricane Relief Fund (HHRF) to the general fund. The new administration's approach to balancing the budget did not call for the

transfer of any monies from the HHRF, reductions in force, or any tax increases. Instead, the new administration pursued alternatives such as a 5 percent reduction to "discretionary" general fund expenditures, transferring balances from various non-general funds, imposing a statewide hiring freeze, as well as making reductions to previously submitted budget requests for additional funding to balance the budget. The process of working through these alternatives took a great deal of time for both the new administration and the Legislature.

As a result of the March 13, 2003 Council on Revenues meeting and its revised forecast, the new administration suggested that the Legislature plan for the projected decline in revenues by taking the following actions:

- Shift excess special funds to the general fund, providing an estimated \$24 million;
- Restructure existing debt and revise the interest rate assumption on future bond issuances, providing an estimated \$50.8 million;
- Revisit Act 221, Session Laws of Hawaii 2001, and make adjustments, providing an estimated \$55.5 million;
- Reduce the Department of Education's "Adult Education" program, providing an estimated \$2.7 million; and
- Supplanting \$8 million in general funds for the Department of Education with \$8 million in federal funds.

#### Non-General Funds

As previously mentioned, twenty-eight states have tapped various state special funds to meet budget shortfalls. Given the current fiscal crisis, your Conference Committee has also examined these funds as possible sources of revenue. While the new administration proposed to transfer \$41 million, your Conference Committee has identified more than \$75 million in non-general fund cash balances to be transferred to the general fund through HB 1152, relating to state funds. With the magnitude of fund transfers your Conference Committee proposes, fund administrators will need to closely monitor revenues and expenditures. While your Conference Committee finds no pleasure in taking this course of action, it believes it is necessary in order to ensure that priority programs in departments such as Education, Health, Human Services, and the University of Hawaii are, and will continue to be, funded at a level deserving of their core missions.

#### **Non-Discretionary Costs**

As a result of the growing needs reflected in the budget, your Conference Committee recognizes increases of approximately \$56 million in fiscal year 2003-2004 and \$161 million in fiscal year 2004-2005 in non-discretionary costs.

#### Health Fund

Your Conference Committee notes that among the non-discretionary additions contained in the budget, over \$20 million in fiscal year 2003-2004 and over \$50 million in fiscal year 2004-2005 is required for health premiums for active and retired state employees. In addition, over \$12 million in fiscal year 2003-2004 and over \$17 million in fiscal year 2004-2005 is required for the employer's portion of Social Security and Medicare contributions.

#### Pension Accumulation

Your Conference Committee also feels it is important to note that due to the condition of the stock market, the Employees' Retirement System has realized negative returns on the market value of retirement assets of 6.9 percent in fiscal year 2000-2001 and 5.9 percent in fiscal year 2001-2002. These negative market conditions resulted in increases of over \$24 million in fiscal year 2003-2004 and over \$94 million in fiscal year 2004-2005 in the State's obligation for funding the Employees' Retirement System.

#### Bond Issuance

With fiscal prudence in mind, your Conference Committee chose to reduce the amount of new capital improvement projects initiated. Conversely, the related bond issuance was kept at \$450 million in fiscal year 2003-2004 but reduced from \$450 to \$400 million in fiscal year 2004-2005. In addition, bond interest rate assumptions were reduced from 6 percent to 5.5 percent in fiscal year 2003-2004 and from 6 percent to 5.7 percent in fiscal year 2004-2005. As a result, related interest and bond costs were reduced by \$787,000 in fiscal year 2003-2004 and \$712,000 in fiscal year 2004-2005 respectively.

#### **Reductions to the Budget**

Without the use of some of the Hawaii Hurricane Relief Fund balance, increases in taxes, or reductions in force to assist in balancing the budget, the new administration found it necessary to propose a five percent reduction to the discretionary general fund budgets of the majority of departments. Some of these proposed reductions were accepted by the Legislature, while other reductions were introduced.

#### Bond Restructuring and Refinancing

The overall global economy has provided at least one positive scenario which helps to alleviate the state's budget shortfall. Lower interest rates have allowed the State to realize savings in debt service costs. Due to previous general obligation bond restructuring and refinancing transactions, the State is projected to have a net savings of \$55.2 million in fiscal year 2003-2004 and \$24.8 million in fiscal year 2004-2005. Furthermore, the new administration is proposing another restructuring and refinancing transaction that would provide additional estimated savings of \$24.9 million in fiscal year 2003-2004 and \$23.4 million in fiscal year 2004-2005. These two transactions have the potential to save the State \$80.1 million in fiscal year 2003-2004 and \$48.3 million in fiscal year 2004-2005.

Vacant Positions

Your Conference Committee had a difficult time working within the framework established by the new administration. Given this limitation, your Conference Committee carefully examined positions identified as vacant since at least December 31, 2001. Although the departments may want to maintain these positions, they have adjusted to the vacancies. Workloads have been redistributed and savings have been realized. In these uncertain economic times, lower budget allocations will not permit departments to fill these vacancies. It is your Conference Committee's hope that, when Hawaii's economy recovers, these vacancies may be restored.

In addition to reducing positions and funds in various departments, your Conference Committee also looked at programs where position count reductions were not warranted. In these instances, a fifty percent reduction to the salary amount for positions that had been vacant since at least December 31, 2001, was assessed but no positions were taken.

Your Conference Committee believes that the new administration will continue to keep a watchful eye on personnel expenditures in order to realize the efficiency savings needed to contend with these reductions of vacancies. The Legislature recommends that the new administration carefully review position vacancies and recommend the elimination of unneeded positions accordingly, in the coming supplemental budget for fiscal year 2004-2005.

Travel

Your Conference Committee understands that the new administration is seeking ways to improve efficiency in state government. As such, your Conference Committee has identified two key areas, travel and overtime, for reductions, with the expectation that the new administration will find further reductions using similar approaches.

Your Conference Committee has reduced the amount of travel budgeted in state government by ten percent for the Department of Education and the University of Hawaii, and thirty percent for all other departments. Your Conference Committee realizes that because Hawaii is an island state, travel is very important, but expects that it can be reduced with minimal impact to services provided by state government.

To help preserve services, your Conference Committee hopes that, through the actual execution of these reductions, the departments will take special care to ensure that these reductions will least affect those counties where travel is critically important.

Overtime

Your Conference Committee reduced overtime by \$685,527 in fiscal year 2003-2004 and \$1,582,344 in fiscal year 2004-2005 in five program areas: the Halawa Correctional Facility, the Hawaii Community Correctional Center, the Maui Community Correctional Center, the Oahu Community Correctional Center, and the Women's Community Correctional Center. Your Conference Committee notes that significant overtime costs were cited in the Office of the Auditor's *Financial Audit of the Department of Public Safety, Report No. 02-10, May 2002*. As a result of this report, your Conference Committee identified these amounts as reductions, in an attempt to bring these facilities' overtime expenditures closer to levels found in other areas of the country.

**Education**

In consideration of the State's current fiscally constrained situation, your Conference Committee has generally adopted the new administration's proposed budget for Fiscal Biennium 2003-2005 for the Department of Education (DOE) and the Hawaii State Public Library System (HSPLS). Your Conference Committee, in accepting most of the new administration's recommendations, has not abdicated the Legislature's responsibility to scrutinize and carefully evaluate these departments' budgetary requests. In acknowledging the Council on Revenues' amended and reduced state revenue projections, your Conference Committee has made additional, very specific, budget reductions. These reductions will not adversely impact the departments' ability to meet its mandated responsibilities or stated missions.

Department of Education

Your Conference Committee has approved the DOE's request to internally reallocate resources, both within and between major program areas, to address specific departmental needs. Your Conference Committee has agreed to the new administration's requests to transfer funds from various programs and other cost categories to address department salary shortfalls within Regular Education (EDN 100) and Comprehensive School Support Services (EDN 150). Your Conference Committee would like to specifically acknowledge the special and federal fund surplus in the department's Food Services program (EDN 400/MD), which will be used to supplant a portion of the Food Services program general fund appropriation. Due to this special and federal fund surplus, your Conference Committee has concomitantly approved the reduction of approximately \$9.2 million for fiscal year 2003-2004 and \$10.6 million in fiscal year 2004-2005 in general funds for the Food Services program. These general fund reductions will be transferred to Regular Education (EDN 100) and includes \$2.4 million in fiscal year 2003-2004 and \$2.3 million in fiscal year 2004-2005 for textbooks, equipment, and supplies; \$1.2 million in fiscal year 2004-2005 for workers' compensation costs; and \$1 million in fiscal year 2003-2004 and \$2.4 million in fiscal year 2004-2005 for charter school funding. Approximately \$5.9 million in fiscal year 2003-2004 and fiscal year 2004-2005 will be transferred to Comprehensive School Support Services (EDN 150) to offset a projected salary shortfall.

The Felix Consent Decree and Special Education

Your Conference Committee has also approved the administration's request to transfer various resources from the Department of Health (DOH) to DOE, which would supplement the DOE's Special Education and Felix Consent Decree services. The DOE's EDN 150 budget has also been increased with the addition of (24) temporary positions and (28.50) permanent positions and \$11.9 million in general funds for fiscal year 2003-2004 and fiscal year 2004-2005, which will be transferred from DOH to DOE's Services for

Children with Autism, a mandated Felix Response Plan program. Your Conference Committee has also approved the transfer of \$14.6 million in both fiscal year 2003-2004 and fiscal year 2004-2005 to DOE's Services for The Children with Autism program, primarily to fund contract services.

In addition, your Conference Committee has approved the conversion of eight hundred and three (803) temporary Comprehensive School Support Services (EDN 150) positions, which are primarily Felix Response Plan (FRP) and School Based Behavioral Health (SBBH) positions, to permanent status. Although your Conference Committee has not stipulated the specific positions to be converted, your Committee encourages the DOE to seriously consider converting specialized technical and school-level positions (e.g., school based behavioral specialists, special and regular education teachers, therapists, high risk counselors, speech pathologists, etc.) before the conversion of administrative, state or district level positions. In the 2002 Supplemental Appropriations Act, the Legislature requested that the DOE complete a comprehensive needs assessment of the Felix Response Plan (FRP) and School-Based Behavioral Health (SBBH) programs in order to identify those program needs, e.g., permanent positions, other resources, etc., which are critical to compliance and maintenance of compliance under the Felix Consent Decree and other related federal Special Education statutes. The DOE is continuing to work on the requested program needs assessment and has also provided some of the requested information to your Conference Committee. Your Conference Committee has approved a proviso which, among other requirements, requests the DOE to continue its ongoing needs assessment and report to the Legislature prior to the convening of the 2004 and 2005 legislative sessions in order to allow the Legislature to complete its determination of the appropriate number of temporary positions to convert to permanent status in the future.

#### Reductions

Your Conference Committee has adopted the administration's proposed five percent discretionary general fund reduction for the department of education. Your Committee has approved the reduction of approximately \$3 million in general funds for fiscal year 2003-2004 and fiscal year 2004-2005: approximately \$2.7 million per year for Regular Education (EDN 100); approximately \$94,000 per year for School Instructional Support (EDN 200); approximately \$144,000 per year for State and District Administration (EDN 300); and approximately \$38,000 per year for School Community Service (EDN 500).

Your Conference Committee has provided lump-sum additions to the EDN 100 budget that include: approximately \$2.5 million and \$2.9 million in fiscal year 2003-2004 and fiscal year 2004-2005, respectively, for New Century Charter Schools; approximately \$2 million in fiscal year 2003-2004 and fiscal year 2004-2005 for the School Safety Manager program; and approximately \$405,000 in fiscal year 2003-2004 for lease rent for Nanaikapono School. New Century Charter School funding remains a statutorily mandated obligation for the State, and the approved lump-sum adjustment would address a portion of this required cost. The New Century Charter School program has been historically under-funded. Act 177, Session Laws of Hawaii 2002, the Supplemental Appropriations Budget for fiscal year 2002-2003 provided approximately \$6 million in charter school funding. This resulted in a \$5.5 million shortfall for the program in fiscal year 2002-2003. Currently, there is only \$6 million in the DOE's base budget for charter schools. Therefore, without increased funding, the State's charter schools, which are defined as State public schools, may again face deficits in fiscal year 2003-2004 and fiscal year 2004-2005. To further insure the solvency of the charter school program your Conference Committee has included a budget proviso that clarifies, for the DOE, that any funds allocable to the charter schools shall be determined by statute and, therefore any reduction to the statutorily determined amount must be explicitly stated in and justified under current Hawaii charter school law.

Your Conference Committee has also determined that the lump-sum adjustment for rental payment for Nanaikapono School also qualifies as a fixed and mandated cost for the State. Additionally, your Conference Committee believes that school safety remains a major priority for the department and therefore, the school safety manager program should continue to receive the approved lump sum funding.

Your Conference Committee has evaluated two administration requests to reduce the base general fund budgets for Regular Education (EDN 100) and the Adult Education program in School Community Service (EDN 500). Specifically, the administration requests an \$8 million general fund reduction for fiscal year 2003-2004 and fiscal year 2004-2005 and an associated \$8 million increase to the federal fund ceiling for both years for Federal Impact Aid funding. Additionally, the administration requests a \$2.7 million general fund reduction to Adult Education (EDN 500) and a concurrent \$2.7 million increase to the Adult Basic Education Special Fund ceiling in fiscal year 2003-2004 and fiscal year 2004-2005. After considering the projected negative impact to both the Regular and Adult Education programs, your Conference Committee has again decided to exercise prudence and deny these reductions.

#### Additions

Your Conference Committee has also approved various additions to the DOE's base operating budget. However, most of your Committee's approved funding increases are to meet mandated costs. To meet collective bargaining agreed-to increments, your Conference Committee has approved a total of approximately \$85.7 million in fiscal year 2003-2004 and fiscal year 2004-2005 in general funds. Additionally, your Conference Committee has added approximately \$14.4 million in fiscal year 2003-2004 and \$43.8 million in fiscal year 2004-2005, in general funds for employee pension accumulation costs. To meet rising Social Security and Medicare costs, your Conference Committee has approved approximately \$9.5 million in fiscal year 2003-2004 and \$12 million in fiscal year 2004-2005 in general funds. Finally, your Conference Committee has added approximately \$6.4 million in fiscal year 2003-2004 and \$18.6 million in fiscal year 2004-2005 in general funds to meet the increased cost of DOE employee health premiums. In total, your Conference Committee has approved approximately \$116 million in fiscal year 2003-2004 and \$160 million in fiscal year 2004-2005 to fund the new administration requested fixed program costs.

#### Hawaii State Public Library System



Your Conference Committee, again considering the State's current financial situation and your Conference Committee's commitment to opening and operating the Kapolei library, has appropriated \$1 million for other current expenses, including books and equipment, for fiscal year 2003-2004 and nineteen positions and approximately \$1.6 million for fiscal year 2004-2005 for the Kapolei Library. Although your Committee's adjusted appropriation for the library will delay its opening for a year, your Conference Committee believes that the appropriation configuration was a required compromise between the needs of the leeward community and fiscal prudence.

Your Conference Committee has also exercised prudence by adopting the new administration's request to reduce general funds in fiscal year 2003-2004 and fiscal year 2004-2005 from the overall HSPLS budget. Specifically, your Conference Committee has approved the reduction of approximately \$551,000 for fiscal year 2003-2004 and \$566,000 for fiscal year 2004-2005 from HSPLS's general fund budget. Your Conference Committee believes that the above-stated reduction to HSPLS's discretionary general fund budget is a balanced melding of department resource needs and fiscal constraint.

#### Summary

Your Conference Committee has approved a total education budget (which includes state libraries) of approximately \$1.437 billion in general funds in fiscal year 2003-2004 and \$1.488 billion in general funds in fiscal year 2004-2005. This budget also appropriates (19,469.15) general funded Full Time Equivalents (FTE) in fiscal year 2003-2004 and (19,471.15) general funded FTEs in fiscal year 2004-2005. By comparison, the administration education budget appropriates (20,369.65) general funded FTEs and approximately \$1.425 billion in general funds in fiscal year 2003-2004 and (20,357.15) general funded FTEs and \$1.471 billion in general funds in fiscal year 2004-2005. But for differences in appropriated general funded positions, which have been explained in the Special Education portion of this committee report, your Conference Committee's education budget and the new administration's budget are relatively close in total general funds appropriated. This similarity results from your Conference Committee's intent to be fiscally prudent and to adopt many of the new administration's budget reduction requests. The differences in the appropriated general funds also demonstrate your Conference Committee's exercise of due diligence, in providing additional resources (approximately \$12 million in fiscal year 2003-2004 and \$15 million in fiscal year 2004-2005) for specifically identified education needs.

#### **Higher Education**

Your Conference Committee continues to make access to quality public higher education opportunities in Hawaii one of its highest priorities. Your Conference Committee notes that the new administration proposed reductions totaling \$3.2 million, or five percent of the university's discretionary general fund for fiscal years 2003-2004 and 2004-2005. This reduction would have adversely affected the Hilo campus, West Oahu campus, the small business development center, aquarium, and all of the community colleges. The effect of the reduction would have hampered the purchase of needed supplies, the replacement of equipment, the repair and maintenance of equipment and facilities, the hiring of lecturers and regular faculty and staff, the number of classes that can be offered, the level of State effort for federal fund matching, and the continuance or expansion of outreach programs. Your Conference Committee supports the university's goal of becoming a world-class institution and, therefore, could not concur with all of the new administration's proposed reductions.

Your Conference Committee sought to completely restore all of the fiscal year 2003-2004 and fiscal year 2004-2005 restrictions proposed by the new administration. However, due to continued fiscal constraints, your Conference Committee could only restore \$1.7 million of the new administration's five percent discretionary general fund reductions to the University of Hawaii.

#### **Health**

Your Conference Committee remains fully committed to ensuring that essential health related services remain a priority despite the current fiscal state of the Hawaii's economy. To this end, the appropriations authorized by your Conference Committee in the area of health will ensure sufficient funding for the essential services provided by the Department of Health.

Your Conference Committee commends the Department of Health for pursuing and receiving federal funding totaling \$8.4 million to support and strengthen its capacity to respond to threats of bioterrorism and other public health emergencies resulting from terrorism. Your Conference Committee further affirms its commitment to health related issues by supporting the general practice dental residency program for disabled patients and restoring funds for emergency medical services equipment.

Your Conference Committee recognizes that the previous administration deleted positions and funding for the Developmental Disabilities Services Branch (DDSB) due to the closure of the crisis shelter and Waimano Training School and Hospital. Your Conference Committee was informed that DDSB, since 1999, has been providing safety net transition supports, as well as monitoring activities relating to residential settings for persons with developmental disabilities. This practice is consistent with national standards. Upon reviewing a request submitted by the Developmental Disabilities Division, a blueprint for a revised mission was laid out, detailing well-defined functions required for the proposed Disabilities Supports Branch (DSB). This clarified the functions required of DSB. Your Conference Committee supports the restoration of a total of twenty-four positions and \$1,378,764 in fiscal year 2003-2004 and \$1,237,396 in fiscal year 2004-2005.

#### The Community & Remedial Plans and the Adult Mental Health Division

On January 23, 2003, federal Chief District Judge David Ezra accepted the Community and Remedial Plan under an order of the court. The Community Plan replaces the Implementation Plan for Service Development (IPSD). The Community Plan is designed to ensure appropriate community services for individuals discharged, transferred or diverted from Hawaii State Hospital, and for individuals at risk of hospitalization at the Hawaii State Hospital.

Your Conference Committee affirms its full support of and commitment to the mentally ill population residing in Hawaii by approving and providing full funding to the Adult Mental Health Division's (AMHD) budget request totaling \$2.68 million in the upcoming biennium to meet essential Community Plan requirements. Your Conference Committee notes that the additional requests for the next two years increase the total base funding amount for community outpatient services to \$99.56 million. Your Conference Committee, after reviewing the proposed methodology to be used by the AMHD to determine the number of additional staff, has decided to provide temporary position counts in lieu of the seventy-nine permanent positions requested. Further, your Conference Committee was informed that AMHD has developed a statistical model to predict risk of hospitalization using regression analysis. Using this utilization management model, AMHD believes that it will be able to determine its annual target population, which will result in a more accurate caseload analysis for its staffing requirements. Once the reports from AMHD have been submitted, your Conference Committee believes that supporting permanent positions may be warranted.

Moreover, since 1991, the State of Hawaii has been under a Settlement Agreement with the United States District Court to comply with various stipulations and orders that included the Hawaii State Hospital (HSH) Remedial Plan for Compliance and the HSH Space Utilization Plan. The HSH Remedial Plan was made an order of the court on February 21, 2002, relative to the treatment and services at the Hawaii State Hospital. Your Conference Committee notes that the Community Plan, in conjunction with the HSH Remedial Plan, was found to meet the requirements of the court ordered Omnibus Plan and permits the State to meet its legal obligation in an efficient and accountable manner. Furthermore, your Conference Committee has provided a total of \$23.70 million over the next two years to address the compliance issues with this court-ordered HSH Remedial Plan.

Your Conference Committee reaffirms its commitment to ensure that the mentally ill population receives the best available care. Based on AMHD's current assumptions on identifying all vacant positions that could be used to cover projected workload, your Conference Committee found it more prudent to provide funding for temporary positions at this time. Your Conference Committee is reassured that the AMHD will develop a better framework of its actual caseload analysis after reviewing its utilization management in the upcoming months. At that point, there will be a better basis for approving future permanent position counts.

#### Felix Costs – Department of Health

Your Conference Committee is committed to the initiatives implemented under the Felix Consent Decree of December 31, 2001, which required meeting various fundamental benchmarks and measures including effective service coordination and appropriate family/child participation in the delivery of services and in the area of early intervention.

Your Conference Committee acknowledges that the Child and Adolescent Mental Health Division (CAMHD) has achieved substantial compliance with the terms of the decree. In meeting these mandates, your Conference Committee commends the division for reaching this milestone. Your Conference Committee is further cognizant that due to the decreased number of registered children and youth from 3,000 to 1,457 and lower utilization of residential programs and intensive services, CAMHD was able to realize a total cost savings of \$17.14 million in each year of the biennium by reducing its purchase of service contracts; of this amount, \$14.6 million was transferred to the Department of Education for contract services for youth with autism spectrum disorders.

#### Hawaii Health Systems Corporation

Act 162, Session Laws of Hawaii 1996, established the Hawaii Health Systems Corporation (HHSC), to provide safety-net healthcare services particularly in the rural areas. Administratively attached to the Department of Health, the Corporation, through its twelve community hospitals, provides long-term, rural health, and primary acute care to all that require medical assistance.

To this end, your Conference Committee is committed to supporting the HHSC by providing a general fund subsidy totaling \$31.22 million for the upcoming biennium to cover its projected shortfalls. Your Conference Committee acknowledges and shares in the plight faced by HHSC with regard to: its collective bargaining issues; payments to the Employees Retirement System and for health benefits for both current HHSC and for former employees; and the inability of the Med-QUEST program to pass the "disproportionate share" funds through the health plans to HHSC facilities; all of which have further exacerbated HHSC's healthcare crisis.

Although the former Community Hospitals Division has made significant improvements over the last seven years, your Conference Committee is, however, not without concerns relating to the basic fundamentals of the Corporation. Toward this end, your Conference Committee wishes to highlight a few areas of concern with regards to HHSC's fiduciary obligations and duties.

Your Conference Committee had some concerns this session regarding the Corporation's budget requests and justifications. For example, HHSC's revenues and expenditures were not easily understandable in light of its statement of revenues and expenses for the twelve facilities operated by HHSC, and the documents submitted by HHSC. Upon raising this issue, your Conference Committee was informed by the Corporation that the accounting method prescribed by HHSC was based on an accrual method of accounting--resulting in the variance reported by HHSC. Another example of the lack of clarity involved the breakout of HHSC's original baseline budget submittal to the Department of Budget and Finance. Your Conference Committee noted that the original biennial budget submittal was for \$39.4 million and \$44.6 million in fiscal years 2003-2004 and 2004-2005, respectively. In order to understand its original submittal request, your Conference Committee required further justification for the stated shortfalls and requested additional information. In its response, the HHSC submitted a spreadsheet highlighting these projected shortfalls. The Corporation, however, did not provide any explanation on how these numbers were derived. Facilities that were previously touted as being solvent were now projected to have shortfalls in the upcoming years.

Your Conference Committee, however, finds that during the last days of the 2003 session, an honest attempt was made by the executives of the Corporation to provide further clarification and information for use by your Conference Committee's staff. In this regard, your Conference Committee appreciates the efforts of the senior management of HHSC to be more forthright with the Legislature. Your Conference Committee hopes that this effort will continue on the part of HHSC's management to provide its fullest cooperation in assisting the Legislature in understanding its requests for general fund subsidy in future sessions.

Your Conference Committee further finds that the unfavorable reimbursements from government-type payors such as Medicaid and Medicare have added and exacerbated the revenue shortfalls for the HHSC of more than \$35 million per year. Moreover, while your Conference Committee is aware that HHSC is not able to negotiate rates with the federal government for the Medicare program or with the State for the Medicaid program, your Conference Committee believes that the HHSC should continue to look for ways to make administrative and statutory changes to allow for more favorable rates to increase its revenue stream. Your Conference Committee is confident that the HHSC and the new administration will be resourceful and find creative means to resolve these issues relating to Medicare/Medicaid issues.

Your Conference Committee further notes that during the last few legislative sessions, HHSC cited collective bargaining as one of the primary factors contributing to its huge deficits. However, your Conference Committee does not believe that the collective bargaining costs provided by the Corporation portray an accurate picture of the actual costs. While your Conference Committee is aware that the HHSC believes it is necessary to contract for additional help, your Committee raises concerns about the use of three lobbyists under contract with HHSC. While it may not violate any ethics rules, your Conference Committee questions the appropriate use of \$120,000 in State funds for such purposes, given there may be other pressing needs for the use of these funds within its twelve facilities.

Your Conference Committee also believes that the Corporation's procurement policies undermine the intent of fair competition because it avoids the competitive process, lacks accountability, provides for discretionary contracts, and allows purchases under \$200,000, without Board of Directors approval. Toward this end, your Conference Committee is concerned about a number of its contracts.

For example, the HHSC had an annual \$199,000 contract for a dialysis nurse on the neighbor islands for the period of May 6, 2002 through April 25, 2003. Your Conference Committee carefully reviewed the scope of services of this contract to justify the \$199,000 contract amount and allowances. Your Conference Committee could not find any significant or specialized skills other than the requirement that the contractor must be a Registered Nurse (RN) licensed to practice in Hawaii. While your Conference Committee does not disagree with the need for the Corporation to contract for or hire a dialysis nurse for the Maui Memorial Medical Center (MMMC), your Conference Committee questions the high compensation paid to this contractor. Your Conference Committee is further distressed by four other contracts for dialysis nurses and the amounts contracted out for these services.

Your Conference Committee conducted a brief and independent internet search to find comparable salaries for dialysis nurses or equivalent positions in order to determine whether these contractual amounts were justified. Your Conference Committee found that an independent healthcare survey on the average salary of dialysis nurses nationwide is \$45,577 and the average bonus received by these nurses was four percent, depending on the region within the United States. Your Conference Committee was also informed that the job rate for Registered Nurses (with 24 months of experience) in the private sector in Hawaii is \$29.75 per hour or \$57,120 annually. There are no salary differentials for specialty areas. When your Conference Committee requested further clarification for this contract to determine the qualifications of this contractor, HHSC provided your Conference Committee with an unsigned copy of its request for discretionary procurement (RDP). Your Conference Committee believes that the justification cited is unpersuasive. The RDP cited "Much of the data we will need to setup such a program at MMMC i.e., Policy and Procedure Manuals, she already has done and will bring them over for our review. This will save time and money for MMMC." Since your Conference Committee's review of these contracts and subsequent discussion with HHSC, your Conference Committee was informed that these contracts for dialysis nurses for MMMC were "awarded with appropriate coordination with HHSC senior management and HHSC Board leadership in order to deal with a healthcare crisis on Maui and in order to assure access to critical healthcare services and to protect the health status of Maui citizens." Your Conference Committee raises the concern as to whether the present use of general funds for such contracts are cost-effective and judicious.

Due to the time constraints faced by your Conference Committee, a review of other contracts was not carried out. Another example of the imprudent use of State funds includes an aquarium maintenance contract for \$8,000. Your Conference Committee also found a signed contract that was never encumbered by the Corporation for housekeeping services by the Four Seasons Resort in the amount of \$23,000 for a one-month period in 2002.

Your Conference Committee does not believe that relying on the State for annual substantial incremental increases in general fund subsidy is an effective long-term solution for the Corporation. Your Conference Committee further understands that as a provider of safety-net services, the majority of its facilities are unlikely to achieve operating efficiencies to break even. Your Conference Committee also acknowledges and understands that managing and accounting healthcare revenues is complex and difficult to simplify. It is, however, the hope of your Conference Committee that HHSC and the new administration will be able to address these areas of concern and find alternatives to offset its professional services-on-a-fee contracts and the other issues addressed in this Conference Committee report.

#### **Human Services**

In an effort to minimize the impact to the department's programs and recipients, your Conference Committee has been as judicious as possible in its reductions to the Department of Human Services.

#### Compacts of Free Association

Your Conference Committee looked to reduce funding in areas where the State currently receives little or no federal fund assistance in the form of a reimbursement for expenditures of state resources, but where such assistance is expected. One of the larger reductions, \$7.3 million, is in the fiscal year 2004-2005 funding for Compacts of Free Association (CFA) recipients in the Med-QUEST program.

Prior to the Welfare Reform Act of 1996, CFA migrants were eligible to participate in federally funded Medicaid. However, the Welfare Reform Act prohibited the participation of aliens, including CFA migrants, in federally funded public assistance programs. As a result, the State has needed to request federal funds through the governor's office each year to partially offset CFA's medical and other costs. Recently, the Bush administration offered \$15 million a year over the next two decades to help those areas most impacted. Hawaii and Guam will divide the bulk of these funds, as they have the largest number of CFA migrants. Your Conference Committee believes a large portion of these federal funds should be directed to the medical care of the CFA migrants. The fiscal problem facing the State of Hawaii by the services required for the CFA migrants escalates annually with estimates reaching \$100 million for this fiscal year alone. To reduce the financial burden to Hawaii's public and private sectors, your Conference Committee encourages the new administration to urge the federal government to increase its assistance to Hawaii through appropriation of funds or revision to federal law. Your Conference Committee is also allowing time for the new administration to secure these federal funds by preserving funding for CFA recipients in fiscal year 2003-2004.

#### Temporary Assistance to Needy Families (TANF) and General Assistance Payments

Under welfare reform there has been a strong emphasis on employment. The department of human services encourages individuals on welfare assistance to move toward self-sufficiency. The focus is on maximizing income to the household and removing disincentives to working. To encourage employment, the department has increased the income disregards and the asset exemption limits, as well as extended eligibility for medical and childcare assistance for those who have become gainfully employed. While your Conference Committee reduced TANF funding by \$900,000 in fiscal year 2004-2005, the minimum maintenance of effort level will be sustained. Your Conference Committee is pleased with the direction of the department and encourages continuance of this effort.

In program areas where there are anticipated decreases in program population or costs, your Conference Committee has reprojected program-funding requirements based on prior expenditure levels. With regards to General Assistance, your Conference Committee reduced funding by \$1.9 million in fiscal year 2003-2004 and \$2.1 million in fiscal year 2004-2005 to reflect decreases in the program population. While these reductions are large, the department of human services will be able to continue current monthly benefit levels.

#### Medicaid

Your Conference Committee has provided increases in funding to program areas where population growth and rising costs are anticipated to impact program needs.

Soaring medical costs, especially in the area of prescription drugs, have impacted several programs in different departments throughout the State, prompting the need for large increases in expenditures. These escalating medical costs are not limited to Hawaii, as the nation as a whole continues to struggle with this crisis.

The Med-QUEST program, which provides medical care to the State's low-income population through the Title XIX Medicaid program, is beset by these cost increases, necessitating your Conference Committee to appropriate an additional \$38.4 million and \$49.3 million in general funds for fiscal year 2003-2004 and fiscal year 2004-2005, respectively, and another \$75.6 million and \$90.9 million in federal funds for fiscal year 2003-2004 and fiscal year 2004-2005, respectively.

#### Childcare Payments

Another area facing population and cost increases is child welfare services. There has been a marked rise in the number of children requiring maintenance outside of their family home due to abuse, neglect, or the inability of the family to provide adequate care and supervision. Your Conference Committee increased funding by approximately \$4.2 million in fiscal year 2003-2004 and \$6.8 million in fiscal year 2004-2005 for child placement board and related payments, to provide these children with an adequate standard of living.

### **Capital Improvement Program Projects**

Your Conference Committee has taken a fiscally responsible approach regarding the new administration's Capital Improvements Projects (CIP) budget. The new administration's proposed \$554 million in general obligation (G.O.) bond expenditures over the fiscal biennium has been reduced by your Conference Committee to \$400 million. Your Conference Committee believes this reduction is necessary to control the ever-rising cost of debt service paid by the state. By reducing the G.O. bond expenditures the State could potentially save over \$262 million over the next twenty years.

The majority of the capital expenditures your Conference Committee provides are directly invested in the State's educational infrastructure. Your Conference Committee approved \$192 million for deposit to the State Educational Facilities Improvement Special Fund. These funds will be used for the construction of new school facilities, as well as improving and upgrading existing public school facilities. In addition, your Conference Committee approved \$42 million for major repairs to protect the structural integrity and aesthetics of school buildings.

In order to enhance the learning environment for students at University of Hawaii campuses, your Conference Committee approved nearly \$30 million for the repair, upgrade, and improvement of University facilities and infrastructure.

In addition, much of the remaining new capital expenditures your Conference Committee has provided for address many health and safety needs of various facilities and institutions across the State.

### **Conclusion**

Your Conference Committee believes that it may be a long and hard road ahead to economic recovery. Even in these challenging times, your Conference Committee has provided the resources necessary to meet all of the State's critical needs. Your Conference Committee's commitment to higher and lower education, health, and human services is clearly evidenced in its actions.

As affirmed by the records of votes of the managers of your Committee on Conference that are attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 200, 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. 200, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kokubun, Aduja, English, Espero, Hooser, Inouye, Kanno, Kawamoto, Kim, Sakamoto, Tsutsui, Hemmings, Slom, Trimble.

Managers on the part of the Senate.

Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

Representatives Takamine, Kawakami, Karamatsu, Kaho`ohalahala, Magaoay, Mindo, Nakasone, Nishimoto, Shimabukuro, Wakai, Waters, Bukoski, Jernigan, Meyer, Moses.

Managers on the part of the House.

Ayes, 15. Noes, none. Excused, none.

#### **Conf. Com. Rep. No. 143 on H.B. No. 808**

The purpose of this bill is to provide the necessary appropriations and authorizations for the operation of and capital improvements for the Judiciary for fiscal biennium 2003-2005.

In deliberating on this and other bills affecting the State's finances, your Committee on Conference considered the serious impact of lower revenue projections and the inevitable negative economic consequences of the recent war in Iraq. Therefore, your Committee on Conference has taken a conservative approach in developing the Judiciary's biennium budget.

Mindful that most of the Judiciary's biennium budget requests are needed and justifiable, your Committee on Conference has given careful consideration to all of them. Incorporated into the Judiciary's budget is previously approved collective bargaining which would increase the Judiciary's budget by \$10.3 million in fiscal year 2003-2004 and fiscal year 2004-2005 in general funds.

The Judiciary's budget requests for fiscal biennium 2003-2005 reflect an increase in requested resources as compared to the Judiciary's current budget by \$8.5 million in fiscal year 2003-2004 and \$9.8 million in fiscal year 2004-2005. These additional resources were expected to address a number of areas to meet the needs of Hawaii's citizens.

In considering all of the Judiciary's priorities and the current fiscal situation, your Committee on Conference has provided a total of eighteen positions and \$1,440,895 in general funds for fiscal year 2003-2004 and twenty-seven positions and \$1,737,029 in general funds for fiscal year 2004-2005. Total funding increases, including requests and collective bargaining, for the Judiciary's budget in general funds total \$11,751,469 in fiscal year 2003-2004 and \$12,047,603 in fiscal year 2004-2005.

Your Committee on Conference realizes that the number one priority of the Judiciary is two Intermediate Court of Appeals (ICA) Judgeships. Currently, there is a severe backlog of cases in the ICA and the Judiciary does not have the resources to hire staff and additional support to address these cases. Act 248, SLH 2001, amended section 602-51, HRS, authorizing two additional intermediate appellate court judgeships. Your Committee on Conference realizes the importance of this request, which will allow for more flexibility and greater capacity for the ICA to address its demanding caseload. Therefore, your Committee on Conference has provided general funds totaling eight positions and \$613,744 for fiscal year 2003-2004 and eight positions and \$564,220 for fiscal year 2004-2005.

Your Committee on Conference also recognizes the significance of interpreters in the court process and realizes that at the current level of funding, it is difficult for the Judiciary to attract skilled, experienced court interpreters. This said, your Committee on Conference has provided general funds totaling \$91,000 in fiscal year 2003-2004 and \$91,000 in fiscal year 2004-2005 to provide access to qualified court interpreters.

In addition, disturbing trends in drug use are prevalent in all communities throughout the State, and there has been a corresponding increase in the number of drug-related convictions. Your Committee on Conference finds that drug treatment programs are far more cost-effective than incarceration as participants in drug treatment programs have lower recidivism rates compared to incarcerated individuals.

Recognizing that drug treatment programs are essential services that benefit many, your Committee on Conference has thus provided funds totaling \$574,420 in fiscal year 2003-2004 and \$564,220 in fiscal year 2004-2005 for the Juvenile Drug Court program for the First Judicial Circuit.

Your Committee on Conference also realizes that non-discretionary costs are necessary for the daily operation of the Judiciary and therefore has provided general funds for the following non-discretionary priorities:

- \$143,533 for both fiscal year 2003-2004 and fiscal year 2004-2005 for the Hawaii State Law Library System for subscriptions and books;
- \$18,198 and \$29,690 for fiscal year 2003-2004 and fiscal year 2004-2005 respectively for risk management costs; and

- Nine positions and \$344,366 for fiscal year 2004-2005 for the new Kauai courthouse operations and maintenance expenses.

In addition to the increased amount of resources provided for the Judiciary's operating requirements, your Committee on Conference has provided \$3.155 million for capital improvements to Judiciary facilities over the biennium. These improvements are necessary repairs and renovations to ensure the Judiciary's existing facilities remain adequate.

Even in these challenging times, your Committee on Conference has provided the resources necessary to meet the Judiciary's critical needs. Your Committee on Conference believes its commitment to the preservation of a fair and equitable judicial system is clearly evidenced by its actions.

As affirmed by the record of votes of the managers 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. 808, 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. 808, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Hanabusa, Aduja, English, Espero, Hooser, Inouye, Kanno, Kawamoto, Kim, Kokubun, Sakamoto, Tsutsui, Hemmings, Slom, Trimble.

Managers on the part of the Senate.

Ayes, 15. Noes, none. Excused, 1 (Sakamoto).

Representatives Takamine, Hamakawa, Kawakami, Karamatsu, Kaho`ohalahala, Magaoy, Mindo, Nakasone, Nishimoto, Shimabukuro, Wakai, Waters, Bukoski, Jernigan, Meyer, Moses.

Managers on the part of the House.

Ayes, 15. Noes, none. Excused, 1 (Shimabukuro).

#### **Conf. Com. Rep. No. 144 on H.B. No. 1300**

The purpose of this bill is to provide the necessary appropriations for the operation of the Office of Hawaiian Affairs (OHA) for fiscal biennium 2003-2005.

Your Committee on Conference recognizes OHA's mandate under section 10-2, Hawaii Revised Statutes, to improve the conditions of both native Hawaiians and Hawaiians. It is clear that OHA must continue to provide services and create opportunities for the betterment of all Hawaiians.

In deliberating on this and other bills affecting the State's finances, your Committee on Conference seriously considered the impact of lower revenue projections and the certain negative economic consequences of the recent war in Iraq.

On January 8, 2003, OHA presented a biennium budget at a joint briefing of the Senate Ways and Means Committee and House Finance Committee. At this briefing, OHA requested a total of \$2,532,647 in general funds and \$4,029,866 in trust funds to be expended for fiscal biennium 2003-2005.

On January 16, 2003, OHA's Board of Trustees approved a second, revised fiscal biennium budget requesting \$5,700,000 in general funds and \$1,275,905 in trust funds for fiscal year 2003-2004 and \$5,700,000 in general funds and \$1,190,898 in trust funds for fiscal year 2004-2005. This revised biennium budget was then presented at a joint briefing of the House Water, Land Use, and Hawaiian Affairs Committee and Senate Judiciary and Hawaiian Affairs Committee. This budget was submitted with the understanding that all positions within OHA, with the exception of the Board of Trustees, would now be funded through the State general fund.

In considering OHA's second biennium budget, your Committee on Conference recognized that as a result of the current fiscal situation, all executive departments were undergoing reductions to their respective budgets, with many departments taking a 5 percent reduction in fiscal years 2002-2003, 2003-2004, and 2004-2005. Mindful of this situation, your Committee on Conference has amended this bill to reflect the original biennium budget presented by OHA on January 8, 2003.

On April 23, 2003, OHA submitted a request to the House Committee on Finance and Senate Committee on Ways and Means to revise provisos to reflect updated, anticipated expenditure levels and proper placement in programs. The request also sought adjustments to position counts and updated allocations to programs. In addition to providing OHA with its original biennium budget request as submitted on January 8<sup>th</sup>, your Committee on Conference recognized the importance of the adjustments and the reorganization of OHA and thus amended this bill to reflect the adjustments contained in the April 23<sup>rd</sup> request.

Upon consideration of OHA's budget requests, its unique status as a government entity, and the State's financial situation, your Committee on Conference has provided the resources OHA requires to fulfill its statutory mandates as reflected in OHA's original fiscal biennium budget request.

As affirmed by the record of votes of the managers 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. 1300, 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. 1300, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Hanabusa, Aduja, English, Espero, Hooser, Inouye, Kanno, Kawamoto, Kim, Kokubun, Sakamoto, Tsutsui, Hemmings, Slom, Trimble.

Managers on the part of the Senate.

Ayes, 13. Noes, none. Excused, 3 (Kim, Sakamoto, Slom).

Representatives Takamine, Kanoho, Kaho`ohalahala, Karamatsu, Kawakami, Magaoay, Mindo, Nakasone, Nishimoto, Shimabukuro, Wakai, Waters, Bukoski, Jernigan, Meyer, Moses.

Managers on the part of the House.

Ayes, 15. Noes, none. Excused, 1 (Shimabukuro).

**Conf. Com. Rep. No. 145 on S.B. No. 687**

The purpose of this measure is to authorize the State to establish a special pay plan, pursuant to section 401(a) of the Internal Revenue Code, for state and county employees separating from service.

This measure also allows employees under the age of fifty-five years, who elect early withdrawal from the special pay plan within sixty days from the date of separation from service, to be reimbursed by the employer the difference between the Federal Insurance Contribution Act (FICA) amount and any Medicare tax savings to the employee, and any early withdrawal penalty imposed by the Internal Revenue Service. Additionally, this measure provides for leaves of absence with pay for state and county employees who are members of the National Guard and Military Reserves.

Your Committee on Conference recognizes that the repeal of Chapter 79, Hawaii Revised Statutes, acted to remove leave provisions, including those relating to military leave. As a result of the current war in Iraq, the restoration of military leave provisions are necessary to protect and support those public employees who are also involved in active military service.

Your Committee on Conference finds that the implementation of a special pay plan for eligible public employees separating from service can provide the State as well as terminating employees with the benefit of substantial savings. However, so as not to adversely affect individuals who do not wish to enjoy the long-term benefits of a special pay plan or those who require cash upon separation, the State will reimburse the employee the difference between FICA and Medicare savings, and any federal early withdrawal penalty.

However, in an effort to allow more employers the option of utilizing a special pay plan for public employees separating from service, your Committee on Conference has amended the measure by creating a new chapter within Title 7, Hawaii Revised Statutes, which additionally:

- (1) Includes definitions for the terms "employee", "jurisdiction" and "special pay plan";
- (2) Creates the authority of a jurisdiction to establish a special pay plan;
- (3) Requires that participation in a special pay plan shall be:
  - (i) Mandatory for all employees whose employer has elected to offer a special pay plan; and
  - (ii) In accordance with chapters 89 for employees subject to a collective bargaining agreement.
- (4) Requires the employer to pick-up any mandatory employee contribution of accumulated vacation allowance to the special pay plan within the meaning of section 414(h)(2) of the Internal Revenue Code;
- (5) Requires each jurisdiction to be responsible for the administration of an established special pay plan;
- (6) Allows each jurisdiction, either individually or jointly with other jurisdictions, to contract the services of a special pay plan provider;
- (7) Allows each jurisdiction to adopt rules in accordance with Chapter 91, Hawaii Revised Statutes, and federal and state law;
- (8) Requires the selected plan provider to be responsible for any costs associated with the implementation and administration of the special pay plan;
- (9) Amends section 78-23, Hawaii Revised Statutes, to require payments of vacation allowance paid pursuant to subsections (c) or (d) to be subject to the provisions of the new chapter; and
- (10) Changes the effective date of the Act as follows:
  - (i) Part I shall not take effect until December 31, 2004; and
  - (ii) Part II shall take effect retroactively to June 30, 2000.

As affirmed by the record of votes of the managers 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. 687, 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. 687, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives M. Oshiro, Ito, Mindo, Blundell.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Blundell).

**Conf. Com. Rep. No. 146 on S.B. No. 768**

The purpose of this measure is to reinstate binding arbitration for employees of collective bargaining units (2), (3), (4), (6), (8), and (13) in the event of an impasse between the employer and exclusive representative of the collective bargaining unit.

Your Committee on Conference has amended this measure by reverting back to the Senate Draft 1 which included provisions prohibiting "essential" employees from participating in strikes.

Your Committee on Conference amended the measure by removing the essential employee provisions.

As affirmed by the record of votes of the managers 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. 768, 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. 768, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Espero, Kawamoto, Kokubun.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives M. Oshiro, Takamine, Nakasone, Bukoski.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.



## STANDING COMMITTEE REPORTS

**SCRep. 1 (Majority) Tourism on S.B. No. 38**

The purpose of this measure is to authorize the Hawaii Tourism Authority (Authority) to retain private legal counsel, independent of the Attorney General (AG).

Your Committee received testimony in support of this measure from the HTA. The AG submitted testimony in opposition to this measure.

Your Committee finds that the responsibilities of the Authority, particularly with regard to negotiating complex contracts, require specialized legal expertise and the services of an attorney able to focus attention exclusively on the legal needs of the Authority.

While the AG retains over one hundred fifty deputies to handle the legal affairs of the State, your Committee finds that the office has been unable to satisfactorily complete the Authority's legal work in a timely manner.

For example, the issue of the adequacy of the Authority's legal representation recently arose during the negotiation of the Authority's contract with the Hawaii Visitors Convention Bureau, which was supposed to be in place by January 1, 2003.

As of the end of January, 2003, the contract has not been signed, and your Committee finds that at least part of the reason is that the Authority lacked adequate legal representation in negotiating the contract.

While your Committee agrees that, in general, the AG's office should advise and represent all state agencies, it is more important to ensure that our state agencies are able to function effectively and efficiently.

Furthermore, although the Hawaii Revised Statutes contain a provision allowing the AG and the Governor to authorize retention of outside counsel, your Committee finds that procedure insufficient. Not only has the approval process been too lengthy in the past, but separate approval may be required for every project for which outside counsel is necessary.

Your Committee is hopeful that with the appointment of a new AG under Governor Lingle's administration, legal services to state agencies may improve. In the meantime, however, your Committee agrees that it is appropriate to authorize the Authority to retain full-time outside counsel.

Your Committee notes that this measure contains no separate allocation of funds to pay the salary and retainer for outside counsel for the Authority. The Authority has not requested additional funds to retain outside counsel, and your Committee agrees that the Authority should pay its outside counsel using its existing funds.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 38 and recommends that it pass Second Reading and be referred to the Committees on Judiciary and Hawaiian Affairs and Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Espero, Taniguchi).

**SCRep. 2 Tourism on S.B. No. 377**

The purpose of this measure is to provide a non-refundable, carry forward income tax credit up to a total aggregate limit of \$75,000,000 for taxpayers who develop an aquarium and marine research facilities at Ko Olina Resort and Marina.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development and Tourism (DBEDT), the Department of Taxation, the Hawaii Tourism Authority, Ko Olina Company, Ko Olina Community Association, the Estate of James Campbell, the Association of Apartment Owners of the Ko Olina Fairways, Armstrong Builders, Ltd., the Laborers' International Union of North America Local 386 AFL-CIO, the Iron Workers Stabilization Fund, Ironworkers Union Local 625, Ocean Sports Productions, LLC, the Hawaii Building and Construction Trades Council, Pacific Resource Partnership, the Hawaii Operating Engineers Industry Stabilization Fund, Brookfield Homes Hawaii, Inc., and three concerned citizens.

The Tax Foundation of Hawaii submitted testimony in opposition to this measure.

Your Committee finds that this measure is identical to SB2907, CD1, which was passed by both houses of the Legislature during the 2002 Regular Session and vetoed by Governor Cayetano on June 24, 2002.

Your Committee continues to support this measure, which will help to revitalize the tourism industry on Oahu and stimulate our economy in general. In fact, the ongoing economic slump we have been experiencing in Hawaii makes this measure even more important this year.

Your Committee finds that, like last year, Ko Olina Resort and Marina remains an ideal location for the creation of a world-class visitor attraction. The 652-acre resort is master planned, zoned, and approved for hotel, timeshare, commercial, and recreational development. The development of educational facilities that utilize Hawaii's unique resources, such as an aquarium and marine science center, would add considerably to the attraction.

Your Committee further finds that this project will stimulate Hawaii's visitor industry, which still has not fully recovered following the terrorist attacks of September 11, 2001. Oahu in particular is widely viewed as a single-resort destination, with nearly all visitors to the island concentrated in Waikiki. Your Committee finds that development of further facilities at Ko Olina will re-brand Oahu as a multi-resort destination.

Moreover, a world-class, outdoor aquarium and marine research facility is precisely the type of visitor attraction that Hawaii lacks, which is particularly unfortunate given our traditional connection to the ocean.

As important as this project is for the visitor industry, your Committee finds that it is equally important to stimulate the local economy on the leeward coast. One testifier in support of this measure referred to it as a "regional tax credit," and your Committee agrees.

Your Committee finds that our island economy, even without taking into account the visitor industry, is centralized in Honolulu and Waikiki. Creating new visitor facilities on the leeward side of the island will give leeward and central Oahu residents employment opportunities closer to their homes and help to reduce traffic congestion into and out of Honolulu.

The developers of this project testified, as they did last year, that an important part of the project would be to provide job training to residents of the West Oahu region. In fact, several testifiers, including DBEDT and the Ko Olina Company, informed your Committee that concurrent with the passage of this measure, a Memorandum of Agreement will be executed that commits the developers to provide appropriate job training to residents of the leeward coast. Your Committee fully expects the parties to comply with this requirement prior to accepting any of the benefits of this measure.

Job training will be vital due to the number of new jobs that this project will create, both in the construction and operational phases. Several testifiers, primarily on behalf of the unions, urged your Committee to insert language requiring compliance with chapter 104, Hawaii Revised Statutes, during the construction phase of the project. Your Committee firmly believes that all workers on publicly-funded projects must be paid prevailing wages, as called for by chapter 104, and the developer has assured your Committee that prevailing wages will be paid. Your Committee accepts the good word of the developer, but leaves open the possibility of revisiting the issue if necessary.

Your Committee remains committed to this project, and hopes that the new Administration agrees that it offers numerous benefits for the State.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 377 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Espero, Taniguchi).

### **SCRep. 3                   Ways and Means on H.B. No. 1**

The purpose of this measure is to authorize funds for the current expenses of the Legislature up to and including June 30, 2004, and to provide funds for the expenses of the legislative service agencies during the 2003-2004 fiscal year.

Your Committee notes that the appropriation made to the Legislative Reference Bureau includes the sum of \$50,000 for the purpose of partially funding the CSG-West 2003 annual meeting in Hawaii, as well as the State's annual dues for CSG.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 6 (Aduja, English, Kanno, Kawamoto, Kim, Sakamoto).

### **SCRep. 4                   Tourism on S.B. No. 33**

The purpose of this measure is to exempt from the General Excise Tax (GET) amounts received by a management contractor from the State that are used solely for the operational costs of a State facility.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority, the Management Contractor and General Manager of the Hawaii Convention Center, Paul Louie & Associates, Inc., and the Tax Foundation of Hawaii. The Department of Taxation submitted testimony taking no position on this measure.

Your Committee finds that this measure offers significant cost efficiencies for the State. Under existing law, when a state agency contracts with a private entity to provide management services for a state facility, the private entity pays the GET on the entire amount of funds received from the State, even if a portion of those funds is used to operate the facility itself.

As a result, the contract amount often must include additional funds to cover the costs of paying the GET. Your Committee finds this situation to be inefficient and unnecessarily burdensome and duplicative. Funds paid by a state agency under a contract that are used solely to pay for the operational costs of a state facility are used for the benefit of the State, and inure no benefit to the Management Contractor. Consequently, your Committee finds no reason to subject those funds to the GET.

Conversely, amounts paid by a state agency to a private entity that constitute a management fee or income for the contractor are rightly subject to the GET.

Your Committee finds that exempting from the GET amounts used by a contractor solely for the operational costs of a state facility is sound public policy and will result in significant cost savings for state agencies awarding contracts.

In most cases, your Committee believes that "operational costs" will be easily segregated for exemption from the GET. For example, SMG Hawaii is the management agency contracted by the Hawaii Tourism Authority to manage the Convention Center. Under the contract, SMG receives a management fee, and all other funds paid by the State are used to operate the Convention Center. Your Committee intends the GET exemption to apply to all portions of funds not retained by the management company as a management fee or income.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 33 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Espero, Taniguchi).

**SCRep. 5                    Tourism on S.B. No. 248**

The purpose of this short form measure is to amend the law relating to the Convention Center.

Your Committee has amended the measure by inserting substantive provisions that repeal the \$31,000,000 balance ceiling for the Convention Center Enterprise Special Fund.

Your Committee recommends that the measure be recommitted following second reading so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the action to report out S.B. No. 248, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 248, S.D. 1, and be recommitted to the Committee on Tourism, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 6                    Human Services on S.B. No. 859**

The purpose of this measure is to appropriate funds to the Bridge to Hope program and to expand eligibility to include Temporary Assistance to Other Needy Families (TAONF) recipients.

Testimony in support of the measure was received from the University of Hawaii Women's Center, the Hawaii State Commission on the Status of Women, Planned Parenthood of Hawaii, the National Association of Social Workers and the Welfare and Employment Rights Coalition, the Kokua Council, the Bridge to Hope program coordinator, four Bridge to Hope students, and two concerned citizens. The University of Hawaii and the Department of Human Services submitted testimony supporting the intent of this measure.

Your Committee finds that the Bridge to Hope program is a national model partnership between the Department of Human Services and the University of Hawaii system that supports on-campus employment opportunities for Temporary Assistance to Needy Families (TANF) participants that allow them to pursue a post-secondary education. In the two and a half years since its inception, the Bridge to Hope program has employed 310 TANF recipient-students and provided advocacy and support to an additional 127. Studies show that post-secondary education helps welfare recipients achieve life-long economic self-sufficiency, allowing them to leave, not only welfare, but also poverty. A similar program in Maine reported that program graduates earned an average of \$11.71/hour, compared to \$7.15/hour for non-participants. An outcomes-based evaluation of the Bridge to Hope program is currently being conducted, and comparable results are expected.

At the hearing, the Department of Human Services stated that federal funding may be available to provide services to a portion of current Temporary Aid to Needy Families (TANF) participants. According to the Department, a total of \$300,000 from all sources would be needed in order to continue to provide services to current participants, and also expand the Bridge to Hope program to include all TANF recipients now on the wait list and to provide services to TAONF recipients. Therefore, if federal funding becomes available, the amount of the general fund appropriation required would be reduced.

Accordingly, your Committee has amended the measure by:

- (1) Adding language to the appropriation section to recognize that federal funding may be available to help fund TANF participants in the Bridge to Hope program; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 859, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 859, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hooser).

**SCRep. 7 Human Services on S.B. No. 881**

The purpose of this measure is to require public safety officers, sheriffs, and deputy sheriffs to report cases of suspected child abuse and to authorize them to take the child victim into protective custody.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney, County of Maui; and one concerned citizen. Testimony in support of the intent of this measure was submitted by the Department of Public Safety. The Department of Human Services submitted comments on this measure.

Your Committee finds that, under current law, public safety officers, sheriffs, and deputy sheriffs are not mandated to report cases of suspected child abuse to the Department of Human Services or to the police and lack authority to assume protective custody of the child victim. Your Committee believes the safety and welfare of the child victim would be better protected if public safety officers, sheriffs, and deputy sheriffs were conferred with the same statutory authority as exists for law enforcement agencies and police officers in cases of suspected child abuse.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 881 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 8 Human Services on S.B. No. 882**

The purpose of this measure is to require the Executive Office on Aging to ensure the availability of a network of multi-purpose senior centers throughout the State, by establishing state-operated senior centers or providing funding assistance to county or private nonprofit senior centers.

Testimony in support of this measure was received from the City and County of Honolulu-Department of Community Services; Catholic Charities Elderly Services; the Moiliili Community Center; the Waikiki Community Center; and one concerned citizen. Verbal testimony supporting the intent was received from the Executive Office on Aging.

Your Committee finds that multi-purpose senior centers provide health, social, nutritional, educational, and recreational programs, counseling, and case management services for elders in communities statewide, without regard to ability to pay. Studies show that the longer an aging individual can remain active, engaged, and productive at a senior center, the less that individual has to worry about long-term care. Thus, multi-purpose senior centers also help to prevent premature institutionalization at a long-term care facility, at a potentially greater cost to the State.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 882 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 9 Human Services on S.B. No. 883**

The purpose of this measure is to appropriate funds to establish three permanent positions in the adult protective services program under the Department of Human Services to investigate incidents of suspected elder abuse, including financial exploitation.

Testimony in support of this measure was received from the Adult Community Care Services Branch Advisory Council, Department of Human Services; the Department of the Prosecuting Attorney, City and County of Honolulu; Catholic Charities Elderly Services; the Kokua Council; and two concerned citizens. Testimony in support of the intent of the measure was received from the Department of Human Services.

With the increase in the elder population in Hawaii, there is a growing number of abuse cases involving financial exploitation of older adults, particularly those who are dependent on others for care and assistance with daily living activities. Many of these cases are difficult to investigate and are complicated by the psychological and emotional ties between the victims and the perpetrators, who are often family members or close relatives. Unraveling the complex web of activities and relationships inherent to financial exploitation cases requires skilled and experienced investigators with a combination of expert social work and financial skills. The Financial Exploitation Project, funded through May 31, 2003, under a one-year grant from the federal Byrne Memorial Grant Program, provides the Department of Human Services with the critical expertise that is needed to investigate cases of suspected financial exploitation. The project team of (1) social worker, (1) auditor, and (1) social services assistant, has only been on the job for about three months; therefore, no statistical analysis is yet available as to the potential extent of the problem of financial exploitation in the State.

Your Committee finds that continued funding for these positions is necessary to allow the Department of Human Services to fully explore and determine the potential extent of the financial exploitation problem among Hawaii's elders, that would serve as a basis for the Legislature to determine whether the Financial Exploitation Program should be continued on a permanent basis.

At the hearing, the Department of Human Services indicated that it was seeking alternative sources of funding that may be available to continue the Financial Exploitation Project. Your Committee encourages the Department to continue to explore alternative sources of funding. Accordingly, your Committee has amended this measure by:

- (1) Deleting the word "permanent" before the word "positions" in Section 2, to indicate that the positions will be funded, but not on a permanent basis; and
- (2) Adding language to Section 2, stating that, if funding from alternative sources is obtained by the Department of Human Services for the Financial Exploitation Project, that the State appropriation shall be reduced correspondingly.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 883, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 883, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 10 Human Services on S.B. No. 892**

The purpose of this measure is to provide access to State-funded QUEST medical benefits for pregnant immigrant women who meet income and eligibility requirements.

Testimony in support of this measure was submitted by Kokua Kalihi Valley; the Healthcare Association of Hawaii; the Hawaii Primary Care Association; Healthy Mothers, Healthy Babies Coalition of Hawaii; Na Loio Immigrant Rights and Public Interest Legal Center; Waimanalo Health Center; and Hawaii Pacific Health. Testimony in support of the intent of this measure was submitted by the Department of Human Services and AlohaCare.

Your Committee finds that it is well-settled that pregnant women who have access to appropriate prenatal care have healthier babies. Current Medicaid coverage for immigrant women excludes prenatal care and only provides coverage during and after delivery, when otherwise avoidable prenatal complications can be irreversible and potentially more costly. In 2000, the Legislature enacted Act 224, Session Laws of Hawaii 2000, which provides medical assistance to immigrant children under nineteen years of age who are legal permanent residents who arrived in the United States after August 22, 1996, or permanently reside in the United States under color of law, and to nonimmigrant children from the Marshall Islands, the Federated States of Micronesia, and Palau. Your Committee recognizes that the health of a newborn is largely dependent upon the health of the mother, and accordingly, your Committee believes that this measure is a logical extension of Act 224.

The Department of Human Services testified that the projected cost of this measure would be \$4,238,000 each year. However, your Committee notes that there may be an opportunity for the State to access federal matching funds that would substantially reduce the State's share. It is your Committee's understanding that the Department can do so without legislative action; therefore, your Committee strongly encourages the Department to explore such opportunities.

Your Committee has amended this measure by:

- (1) Changing the financial eligibility limits from 200% to 185% to be consistent with the current QUEST eligibility requirements for pregnant non-immigrants; and
- (2) Making other technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 892, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 892, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 11 Human Services on S.B. No. 923**

The purpose of this measure is to appropriate funds for a grant-in-aid to Catholic Charities Elderly Services for its Money Management Assistance to the Elderly Program.

Testimony in support of this measure was received from Catholic Charities Elderly Services. Testimony in support of the intent was received from the Department of Human Services.

Your Committee finds that Catholic Charities Elderly Services' Money Management Assistance to the Elderly Program is one of only two programs statewide that provide elders with much-needed money management assistance, and the only such program that allows elders to maintain control over their finances. Currently, the program is funded at \$55,000 (1.4 FTE positions) annually and

serves thirty clients at a time, with a wait list of twenty clients on Oahu alone. Catholic Charities Elderly Services has documented that there are at least twenty-five clients on Maui with an "immediate need" for services, and it is anticipated that results from the other neighbor islands would be similar.

Your Committee further finds that maintaining current funding levels at \$55,000 annually would allow the continuation of Money Management Assistance to the Elderly Program in providing this valuable service to Oahu's elders. Expanding funding to \$100,000 (2.0 FTE positions) would extend services to the wait list.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 923 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 12 Human Services on S.B. No. 946**

The purpose of this measure is to allow a caregiver to execute an affidavit of caregiver consent to enroll a minor in school and allow full participation in curricular and co-curricular activities; and to provide for penalties under part V of chapter 710, HRS, for making a false statement on an affidavit for caregiver consent.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs; Na Keiki Law Center; Na Tutu, Grandparents Raising Grandchildren Committee; and five concerned citizens. Testimony in support of the intent was submitted by the I.L.W.U. Testimony in opposition to this measure was submitted by the Office of the Attorney General.

Your Committee finds that this measure would address the problems faced by relative caregivers who are unable to access educational services for children who reside with them, but with whom they have no legal relationship. This would allow children who are placed in a safe environment by their parents, to participate in educational, curricular, and co-curricular activities while they are living with their grandparents, relatives, or family friends.

Your Committee strongly encourages the Department of Education to explore ways to reduce the barriers to educational access faced by children residing with caregivers in situations such as this measure is intended to address.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 946 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 13 Human Services on S.B. No. 950**

The purpose of this measure is to establish a commission on language access to develop a statewide plan to enhance access to services and programs for persons with limited English proficiency (LEP).

Testimony in support of this measure was submitted by the Hawaii Civil Rights Commission.

Your Committee finds that many state programs receive federal financial assistance. To assure that LEP persons have full access to these programs and to assure compliance with the law, there is a need to establish a comprehensive statewide plan to improve access to services, programs, and activities by eligible LEP persons. The need for a statewide plan is underscored by the fact that LEP persons are often excluded from state services, experience delays or denials of service, or receive care and services based on inaccurate or incomplete information. Frequently, LEP persons are required to call upon neighbors, strangers, or even their minor children to interpret or translate for them as they access and receive services from departments.

Your Committee has amended this measure by spelling out the words "limited English proficiency" in the statutory text.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 950, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 950, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 14 Human Services on S.B. No. 971**

The purpose of this measure is to appropriate funds to increase the capacity to provide services for children residing in foster or group homes with social and behavioral needs, who are not eligible for Department of Health foster care homes.

Testimony in support of the intent of this measure was submitted by the Department of Human Services.

According to the Department of Human Services, there are currently about 280 children between the ages of 2 and 18 who require specialized foster care services. Many have been sexually abused or have multiple behavioral issues, and as a result, they cannot reside in regular foster homes. However, since these children do not qualify as Felix children, they are unable to access services through the Department of Health. Moreover, the foster and group home operators also require training and support to provide an appropriate environment for these children with special needs.

Although there are on-going discussions between the Department of Human Services and the Department of Health regarding alternative approaches to providing necessary services to this class of children and the foster and group home operators who care for them, your Committee is unaware of any definite plans or timelines for implementing services for this group. Accordingly, your Committee is reporting this measure out to facilitate further discussion of the issue.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 971 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 15 (Joint) Tourism and Transportation, Military Affairs, and Government Operations on S.B. No. 41**

The purpose of this measure is to require that all subcontracts and partnership agreements entered into by a contractor using public funds shall be subject to public inspection under the Uniform Information Practices Act (UIPA), chapter 92F, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the Office of Information Practices and the Hawaii Tourism Authority (HTA).

Your Committees firmly believe that all expenditures of public funds must be open for public scrutiny; taxpayers have an absolute right to review and analyze the manner in which their money is spent.

Your Committees have become aware in the recent past of several instances in which there has apparently been confusion over whether subcontracts and partnership agreements entered into by a contractor using public funds are subject to UIPA.

Although your Committees believe this issue should already be clear under the law, this measure will remove any doubt by amending the procurement law to specifically include, in its public access provisions, subcontracts and partnership agreements entered into by a contractor using public funds.

Your Committees also support the provisions of this measure that clarify that the HTA is subject to UIPA as well, despite its exemption from the procurement law. While it may make sense in some instances to exempt a public agency from the procurement law, for increased efficiency or to ease unnecessary administrative burdens, your Committees can see no reason not to subject all expenditures of public funds to public scrutiny.

With this amendment, all contracts, subcontracts, and partnership agreements entered into by HTA, the Hawaii Visitors and Convention Bureau (HVCB), or any entity contracted or subcontracted by HTA or HVCB, shall be made accessible to the public.

Finally, your Committees note that UIPA contains provisions to protect trade secrets and to prevent unwarranted invasions of personal privacy, and so there is no reason not to apply UIPA as broadly as possible.

As affirmed by the records of votes of the members of your Committees on Tourism and Transportation, Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 41 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Baker, Kanno, Menor, Sakamoto, Taniguchi).

**SCRep. 16 Judiciary and Hawaiian Affairs on S.B. No. 392**

The purpose of this measure is to amend Act 161, 2002 Session Laws of Hawaii, to require the Judiciary to submit quarterly reports to the Legislature detailing the number of defendants receiving drug treatment as a condition of probation as well as the number of defendants whose probation is revoked for failure to complete a drug program.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney and the Community Alliance on Prisons. The Judiciary supports the measure with reservations.

Your Committee finds that Act 161 mandates that first-time nonviolent offenders convicted for a drug possession or use offense under part IV of chapter 712, be sentenced to probation and drug treatment if they have not been convicted of a prior violent felony within the last five years.

Your Committee further finds that data obtained on the program would assist the legislature and the community in evaluating the efficacy of the diversion.

Your Committee recognizes that the Judiciary may need additional resources to produce quarterly reports, and has requested that the Judiciary provide a cost breakdown of its needs.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 392 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 17                    Judiciary and Hawaiian Affairs on S.B. No. 632**

The purpose of this measure is to repeal the requirement that tax assessments be paid prior to appealing a tax assessment to the tax appeal court.

Your Committee received testimony supporting this measure from the Hawaii Society of Certified Public Accountants, PricewaterhouseCoopers, and the Hawaii State Bar Association Tax Section. Testimony in support of this measure was also received by two members of the National Federal of Independent Businesses and a tax attorney. The Department of Taxation opposed this measure. The Tax Foundation commented on the bill.

Your Committee finds that Act 199, 2000 Session Laws of Hawaii eliminated the requirement that assessed taxes be prepaid prior to appealing the assessment to a board of review. Your Committee further finds that Act 199 resulted in a backlog of board cases as tax professionals elected to file appeals, including complex appeals, with a board of review to avoid prepaying assessed taxes.

Your Committee believes, however, that repealing prepayment of taxes on all appeals may lead to an abuse of the appeal process in order to postpone payment of assessed taxes. Your Committee therefore has amended the bill by:

- (1) Repealing prepayment of taxes for first appeals to the tax appeal court;
- (2) Deleting the repeal of payment of assessed taxes plus interest if the taxpayer appeals from a decision by the board, or the decision by the board in favor of the department is not further appealed;
- (3) Deleting the repeal authorizing the tax appeal court to allow an individual taxpayer to file an appeal without prepayment of taxes if the total tax liability does not exceed \$50,000 upon proof that prepayment of taxes would result in hardship for the taxpayer; and
- (4) Making technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 632, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 632, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 18                    Judiciary and Hawaiian Affairs on S.B. No. 635**

The purpose of this measure is to establish a drug court special fund to be funded in fiscal years 2003-2004 and 2004-2005 by the remainder of the amount collected from traffic fines, forfeitures, and assessments after the first five million in each fiscal year is deposited into the judiciary computer system special fund.

Your committee received testimony supporting this measure from the ACLU. The Judiciary supported the bill but had concerns over certain provisions. The Department of Budget and Finance and the Honolulu Police Department opposed the bill.

Your Committee finds that the State's public safety and welfare is compromised by persons addicted to drugs or alcohol who commit crimes or drive while under the influence. Incarcerated addicts released back into the community without treatment often resume their drug or alcohol use, resulting in reincarceration.

Your Committee further finds that the Judiciary has achieved tremendous success in reducing recidivism through its drug court programs, and is exploring the possibility of establishing a mental health court to treat defendants suffering from mental health or disability. Your Committee believes that the newly established special fund should not be unnecessarily restricted to one program. Therefore, your Committee amended this bill by:

- (1) Adding a purpose section;
- (2) Replacing the drug court special fund with the problem solving courts special fund;
- (3) Clarifying that only uncontested traffic fines and not adjudicated traffic fines are deposited into the problem solving courts special fund; and
- (4) Removing all sunset provisions.



As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 635, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 635, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 19            Judiciary and Hawaiian Affairs on S.B. No. 729**

The purpose of this measure is to appropriate an unspecified sum for the expansion of the drug court program in the State of Hawaii.

On behalf of the State Judiciary, your Committee received testimony in support of this measure from the Administrative Director of the Courts, the First Judicial Circuit Presiding Drug Court Judge, the Chief Judge of the Second Judicial Circuit, the Chief Judge of the Third Judicial Circuit, and the Chief Judge of the Fifth Judicial Circuit. The Community Alliance on Prisons and the ACLU also testified in support of the bill.

Your Committee finds that the drug court program was the first program to provide substance abuse treatment in lieu of incarceration to qualifying defendants with substance abuse problems. Since inception, the Oahu drug court program has graduated 454 defendants from the program. Out of the 454, 65 graduates were rearrested, and of those 65, 16 were convicted. Oahu's nonrecidivism rate of 81 percent is one of the highest nonrecidivism rates in the country. One reason may be because of the length of time spent in treatment. Studies indicate that an effective cognitive restructuring drug treatment program must be at least 90 days in length. On average, defendants spend 18 months in Hawaii's cognitive restructuring drug court programs.

Your Committee further finds that many defendants are dual diagnosed as substance abusers and persons needing mental health services. These clients are the most likely to end up as criminal recidivists. Additionally, your Committee notes that of the defendants in drug court, 76 percent on Oahu and 80 percent on Maui are known methamphetamine users. Reportedly, methamphetamine users exhibit acute symptoms of drug-induced psychosis, paranoid thoughts, hyperactivity, hypervigilance, and intensified drug-seeking and risk-taking behavior.

Your Committee recognizes that each judicial circuit has a unique defendant population with varying needs. Your Committee believes that each judicial circuit should be given the resources to adequately address their population's needs.

Your Committee notes a suggestion from the senator from the 23<sup>rd</sup> senatorial district that a drug court pilot project for district court defendants be established in the new Kaneohe courthouse.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 729 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 20            Judiciary and Hawaiian Affairs on S.B. No. 801**

The purpose of this measure is to appropriate an unspecified sum to the Office of Information Practices.

Your Committee received testimony supporting this measure from the Hawaii State Ethics Commission, the League of Women Voters of Hawaii, Hawaii's Thousand Friends, Hawaii Public Access Media, and a concerned citizen.

Your Committee finds that the Office of Information Practices (OIP) serves an important role in advising both members of the public as well as government offices on issues that arise in the specialized area of public access law. Public confidence is enhanced when OIP serves as a neutral third party applying the law in contentious situations between members of the public and government offices.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 801 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 21            Judiciary and Hawaiian Affairs on S.B. No. 802**

The purpose of this measure is to repeal the five cents per page minimum copying cost, and establish a twenty-five cents per page maximum.

Your Committee received testimony supporting this measure from the Office of Information Practices, the ACLU, the League of Women Voters, Hawaii's Thousand Friends, and Life of the Land. The Department of Accounting and General Services opposed the bill, and two concerned citizens supported the intent but opposed the bill substantively.

Your Committee finds that public access to government records fosters public confidence in government. The public's ability to obtain copies of government records is no less important. Your Committee further finds that government agencies and offices that arbitrarily set copying fees that do not correlate to actual copying costs detract from the public's confidence in government.

Your Committee recognizes that certain agencies and offices routinely deal with documents that require specialized reproduction. These agencies and offices would not be able to accommodate public requests for copies if they were limited to a twenty-five cent per copy copying fee. Therefore, your Committee amended the bill to exempt government agencies, departments, and offices that routinely work with documents that exceed 8-1/2 x 14 inches from the twenty-five cent maximum per page fee. These agencies, departments, and offices are required to adopt rules that set forth a copying fee schedule.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 802, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 802, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 22                    Judiciary and Hawaiian Affairs on S.B. No. 962**

The purpose of this measure is to authorize issuance of \$4,250,000 in general obligation bonds and appropriate that sum in fiscal year 2003-2004, for design, plans, and construction of a new Children's Justice Center adjacent to the Circuit Court of the First Circuit.

Your Committee received testimony supporting this measure from the State Judiciary; the City and County of Honolulu, City Council; Friends of the Children's Justice Center of Oahu, Inc.; Kapiolani Child Protection Center; and Catholic Charities Hawaii. Hawaii Moms and Dads 4Kids offered comments. The Department of Budget and Finance submitted testimony raising legal concerns.

Your Committee finds that the new Children's Justice Center site will be used to co-locate public and private agencies who are involved in child abuse cases. Co-location has proven in mainland models to, among other things, increase confessions and arrest rates of perpetrators, and ensures that children receive specialized forensic medical examinations. These factors not only result in cost savings to the State at the criminal justice and health and human services level, but is crucial to reducing trauma to the abused child and setting the course for physical and mental healing.

Your Committee finds, however, that general obligation (GO) bonds are subject to certain federal tax laws that restrict the private business use of public buildings financed with the proceeds of GO bonds. Therefore, your Committee is amending this measure to reflect the changes suggested by the Department of the Attorney General to ensure that GO bonds will only be used to construct the portion of the building that will house public agencies. Accordingly, your Committee made the following amendments:

- (1) Deleting language that reflects housing public and private agencies;
- (2) Making capital improvement projects singular; and
- (3) Inserting language that clarifies that the appropriation will be used for land acquisition, plans, design, and construction.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 962, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 962, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Ihara).

**SCRep. 23                    Judiciary and Hawaiian Affairs on S.B. No. 996**

The purpose of this measure is to appropriate unspecified sums in fiscal years 2003-2004 and 2004-2005 to the Department of Public Safety for its substance abuse treatment programs statewide.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, the Community Alliance on Prisons, Hawaii Substance Abuse Coalition, Government Efficiency Teams, Inc., and a concerned individual. Testimony opposing the measure was received from Hawaii Moms and Dads 4Kids.

Your Committee finds that approximately eighty-five percent of the inmate population has a history of substance abuse. Your Committee further finds that there is a correlation between substance abuse, addiction, and crime. Additionally, your Committee believes that substance abuse treatment can reduce criminal recidivism rates resulting in cost savings not only in the public sector, but also for private businesses in areas such as medical and disability and theft claims.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 996 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 24      Judiciary and Hawaiian Affairs on S.B. No. 442**

The purpose of this measure is to give victims and witnesses notice, and the option of waiving notice of events surrounding acquittal, unfitness of the defendant to stand trial, release following acquittal or unfitness to stand trial, institutionalization, and resumption of penal proceedings.

The Sex Abuse Treatment Center, and Mothers Against Drunk Driving submitted testimony in support of this measure. The Department of the Prosecuting Attorney supported the measure with amendments. The Office of the Public Defender submitted testimony clarifying the acquittal process and recommending that the language of the measure be changed to correctly state the law.

Your Committee finds that the notification requirements currently in place for criminal justice system events and incarceration release or escape not only provides victims, witnesses, and surviving immediate family members of crime victims emotional relief, but also provides in some cases a degree of safety. Your Committee further finds that presently, the notification requirement is not available when an offender is unfit to stand trial or acquitted because of physical or mental disorders although the same issues surrounding victims' and witnesses' well being still apply. Therefore, your Committee amended the bill by:

- (1) Amending the purpose section and the new language under the definition of "major developments" to correctly state the law relating to when an offender is not held penally liable due to physical or mental defect;
- (2) Requiring the director of the Department of Health, upon written request, to notify victims, witnesses, or surviving immediate family members of any unauthorized absence of a person placed in a facility or service contracted or operated by the director;
- (3) Providing civil immunity to state officers or employees for failure to provide notice;
- (4) Requiring the Department of Health to cooperate with other agencies in the criminal justice system to ensure victims' and witnesses' bill of rights are adhered to; and
- (5) Making other technical amendments for clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 442, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 442, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Fukunaga, Ihara).

**SCRep. 25      Judiciary and Hawaiian Affairs on S.B. No. 933**

The purpose of this measure is to rewrite the harassment by stalking statute by:

- (1) Replacing "reckless state of mind" with "wilful course of conduct;"
- (2) Using an objective standard to determine whether a person felt terrorized;
- (3) Authorizing the court to sentence a convicted person to a term of probation not to exceed five years and other discretionary conditions;
- (4) Creates a rebuttable presumption that repeated unconsented contact causes a person to feel terrorized; and
- (5) Defines "unconsented contact."

Your Committee received testimony supporting the intent of the bill from the Department of the Prosecuting Attorney, the Hawaii State Coalition Against Domestic Violence, and Women Helping Women. The Coordinated Rural Community Response Project supported the bill. The Office of the Public Defender, the Honolulu Police Department, and Hawaii Moms and Dads 4Kids opposed the measure.

Your Committee finds that domestic abusers often stalk their victims, and like other forms of abuse, stalking often escalates in severity and frequency over time. Your Committee appreciates the efforts to strengthen the stalking laws. Your Committee finds, however, that the measure as written will make it more difficult to prosecute offenders. Therefore, your Committee replaced the contents of this measure with Senate Bill 2529, Senate Draft 1 from the 2002 legislative session. According to the Department of the Prosecuting Attorney, these changes will make the stalking laws more effective by making it easier to prosecute offenders under the laws. This bill as amended now amends the stalking statutes by:

- (1) Defining "course of conduct" in section 711-1106.5;
- (2) Clarifying that a person must engage in more than one occurrence of conduct without legitimate purpose to be prosecuted for harassment by stalking under section 711-1106.5;
- (3) Repealing the distinction of petty misdemeanor for single occurrence conduct in section 711-1106.5; and

- (4) Rewriting the section 711-1106.4 by replacing violations of court orders with previous convictions of harassment by stalking within a ten year period.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 933, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 933, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Ihara).

**SCRep. 26                    Judiciary and Hawaiian Affairs on S.B. No. 934**

The purpose of this measure is to prohibit persons restrained by a court order from transferring ownership of a firearm.

Your Committee received testimony in support of the measure from the Department of the Prosecuting Attorney, the Domestic Violence Clearinghouse and Legal Hotline, and the Hawaii Coalition Against Domestic Violence. The Office of the Public Defender, the Honolulu Police Department, and the Hawaii Rifle Association opposed the measure.

Your Committee finds that currently, persons restrained by a court order are prohibited from possessing or controlling a firearm, and must surrender the firearm to police for safekeeping. Because the law does not prohibit transferring ownership of the firearm, some persons transfer their firearms to family or friends which, in some cases, allows continued access by the person to the firearm.

Your Committee recognizes that section 134-7.3 allows the transference of ownership of firearms when a person is disqualified from owning or possessing a firearm. Therefore, your Committee has amended this measure by allowing the transference of ownership of a firearm subject to conditions, limitations, and prohibitions set by the court and set forth in the protective order.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 934, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 934, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Ihara).

**SCRep. 27                    Judiciary and Hawaiian Affairs on S.B. No. 935**

The purpose of this measure is to eliminate the disparity in sentencing provisions for domestic abuse and non-domestic abuse violations of domestic abuse protection orders.

Your Committee received supporting testimony from the Department of the Prosecuting Attorney, the Domestic Violence Clearinghouse and Legal Hotline, and the Hawaii State Coalition Against Domestic Violence. The Office of the Public Defender cautiously supported the measure, and Hawaii Moms and Dads 4Kids and a concerned citizen opposed the measure.

Your Committee finds that individuals who have been domestically abused seek protective orders when there has been sufficient abuse, threats, and fear to warrant protection from the court. Your Committee further finds that abusers employ a variety of tactics to maintain control and exert power over abused persons. Although certain behaviors appear harmless, victims suffer emotional and psychological trauma from reminders that the victim is being watched and is still vulnerable to the abuser's wishes.

Furthermore, your Committee believes that any intentional violation of a protective order, regardless of the degree of the violation, is a violation and punishment should be consistent.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 935 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Ihara).

**SCRep. 28                    Labor on S.B. No. 205**

The purpose of this short form measure is to amend the law relating to employment.

Your Committee finds that in order to promote parental involvement in the lives of children, public employees should be afforded the benefit of paid leave for personal matters relating to the health and education of children. Paid leave will provide parents with the opportunity to more actively participate in their children's lives while fostering family and child development. Accordingly, your Committee has amended the measure by inserting provisions:

- (1) Requiring public employers to provide at least eight hours of paid leave per year for matters regarding the education or health of their children; and
- (2) Prohibiting such leave from being credited against vacation or sick leave benefits.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the action to report out S.B. No. 205 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 205, S.D. 1, and be recommitted to the Committee on Labor, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 29 Labor on S.B. No. 209**

The purpose of this short form measure is to amend the law relating to public employment.

Your Committee finds that when schools changed to a multi-track schedule it became necessary for counselors to be provided on a year-round basis. Therefore, your Committee determines that to meet the needs of students attending multi-track schools, counselors must be present at all times during the academic calendar.

Accordingly, your Committee has amended this short form measure by inserting provisions that appropriate \$60,000 for each year of the 2003-2005 fiscal biennium for the conversion of ten-month counselor positions to twelve-month counselor positions for multi-track schools.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the action to report out S.B. No. 209, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 209, S.D. 1, and be recommitted to the Committee on Labor, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 30 Labor on S.B. No. 645**

The purpose of this short form bill is to amend the law relating to the Health Fund.

Your Committee finds that the counties are facing difficult financial situations and it is necessary to review options to decrease costs or at least maintain current levels of funding. Your Committee also finds that expenditures for health benefits are expected to increase in the future. Therefore, it is necessary to require the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) to endeavor to maintain health benefits costs at current levels for one more year.

Accordingly, your Committee has amended this measure by inserting substantive provisions to require the EUTF board to give primary consideration to the financial impact of health benefits costs on public employers, and, accordingly, to endeavor to maintain costs at current levels when renegotiating contracts for fiscal year 2003-2004.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the action to report out S.B. No. 645, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 645, S.D. 1, and be recommitted to the Committee on Labor, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 31 Labor on S.B. No. 649**

The purpose of this short form measure is to amend the law relating to the Employees' Retirement System.

Your Committee finds that the counties are facing difficult financial situations and it is necessary to review options to decrease costs or at least maintain current levels of funding. Your Committee also finds that expenditures for contributions to the Employees' Retirement System are expected to increase in the future. Therefore, it is necessary to require county contributions for retirement to be maintained at their current levels for one more year.

Accordingly, your Committee has amended this measure to prohibit the Employees' Retirement System from certifying funds owed by a county as a county's share of contributions to fund the pensions of future retirees in an amount greater than the amount certified as the specific county's contribution for fiscal year 2002-2003.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the action to report out S.B. No. 649, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 649, S.D. 1, and be recommitted to the Committee on Labor, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 32 Education on S.B. No. 140**

The purpose of this measure is to effectuate legislative action relating to higher education.

Your Committee has amended this measure by inserting an appropriation of general funds to the University of Hawaii of \$1.5 million dollars in each year of the 2003-2005 fiscal biennium, as state matching funds for a federal National Science Foundation Experimental Program to Stimulate Competitive Research grant application.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the action to report out S.B. No. 140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 140, S.D. 1, and be recommitted to the Committee on Education, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

**SCRep. 33                    Transportation, Military Affairs, and Government Operations on S.B. No. 235**

The purpose of this short form measure is to amend the law relating to government.

Your Committee has amended this measure by inserting substantive provisions to provide a tax credit of up to \$25,000,000 for a taxpayer that incurs qualified costs in the development of law enforcement, emergency medical services, and public safety training facilities at Kalaeloa.

Your Committee recommends that this measure be recommitted following second reading so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the action to report out S.B. No. 235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 235, S.D. 1, and be recommitted to the Committee on Transportation, Military Affairs and Government Operations, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 34                    Transportation, Military Affairs, and Government Operations on S.B. No. 237**

The purpose of this short form measure is to amend the law relating to government operations.

Your Committee has amended this measure by inserting substantive provisions to give the Department of Human Services jurisdiction to regulate Adult Residential Care Homes in the State.

Your Committee recommends that this measure be recommitted following second reading so that a public hearing may properly be held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the action to report out S.B. No. 237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 237, S.D. 1, and be recommitted to the Committee on Transportation, Military Affairs and Government Operations, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 35                    Judiciary and Hawaiian Affairs on S.B. No. 382**

The purpose of this measure is to clarify the duties of the Hui `Imi Advisory Council (Council) under Act 376, Session Laws of Hawaii (SLH) 1997, add members to the Council, and transfer the Council from the Department of Accounting and General Services to the Office of Hawaiian Affairs (OHA). This measure also makes an appropriation to the Council.

Testimony in support of this measure was received from the Department of Hawaiian Home Lands and OHA. Testimony in opposition was received from Ka Lahui Hawaii.

Act 376, SLH 1997, established the Council, which was previously created as a task force under Senate Concurrent Resolution No. 106, 1989, to make findings and recommendations concerning the coordination of public and private agency services available to Hawaiians in the areas of education, economic development, housing, employment, medicine, law, cultural issues, and social service issues. The task force produced a two-volume report entitled "The Hui `Imi Task Force for Hawaiian Services", containing findings and thirty-nine recommendations. Act 376, SLH 1997, followed through by requiring the Council to formulate an action plan to carry out its recommendations.

The Council is presently composed of nineteen members representing a broad range of government and community groups involved with the health and welfare of Hawaiians. This measure adds the Department of Business, Economic Development, and Tourism, the Department of Land and Natural Resources, and the University of Hawaii. Your Committee believes that these additions would augment the effectiveness of the Council.

Your Committee finds that transferring the Council from the Department of Accounting and General Services to OHA is a better fit for the Council. Your Committee further finds that clarifying the duties of the Council to reflect current needs is advisable.

Your Committee has amended this measure by correcting a spelling error.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 382, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 382, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 36                    Judiciary and Hawaiian Affairs on S.B. No. 477**

The purpose of this measure is to allow the Hawaiian Homes Commission (HHC) to appoint or retain its own attorneys independent of the Attorney General to provide legal services to the HHC.

Testimony in opposition to this measure was received from the HHC and the State Attorney General.

In spite of the opposition to this measure, your Committee finds that clarification of the law is necessary to allow the HHC to hire its own attorneys. While section 28-8.3(a)(19), Hawaii Revised Statutes, allows any department to request a waiver from the Governor to hire its own attorney if the Attorney General declines to represent the department for good and sufficient reasons, your Committee believes that the HHC should have the discretion to hire its own attorneys without permission from the Governor.

The currently litigated cases involving ceded lands and Hawaiian entitlements, as an example, as well as day-to-day advising on routing legal matters, need special and undivided attention.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 477 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 37                    Judiciary and Hawaiian Affairs on S.B. No. 611**

The purpose of this measure is to increase the hourly rate of compensation and certain maximum fees for court appointed counsel.

Your Committee received testimony in support of this measure from the Judiciary, the Office of the Public Defender, the Hawaii State Bar Association, the Hawaii Association of Criminal Defense Lawyers, and a criminal defense attorney. The Department of Budget and Finance commented on the bill.

Your Committee finds that court appointed criminal defense attorneys are compensated at a rate of \$40 per hour for out-of-court services and \$60 per hour for in-court services. It has been fifteen years since the last rate increase.

Your Committee further finds that many competent attorneys decline to take court-appointed cases because of the economic realities of running a private law practice. For this reason, it is becoming increasingly difficult for the Judiciary to find attorneys willing to accept complex cases on a court-appointed basis. This bill addresses this problem.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 611 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 38                    Judiciary and Hawaiian Affairs on S.B. No. 615**

The purpose of this measure is to allow the Office of Hawaiian Affairs (OHA) and the Department of Hawaiian Home Lands (DHHL) to each appoint one special deputy attorney general to defend their respective interests against three ongoing court cases, and to make appropriations therefor.

Testimony in support of this measure was received from OHA, DHHL, Ka Lahui Hawaii, and one individual. Testimony in opposition was received from the State Attorney General.

The specific cases involved could determine the future of Hawaiian entitlements and Hawaiian sovereignty. Because of the seriousness and magnitude of these cases, your Committee finds that the outcomes of these cases are a matter of compelling state interest so as to justify representation by separate counsel.

While the quality of legal representation provided by the Attorney General has never been doubted in these cases, there could be times in the course of the litigation where the interests of the State, OHA, and DHHL diverge and each must protect their own respective interests and objectives to fulfill their own unique statutory and constitutional mandate.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 615 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 39            Judiciary and Hawaiian Affairs on S.B. No. 634**

The purpose of this measure is to appropriate \$100,000 in both fiscal years 2003-2004 and 2004-2005 to hire two drug treatment counselors to provide treatment for drug-related women offenders on Maui.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, County of Maui; the Maui County Council; the Community Alliance on Prisons; Government Efficiency Teams, Inc.; the Mayor, County of Maui; the ACLU; the program director and a planner and researcher from Maui Economic Opportunity, Inc.; A Woman's Voice International; Dr. Duke Bainum; and twenty-five inmates incarcerated on Maui, and nineteen concerned citizens of Maui. The Department of Human Services supported the bill with reservations and suggested amendments. The Department of Public Safety did not have a position on the bill. The Office of the Public Defender supported the bill but voiced concerns.

Your Committee finds that women are the fastest growing inmate population on Maui. More than eleven percent of births on Maui are drug affected. Of these mothers, eighty percent use alcohol, sixty percent use marijuana, thirty percent use cocaine, and twenty-three percent use crystal-methamphetamine. Unfortunately, your Committee finds that the Maui Drug Court program is unable to treat women offenders locally because the program lacks a women's dormitory. Currently, there are fifty-five women incarcerated on Maui. Of those fifty-five, forty-four qualify for drug court, although there is funding for only six women to go to the mainland for treatment.

Your Committee further finds that Maui county has requested budget funds to be used to renovate an existing county structure for use as a women's dormitory to facilitate a women's drug court on Maui. This bill's appropriations will provide the treatment counselors necessary to staff the drug court program.

Your Committee amended the bill by adding clarifying language proposed by the Department of Human Services, and a technical nonsubstantive amendment for clarity and style. The amendments include:

- (1) Adding the words "as well as other related expenses" to the stated purpose of using the appropriation to hire two drug treatment counselors as approximately \$90,000 of the \$100,000 is actually spent on counselors;
- (2) Replacing "women drug-related offenders" with "women offenders incarcerated on drug-related charges"; and
- (3) Adding the words "who qualify for the drug court program" as there are other drug treatment programs on Maui.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 634, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 634, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 40            Judiciary and Hawaiian Affairs on S.B. No. 1134**

The purpose of this measure is to create a civil filing fee for administrative costs in the district and circuit courts, to be deposited into the Judiciary computer system special fund.

Testimony in support of this measure was received from the Judiciary. Testimony in opposition was received from Credit Associates of Maui, Ltd., VeriCheck, Pacific Collections, Doctors Business Bureau, Collection Agency of Hawaii, Inc., Medical Collection Agency of Hawaii, Hawaiian Collectors Assn., Inc., Hawaii Moms and Dads 4 Kids, Select Consulting Service, Kauai Credit Adjusters, Ltd., Collection Law Section of the Hawaii State Bar Association, and two individuals.

This measure imposes a fee for administrative costs associated with the processing of certain civil filings in the circuit and district courts of the State, and to deposit those fees into the Judiciary computer system special fund. By depositing the fees into the special fund, the users of the court system will directly support the implementation of an integrated judiciary information management system that will allow the Judiciary to greatly increase its efficiency by upgrading the court's outdated, fragmented, and badly overloaded computer system.

Auditor Report No. 1-12, July 2001, regarding audits of special and revolving funds, audited the Judiciary computer special fund and found: "The fund continues to serve the purpose for which it was originally created and has enabled the Judiciary to undertake its Judicial Information Management System (JIMS) project.... Depositing a portion of fees collected by other courts into this special fund would be an appropriate financing mechanism because JIMS will benefit the users of all courts."

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1134 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.



Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Kawamoto).

**SCRep. 41            Judiciary and Hawaiian Affairs on S.B. No. 1135**

The purpose of this measure is to require certain district court filing fees to be deposited into the Judiciary computer system special fund.

Testimony in support of this measure was received from the Judiciary. Testimony in opposition was received from Hawaii Moms and Dads 4 Kids.

This measure requires fees received from moving and non-moving traffic citations and from motor vehicle and owner violations to be deposited into the Judiciary computer system special fund. By depositing the fees into the special fund, the users of the court system will directly support the implementation of an integrated judiciary information management system that will allow the Judiciary to greatly increase its efficiency by upgrading the court's outdated, fragmented, and badly overloaded computer system.

Auditor Report No. 1-12, July 2001, regarding audits of special and revolving funds, audited the Judiciary computer special fund and found: "The fund continues to serve the purpose for which it was originally created and has enabled the Judiciary to undertake its Judicial Information Management System (JIMS) project.... Depositing a portion of fees collected by other courts into this special fund would be an appropriate financing mechanism because JIMS will benefit the users of all courts."

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1135 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Kawamoto).

**SCRep. 42            Judiciary and Hawaiian Affairs on S.B. No. 1138**

The purpose of this measure is to appropriate funds for several criminal justice programs associated with the intermediate sanctions program.

Testimony in support of this measure was received from the Judiciary, State Attorney General, Department of Public Safety, Department of Health, Hawaii Paroling Authority, Office of the Public Defender, Community Alliance on Prisons, and American Civil Liberties Union. Testimony in opposition was received from Hawaii Moms and Dads 4 Kids.

This measure appropriates funds as follows:

- (1) \$41,510 for FY 03-04, and \$116,750 for FY 04-05 to the Judiciary for personnel and operating expenses for the Interagency Council on Intermediate Sanctions (Council);
- (2) \$60,000 for each year of the FY 03-05 biennium to the Department of Public Safety for personnel and operating expenses to provide mental health assessments of offenders;
- (3) \$24,180 for each year of the FY 03-05 biennium to the Department of Public Safety for assessments of pre-sentence and post-sentence offenders;
- (4) \$14,820 for each year of the FY 03-05 biennium to the Department of Public Safety for assessments of pretrial detainees, furloughed inmates, and parolees;
- (5) \$50,000 for FY 03-04 and \$75,000 for FY 04-05 to the Department of the Attorney General to conduct research on recidivism reduction;
- (6) \$220,000 for FY 04-05 to the Department of Public Safety for assessing and planning for management information systems to support intermediate sanctions research;
- (7) \$10,000 for FY 03-04 to the Department of Public Safety to interface its corrections information system with the Department of the Attorney General's criminal justice information system; and
- (8) \$12,000 for each of FY 03-04 and 04-05 to the Department of Public Safety for cognitive behavioral skills training.

The measure also authorizes the Judiciary to establish one full-time program coordinator position for the Interagency Council on Intermediate Sanctions in FY 04-05, and authorizes the Department of Public Safety to establish one full-time mental health assessor position to perform mental health assessments on offenders during the FY 03-05 biennium.

Act 25, Session Laws of Hawaii 1995 (Special Session), added new sections to the chapters in the Hawaii Revised Statutes governing probation, corrections, and parole entitled "Intermediate Sanctions." Through this Act, state policy mandates that the Judiciary, the Department of Public Safety, and the Hawaii Paroling Authority implement "a comprehensive schedule of alternatives to incarceration that do not undermine public safety."

The Judiciary has continued to plan for expansion of its intermediate sanctions options. Chief Justice Ronald T.Y. Moon approved the Judiciary's broadened effort to enhance the use of intermediate sanctions. By order of the court, the Interagency Council on Intermediate Sanctions was formed in January 2002 and includes the Judiciary, the Departments of Health, Public Safety, and Attorney General, the Hawaii Paroling Authority, the Office of the Public Defender, the Honolulu Police Department, and the Honolulu Department of the Prosecuting Attorney. The vision of the Council is a thirty per cent reduction of recidivism among its adult offenders and the prevention of future victimization of its citizens through an improved criminal justice system.

The work of the Council is based on research-based evidence of effective correctional interventions. Known as the "what works" approach to correctional programs, evaluation of hundreds of programs provided to offenders nation-wide has resulted in the form of guiding principles that address offenders' risk, need, and responsivity. The risk principle seeks to identify who should receive treatment, the criminogenic need principle focuses on what the treatment should be, and the responsivity principle underscores the importance of how treatment should be delivered.

Your Committee finds that the Council's plan is to have, in order, as follows:

- (1) Validated assessment tools that measure the risk level of the offender and identifies particular intervention targets to determine risk, need, and responsivity of offenders;
- (2) A continuum of services that matches and serves the risk-based needs identified in the assessments; and
- (3) Treatment services that are responsive to the offenders' criminogenic needs and motivational stages.

The Council's intent is to have a continuum of services that match the offender's risk and needs and are delivered by programs that emphasize qualities to improve offender problem-solving and emotional regulation. The Department of Health serves as the Council's liaison for treatment services and for collaborating with the participating council members on the quality assurance infrastructure.

This measure provides funding to members of the Interagency Council on Intermediate Sanctions to carry out its five-year strategic plan to reduce adult offender recidivism and in the process, to institutionalize the collaborated enhancements to Hawaii's criminal justice system. The Judiciary, Department of Public Safety, and Hawaii Paroling Authority will require funding to implement and continue its screening and assessment of offenders, to train its staff on best practices, to form the continuum of services, and to meet the quality assurance requirements in assessment and treatment services. The Department of Attorney General will require funding to conduct research on the effectiveness of the council's plan, to facilitate collaborative networks that support the offenders, and to assist with quality assurance requirements in assessment and treatment services.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1138 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Kawamoto).

**SCRep. 43                    Judiciary and Hawaiian Affairs on S.B. No. 1139**

The purpose of this measure is to increase the parent education surcharge from \$35 to \$50, and to repeal the \$15 donation that respondents in matrimonial actions with minor children could be asked to make.

Your Committee received testimony supporting this measure from the Hawaii State Bar Association, Family Law Section, and a clinical social worker. The Judiciary supported the measure and proposed an amendment. Hawaii Moms and Dads 4Kids opposed the bill.

Your Committee finds that the parent education surcharge is used to fund the Kids First program. The Kids First program is a mandatory parent education program for divorcing parents who have minor children. The program was created because long-term research suggests that children who experience parental conflict over custody are at higher risk for mental problems, lower academic achievement, problematic peer relationships, and more frequent illnesses and accidents than children who grow up in an intact family. Children with such disturbances may later become adolescents who abuse alcohol and drugs and become sexually promiscuous.

Your Committee further finds that in order for the program to be financially self-sufficient, the \$15 donation must be a requisite. Additionally, the program must be expanded to include the growing number of children from parents who have never married. Your Committee amended the bill at the request of the Judiciary to allow collection of the surcharge either at the time of or subsequent to the court's filing of the complaint or petition.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1139, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Kawamoto).

**SCRep. 44                    Judiciary and Hawaiian Affairs on S.B. No. 1333**

The purpose of this measure is to authorize the Judicial Salary Commission to determine salaries for justices, judges, and appointed administrative Judiciary officers effective July 1, 2004 subject to a two-thirds legislative override in each house.

Your Committee received testimony supporting this measure from the Department of the Attorney General, the Judiciary, the Hawaii State Bar Association, the American Judicature Society, and a concerned citizen.

Your Committee finds that the current system for determining judicial salary increases allows judicial compensation to yield to political and economic pressures. Judicial independence depends upon the creation of a new system that allows an independent third party to determine fair and reasonable compensation subject to an affirmative legislative act. This new system is crucial to ensuring that the Hawaii Judiciary attracts and retains the most qualified and experienced judges. Your Committee notes that the bill closely resembles a model Judicial Compensation Commission proposed by the American Judicature Society.

Your Committee has amended this bill, however, by:

- (1) Replacing the three-fourths vote needed to veto the commission's recommendation with a two-thirds vote for legislative process consistency; and
- (2) Deleting an unintended word for grammatical sense.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1333, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1333, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Kawamoto).

**SCRep. 45 Human Services on S.B. No. 486**

The purpose of this measure is to appropriate funds for the Hana Youth Center.

Testimony in support of this measure was submitted by the Maui County Council; the Hana Community Children's Council; Ohana Makamae, Inc. – Hana's Family Resource Center; and twenty-two concerned citizens.

The Hana Youth Center provides a safe, nurturing environment for youth in the isolated Hana community, with adult role models and supervised activities that enable youth to learn positive social skills. The Center offers computers, tutoring services, excursions, and other programs for youth and families, and puts on an annual Christmas Program for the entire community. Such services are invaluable in helping to support the youth and families of Hana.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 486 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Trimble).

**SCRep. 46 Human Services on S.B. No. 494**

The purpose of this measure is to appropriate funds for the Maui Adult Day Care Center.

Testimony in support of this measure was submitted by the Maui County Council and the Maui Adult Day Care Center. The Department of Human Services submitted testimony in support of the measure's intent.

The Maui Adult Day Care Center is a non-profit organization that provides community-based, long-term care services. The Center provides necessary supervision, support, and care for medicaid-eligible and other adults during the day, while family members are at work.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 494 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Trimble).

**SCRep. 47 Human Services on S.B. No. 504**

The purpose of this measure is to appropriate funds for a grant-in-aid to the Maui Food Bank.

Testimony in support of this measure was submitted by the Maui County Council and the Hawaii Foodbank.

The Maui Community Food Bank is a subsidiary distribution organization of the Hawaii Foodbank, which distributes food to individuals and families on the island of Maui who may be experiencing difficulties in the wake of September 11, 2001, and the State's

continuing economic downturn. As such, the Maui Food Bank provides a much-needed service to individuals and families who otherwise might go hungry.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 504 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Trimble).

**SCRep. 48 Human Services on S.B. No. 865**

The purpose of this measure is to establish and appropriate funds for a State Food Security Council within the Office of Planning under the Department of Business, Economic Development, and Tourism.

Testimony in support of this measure was submitted by the Department of Education; Full Plate, Inc., a nonprofit organization; and two concerned citizens. Testimony in support of the intent of this measure was submitted by the Department of Business, Economic Development, and Tourism; the Department of Human Services; the University of Hawaii-College of Tropical Agriculture and Human Resources; and the Board of Agriculture. Testimony opposing this measure was submitted by the Department of Budget and Finance.

Food insecurity is a public health problem that exacerbates obesity, nutritional inadequacies, diabetes, and asthma. According to the Hawaii Health Survey, one in five Hawaii residents lived in food insecure households in 1999-2000. High rates of food insecurity continue to occur in Hawaii, despite over \$250 million in federal food assistance and vigorous efforts by emergency food assistance network of food banks, food pantries, and soup kitchens. Consequently, in 2002, the Legislature passed Senate Concurrent Resolution No. 75, requesting the Office of Planning to convene a food security task force, which recommended, among other things, the creation of a Food Security Council as a first step in a coordinated government effort to enhance food security in Hawaii.

Your Committee finds that Hawaii as a state is particularly sensitive to external events, including natural disasters, bioterrorism, and aggressive acts, which may disrupt our food transportation network. Your Committee believes that the creation of the Food Security Council provides an opportunity to develop emergency response strategies in preparation for the occurrence of a natural disaster or an act of bioterrorism or aggression. Accordingly, your Committee has amended this measure by:

- (1) Amending § -1, to add a definition of "community food security";
- (2) Amending § -2, to provide for a member representing the Office of Hawaii Child Nutrition Programs (which is in the Office of the Superintendent of Education) instead of school food services;
- (3) Amending § -3, to require the Food Security Council to advise the Legislature and the Governor on the development of emergency response strategies to maintain community food security in the event a natural disaster, act of bioterrorism or aggression, or other event disrupts the State's food transportation network;
- (4) Amending § -5, to clarify in paragraph (1) that the food security council special fund may receive funds from grants, awards, and donations;
- (5) Amending § -5, to delete subparagraph (3) as duplicative of subparagraph (1);
- (6) Amending § -6, to require the Food Security Council to include information on federally-funded assistance programs in its annual report; and
- (7) Making other technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 865, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 865, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Trimble).

**SCRep. 49 Human Services on S.B. No. 918**

The purpose of this measure is to require standard motor vehicle insurance coverages to be offered as an option to persons working part-time or volunteering for nonprofit entities who use their vehicles in the course of their work for the nonprofit, and to allow an income tax deduction for those premiums.

Testimony in support of this measure was received from the Hawaii Youth Services Network. Comments were submitted by the Tax Foundation of Hawaii.

This measure is intended to address a common situation in which a nonprofit entity is required to provide transportation for clients. The nonprofit often does not own a vehicle which forces the volunteer or part-time worker to use the person's own vehicle. However, the insurance on the vehicle prohibits use of the vehicle for business purposes, which includes nonprofits. This measure would allow the owner of the vehicle to purchase optional coverages for the purpose of using the vehicle in the course of work for the nonprofit.

Your Committee has amended this measure to include full-time employees and add a definition for “full-time employee”.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 918, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 918, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 50 Human Services on S.B. No. 964**

The purpose of this measure is to appropriate \$500,000 in each year of the fiscal biennium to provide treatment services for child victims of intrafamilial sexual abuse and their families who are not serviced by the Child Protective Services Program under the Department of Human Services.

Testimony in support of this measure was submitted by the Children’s Justice Center under the Judiciary; the Friends of the Children’s Justice Center; Child Welfare Services State Advisory Council; Catholic Charities Family Services; and Na Keiki Law Center, a program of Volunteer Legal Services Hawaii. Testimony in support of the intent of this measure was submitted by the Department of Human Services.

Your Committee finds that intrafamilial child sexual abuse is a traumatic event for families, with long-lasting effects on the child victim, siblings, and protective parents. Treatment services are essential to promote the healing and psychological health of children and families who have suffered the devastation of child sexual abuse. However, many families who are protective of the child victim, cannot access treatment or are provided with insufficient treatment to resolve the abusive incident, and protective families are not able to access treatment options available through the Child Protective Services Program.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 964 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 51 Human Services on S.B. No. 967**

The purpose of this measure is to appropriate funds to provide transitional living services for unserved street youth.

Testimony in support of this measure was submitted by Na Keiki Law Center, a program of Volunteer Legal Services Hawaii; Hale Kipa; the Hawaii Youth Services Network; and one concerned citizen. Testimony in support of the intent of this measure was submitted by the Office of Youth Services.

Your Committee finds that many homeless youth live on the streets because of factors beyond their control. Many of these youth find themselves in vulnerable and dangerous situations while “on the street”, including sexual exploitation, risky behavior, poor health, and exposure to violent criminal acts.

Transitional living services can provide homeless youth with the support and guidance needed to move from childhood to adult independent living. Accordingly, your Committee is reporting this measure out to facilitate further discussion of the issue.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 967 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 52 Human Services on S.B. No. 969**

The purpose of this measure is to make an appropriation for the Blueprint for Change project.

Testimony in support of this measure was received from the Department of Human Services, Blueprint for Change, Hale Naau Pono-Waianae Coast Community Mental Health Center, Inc., Neighborhood Place of Kona, and two individuals.

Your Committee finds that the State needs to continue funding child abuse prevention and diversion services in order to remove the risk of child abuse within the family rather than removing the child from the family. The rate of child abuse and neglect cases continues to rise dramatically in both numbers and severity of cases with an overwhelming majority of these families having problems with substance abuse, mental health issues, domestic violence, and poverty.

In response to the need for child welfare reform, Senate Concurrent Resolution No. 89, adopted during the 1994 Regular Session, created a child welfare services reform task force, known as the Blueprint for Change Task Force, for the purpose of developing a blueprint for reform in child protective services.

As a result of the work of the Blueprint for Change task force, the Legislature enacted Act 302, Session Laws of Hawaii 1996, to create the "neighborhood places". Sites were established throughout the State to allow professionals to work with families identified by the child welfare system or by community members as families at-risk for child abuse and neglect. Through the neighborhood places sites, families are provided services before the risk level rises to the point of more costly intervention efforts within the child welfare system.

Your Committee further finds that without the continued funding for the Blueprint for Change project, the neighborhood places program could not continue to carry out important system reform to assist at-risk families.

Your Committee has amended this measure by increasing the amount to \$890,000 for each of the fiscal biennium, on recommendation of the Blueprint for Change project.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 969, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 969, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 53 Human Services on S.B. No. 976**

The purpose of this measure is to appropriate funds for juvenile substance abuse treatment and prevention programs and activities statewide.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney, City and County of Honolulu. Testimony in support of the intent of this measure was submitted by the Department of Health.

Your Committee finds that there exists a critical need for substance abuse treatment, therapy, counseling, and intervention services targeting youth and adolescents. The overall goal of treatment is to reduce or eliminate the use of alcohol and other drugs as a contributing factor to physical, psychological, and social dysfunction, and to arrest, retard, or reverse the progress of secondary problems. According to the "2000 Hawaii Student Alcohol, Tobacco, and Other Drug Use Study" by the Department of Health, drug use among Hawaii students has declined from its peak in 1996. Despite this encouraging trend, the Department of Health estimates that substance abuse treatment is needed for two per cent of sixth graders, eight per cent of eighth graders, eighteen per cent of tenth graders, and twenty-seven per cent of twelfth graders--a total of twelve thousand students statewide. Alcohol is by far the number one drug of choice among youth.

Your Committee further finds that substance abuse prevention is critical to stem the tide of substance abuse among Hawaii's youth. Effective prevention programs can stop potential substance abuse problems from arising in the first place. Studies show that effective substance abuse prevention programs can also help reduce the incidence of other risky behaviors, including truancy, delinquency, and sexual activity.

Your Committee has amended this measure by:

- (1) Clarifying that, although marijuana is the most commonly abused illicit drug, alcohol is by far the most commonly abused substance among youth;
- (2) Clarifying that the funds appropriated may be used for alcohol and other drug abuse services, and the coordination of such services; and
- (3) Making other technical nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 976, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 976, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 54 Human Services on S.B. No. 980**

The purpose of this measure is to make an appropriation to provide legal services to children to protect their needs and rights.

Testimony in support of this measure was received from Na Keiki Law Center of the Volunteer Legal Services Hawaii, Hawaii Family Forum, Keiki Injury Prevention Coalition, Hawaii Disability Rights Center, Aloha Pregnancy Care & Counseling Centers, Legal Aid Society of Hawaii, and six individuals.

Your Committee finds that the State needs to provide legal representation and advocacy for children whose legal rights are not being protected. These children are usually without parents or are not being cared for properly, and include children of drug addicted parents or victims of domestic violence. Legal services can place them into safe, legal guardianships with relatives or family friends. Such placement would avoid the costs typically incurred with the commencement of a child protective service case, including attorneys' fees for the parents and the minor, and the time spent by social workers, the Attorney General's office, and the Judiciary.

Your Committee has amended this measure by:

- (1) Clarifying that Na Keiki Law Center is a project of Volunteer Legal Services of Hawaii; and
- (2) Rewording the appropriation section to state that the moneys are to be used to fund legal services for children rather than to the Na Keiki Law Center, in order to be more inclusive of other organizations providing similar services.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 980, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 980, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 55 (Joint) Judiciary and Hawaiian Affairs and Transportation, Military Affairs, and Government Operations on S.B. No. 1393**

The purpose of this measure is to establish a state Department of Law Enforcement to assume the public safety and law enforcement duties of the Department of Public Safety which is redesignated as the Department of Corrections.

Your Committees received testimony in support of this measure from the Department of the Prosecuting Attorney, the Department of Public Safety. The Hawaii State Public Library System opposed part of the bill.

Your Committees find that currently, the Department of Public Safety encompasses two distinct functions. The correctional division manages the prisons and inmates, and is responsible for the care, rehabilitation, and treatment of prisoners. The law enforcement division provides security for public buildings, administers a statewide program of enforcement and investigation of controlled substances, and provides sheriff's services such as service of warrants. Your Committees also find that the Department of Public Safety must set its priorities and allocate its resources between these two disparate and sometimes competing functions.

You Committees further find that in recent years, the demand for law enforcement services has dramatically increased. As police resources are stretched, sheriffs are expected to respond to incidents occurring at state buildings. Your Committees recognize that in the event of a citywide emergency, the Honolulu Police Department may not have the resources to cover state buildings placing both state buildings and employees at risk to harm unless another law enforcement source is created.

Your Committees amended the bill by making technical, nonsubstantive changes for clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Transportation, Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1393, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1393, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 12. Noes, none. Excused, 1 (Kanno).

**SCRep. 56 Water, Land, and Agriculture on S.B. No. 261**

The purpose of this short form measure is to amend the Hawaii Revised Statutes relating to land use.

Your Committee has amended the measure by inserting provisions to clarify that a buyer of a leasehold apartment or condominium after June 17, 1991, who has been provided with a disclosure of leasehold terms, and has acknowledged the same, shall not be entitled to participate in any mandatory conversion proceeding.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the action to report out S.B. No. 261, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 261, S.D. 1, and be recommitted to the Committee on Water, Land, and Agriculture, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Whalen).

**SCRep. 57 Health on S.B. No. 380**

The purpose of this measure is to make an appropriation for emergency medical services at the Waianae Coast Comprehensive Health Center (WCCHC).

Your Committee received testimony supporting this measure from the Department of Health and the WCCHC.

Your Committee finds that the 40,000 residents of Waianae, Oahu, due to their isolated location, rely heavily on the emergency medical services of the WCCHC. Besides the WCCHC, the nearest emergency care facility is twenty miles away. Consequently, the WCCHC's emergency room is one of the most utilized on Oahu. Your Committee believes that if emergency services at the WCCHC are not maintained, the health and welfare of Waianae residents is at risk. Therefore, your Committee finds that the appropriation provided by this measure is required to ensure that Waianae residents are provided adequate emergency medical services.

Your Committee has amended this measure by expanding the scope of the appropriation to include the procurement of ambulance services to be utilized by the WCCHC.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 380, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 380, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 58 Health on S.B. No. 658**

The purpose of this measure is to require hospitals that provide emergency care to sexual assault survivors to inform them of and provide access to emergency contraception.

Testimony supporting this measure was received from the Hawaii State Commission on the Status of Women, Healthy Mothers, Healthy Babies Coalition of Hawaii, Planned Parenthood of Hawaii, Sex Abuse Treatment Center, First Unitarian Church, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, YWCA of Hawaii Island, and one individual. Opposing testimony was received from Hawaii Medical Association, Hawaii Right to Life, and one individual.

Your Committee finds that female survivors of sexual assault face the additional trauma of a possible unwanted pregnancy resulting from the sexual assault. Fortunately, emergency contraceptives are available to reduce the risk of pregnancy. However, these emergency contraceptives must be taken soon after the sexual assault to be effective. This measure ensures that sexual assault survivors receiving emergency treatment are informed of emergency contraceptives as soon as possible and are given an opportunity to take them if they so decide.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 658 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 59 Health on S.B. No. 661**

The purpose of this measure is to establish a sexual assault prevention special fund for sexual abuse prevention programs and deposit a portion of the marriage license fees into the special fund.

Testimony supporting this measure was received from the Department of Health, Sex Abuse Treatment Center, Planned Parenthood of Hawaii, and YWCA of Hawaii Island. Opposing testimony was received from the Department of Budget and Finance.

Your Committee finds that sexual assault is an epidemic that affects men, women, and children in Hawaii. In addition to the injuries sustained from sexual assault, victims may be at risk for sexually transmitted diseases, unwanted pregnancy, psychological trauma, social problems, and developmental disabilities.

Your Committee believes that education and prevention services are key to raising awareness among children and other at-risk groups, informing victims of available services to ensure they receive treatment, and deterring further sexual assaults. This measure provides the funds for these necessary and important sexual education and prevention services.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 661, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 661, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 60 (Joint) Health and Transportation, Military Affairs, and Government Operations on S.B. No. 664**

The purpose of this measure is to authorize the issuance of general obligation bonds and make a corresponding appropriation for the development of a Veterans Affairs long-term care facility on the Hilo Medical Center campus.



Testimony supporting this measure was received from the Office of Veterans Services, Mayor of the County of Hawaii, a member of the County Council of the County of Hawaii, Hawaii Health Systems Corporation, Hilo Medical Center, Kona Community Hospital, Board of Directors of the Military Offices Association of America – Aloha Chapter, Healthcare Association of Hawaii, Hawaii Island Economic Development Board, Hilo Medical Center Foundation, Puna Geothermal Venture Hawaii, W.H. Shipman, Limited, Big Island National Guard Retirees Association, Big Island Veterans Association, AJA Veterans Council, Club 100 – Hawaii Chapter, 442<sup>nd</sup> Veterans Association, Disabled American Veterans – Chapter 6, and thirty-five individuals.

Your Committees find that the State has an opportunity to spearhead the development of a long-term care (LTC) facility for United States veterans in Hawaii. It is clear that LTC facilities are in great demand by our maturing veteran population, particularly in Hilo where access to adequate facilities is limited. The VA LTC facility described in this measure would meet this demand by providing services to our honorable United States veterans in Hilo, Hawaii. In addition, with sixty-five per cent of the cost of construction subsidized by the federal government, the development of this facility will surely provide an economic boost for Hawaii by creating construction and ancillary employment opportunities.

Your Committees have amended this measure by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Health and Transportation, Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 664, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 664, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Kanno, Hogue, Whalen).

**SCRep. 61 Health on S.B. No. 1359**

The purpose of this measure is to make an emergency appropriation for the Hawaii Health Systems Corporation (HHSC).

Your Committee received testimony supporting this measure from the HHSC, Hilo Medical Center, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and the Healthcare Association of Hawaii.

Your Committee finds that HHSC is facing severe budget constraints in meeting its obligations to the Employees' Retirement System and its medical vendors. HHSC's situation was created by an unanticipated increase in benefit payments for HHSC employees in fiscal year 2002-2003. Therefore, your Committee finds that the emergency appropriation requested by this measure is necessary and appropriate to ensure HHSC is able to meet its fiscal responsibilities.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1359 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 62 Health on S.B. No. 741**

The purpose of this measure is to make an appropriation for sexual assault services.

Testimony supporting this measure was received from the Department of Health, Department of Human Services, Hawaii State Commission on the Status of Women, City and County of Honolulu - Department of the Prosecuting Attorney, Hawaii Coalition Against Sexual Assault, Sex Abuse Treatment Center, Child and Family Service, Planned Parenthood of Hawaii, YWCA of Kauai, YWCA of Hawaii Island, National Association of Social Workers, Community Alliance on Prisons, and two individuals.

Your Committee finds that sexual assault is an epidemic that affects men, women, and children in Hawaii. In addition to the injuries sustained from sexual assault, victims may be at risk for sexually transmitted diseases, unwanted pregnancy, psychological trauma, social problems, and developmental disabilities. Unfortunately, funding for sexual assault services for victims continues to be insufficient to meet their needs and those of their families.

Your Committee finds that the appropriation made by this measure provides funds that will ensure that sexual assault victims in Hawaii receive the care and support they desperately need.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 741, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 741, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 63 (Joint) Health and Human Services on S.B. No. 891**

The purpose of this measure is to appropriate funds for basic dental services for adult Medicaid clients.

Testimony supporting this measure was received from the Hawaii Dental Association, Hawaii Primary Care Association, Hana Community Health Center, and Advocates for Independent Living. The Department of Human Services submitted testimony opposing the measure due to cost implications, but did support the concept of the measure.

Your Committees find that basic dental care for adults covered by Medicaid is critical to the overall health and wellness of the community. Lack of proper dental care and maintenance may lead to more complicated dental and general health care problems. Your Committees believe that the appropriation made pursuant to this measure will help to improve the health of those who most need the care.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 891 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Hooser, Ige, Hogue).

**SCRep. 64 Health on S.B. No. 894**

The purpose of this measure is to establish an osteoporosis prevention and treatment education program and an interagency council on osteoporosis, and appropriate funds for the education program.

Testimony supporting this measure was received from the Department of Health.

Your Committee finds that osteoporosis is a bone-thinning disease that poses a threat to the health and quality of life to approximately twenty-eight million Americans. In addition, the costs associated with providing osteoporosis health, medical, and social services continues to rise as the population ages. Your Committee believes that the education program and interagency collaboration provided by this measure will help to educate the public on how to prevent, reduce, and contend with incidences of this disease.

Your Committee has amended this measure by deleting the requirement from section 321-H for a statement indicating that the Department of Health does not license, certify, or approve osteoporosis programs or centers in the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 894, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 894, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 65 Health on S.B. No. 963**

The purpose of this measure is to appropriate funds to enable the Department of Health to operate a hospital-based poison center twenty-four hours a day.

Testimony supporting this measure was received from the Hawaii Poison Center, Kapiolani Medical Center, HMSA, Healthcare Association of Hawaii, Kaiser Permanente, and three individuals. The Department of Health provided qualified support for the measure based on budgetary constraints.

Your Committee finds that the Hawaii Poison Center (HPC) has saved countless lives by providing early management of poisoning cases, thus obviating the necessity of an emergency services visit or response. As a result of the HPC's services, there has not been a death of a single child under six years of age from accidental poisoning since 1988. This is an astounding statistic considering that this valuable public service has been privately funded and administered for many decades. Unfortunately, economic realities of the private sector now threaten to curtail the services provided by the HPC.

Your Committee finds that the HPC provides an indispensable public service and the appropriation provided by this measure ensures that Hawaii's men, women, and children will have access to its proven resources for poison-related emergencies.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 963 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 66 Health on S.B. No. 1241**

The purpose of this measure is to repeal section 321-45, Hawaii Revised Statutes, which requires hospitals to offer uterine cytologic examinations to all female in-patients twenty years of age or older.

Testimony supporting this measure was received from the Department of Health, Kapiolani Medical Center, Queen's Medical Center, and Healthcare Association of Hawaii.

Your Committee finds that cervical cancer is a terrible disease and that the State should take all reasonable measures to assist in identifying and treating the disease as early as possible. Section 321-45, Hawaii Revised Statutes (Section 321-45), was passed nearly thirty years ago to promote uterine cytologic examinations for early detection of cervical cancer. Present medical science and technology has deemed the best way to screen for cervical cancer is on an outpatient basis, not in a hospital, by a physician specializing in obstetrics and gynecology. Therefore, your Committee finds that this measure appropriately repeals an unnecessary and ineffective requirement.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1241 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 67 Health on S.B. No. 384**

The purpose of this measure is to include the act of intentionally or knowingly causing bodily injury to a health care professional to the criminal offense of assault in the second degree.

Testimony supporting this measure was received from the Department of Public Safety, Hawaii Nurses Association, Kaiser Permanente, HGEA-AFSCME, Local 152, AFL-CIO, Healthcare Association of Hawaii, and Hawaii Pacific Health. Opposing testimony was received from the Office of the Public Defender.

Your Committee finds that health care professionals provide important services in sometimes hazardous environments. Assaults upon health care professionals by non-compliant, aggressive, and violent patients is becoming an increasingly common experience. Your Committee believes that every effort should be made to ensure that Hawaii's healthcare professionals are able to perform their duties in a safe setting. Your Committee finds that this measure provides an effective deterrent against and appropriate penalty for assaulting health care professionals.

Your Committee has amended this measure by making a technical, nonsubstantive amendment to reflect proper drafting style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 384, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 384, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Inouye).

**SCRep. 68 Health on S.B. No. 978**

The purpose of this measure is to appropriate funds for the Hawaii Children's Trust Fund.

Testimony in support of this measure was submitted by Blueprint For Change and two members of the Hawaii Children's trust Fund Advisory Committee. The Department of Health submitted testimony in support of the intent of this measure.

Your Committee finds that the Hawaii's Children's Trust Fund is a public/private partnership that mobilizes the resources for programs and organizations that support strengthening families to prevent child abuse and neglect. Research shows that effective abuse and neglect prevention programs that strengthen families are less costly than treating children who have been abused or neglected.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 978 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Inouye).

**SCRep. 69 Health on S.B. No. 739**

The purpose of this measure is to make permanent the provisions of Act 88, Session Laws of Hawaii 1999 (Act 88), that establish the Hawaii organ and tissue education special fund and allow individuals to donate \$1 to the fund upon registering their motor vehicle.

Testimony supporting this measure was received from the Department of Health, Hawaii Lions Eye Bank and Makana Foundation, Transplant Association of Hawaii, Hawaii Medical Association, National Kidney Foundation, Congress of Visayan Organizations, Kaiser Permanente, Oahu Filipino Community Council, Organ Donor Center of Hawaii, Hawaii Coalition on Donation, MOTTEP/Bayanihan of Hawaii, and four individuals. Opposing testimony was received from one individual.

Your Committee finds that in passing Act 88, the Legislature intended “to increase the number of individuals being asked to donate organs, to expand educational efforts across all ethnic, religious, and age groups, to increase the supply of organs for waiting transplant recipients, and to create a special fund which will be used to promote public education programs on organ, tissue, and eye donation” (Act 88, §1). Your Committee finds that Act 88 has been successful in many respects although an organ shortage continues to exist.

Clearly, the current successes of Hawaii’s organ donation programs resulting from Act 88 are largely due to the volunteerism, diligence, and support of the public and facilitated by the funds generated by the donations made during motor vehicle registrations, and otherwise.

Your Committee believes that by making permanent the existence of the Hawaii organ and tissue education special fund and continuing to allow donations to be made during motor vehicle registrations, Hawaii will continue to increase the number of organ and tissue donors, thereby saving lives and enhancing the quality of life for many persons.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 739 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 70 Health on S.B. No. 829**

The purpose of this measure is to make an appropriation for the vocational and psychosocial rehabilitation plan of the Haleiwa Psychosocial Rehabilitation Center (Center).

Testimony supporting this measure was received from the Department of Health, Empower North Shore Oahu, National Alliance for the Mentally Ill – Oahu, Alluvion, Inc., North Shore Community Land Trust, and twenty-one individuals.

Your Committee finds that the Department of Health has developed a community plan for mental health services (Community Plan) collaboratively with the U.S. Department of Justice, U.S. Magistrate Judge Kevin Chang and Chief District Judge David Ezra. The Community Plan provides continuity of care and ensures availability of services for existing and prospective patients of the Hawaii State Hospital.

A major component of the Community Plan is the development of a vocational and psychosocial rehabilitation plan to provide various services, including transitional employment, supported employment, vocational assessment and counseling, educational programs, and life-skills development programs. To deliver these services, the Department of Health has pioneered the concept of a micro-enterprise for a consumer-run psychosocial rehabilitation center via the Center. Your Committee finds that many individuals have benefited greatly from the Center’s services and that this measure provides the necessary funds to ensure its sustainability and provide an opportunity for further growth.

Your Committee has amended this measure by making a technical amendment for consistency with the title of this measure. Your Committee does acknowledge that the title incorrectly uses the term “psychological” rather than “psychosocial”. However, your Committee believes that the program referenced in this measure is of substantial value and the appropriation should be considered by your Committee on Ways and Means for inclusion in the budget or other related measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 829, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 829, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Inouye).

**SCRep. 71 Health on S.B. No. 1321**

The purpose of this measure is to expand the definition of “serious mental illness” so that people with different types of serious mental illness will have access to treatment with continued parity reimbursement and treatment requirements.

Testimony in support of this measure was submitted by the Governor, Department of Health, Department of Commerce and Consumer Affairs, Hawaii Government Employees Association – AFSCME, Hawaii Psychological Association, Equal Insurance Coalition, Mental Health Association in Hawaii, NAMI Oahu, National Association of Social Workers, Hawaii Disability Rights Center, Hawaii Medical Association, Blueprint for Change, and eight individuals. Oral testimony in support was received from the Hawaii Psychiatric Association and two individuals. HMSA, Kaiser Permanente, and the Chamber of Commerce of Hawaii submitted testimony opposing this measure.

Specifically, this measure adds delusional disorder, bipolar types I and II, major depression, obsessive compulsive disorder, and dissociative disorder as serious mental illnesses, and repeals the June 30, 2003, sunset date of full parity of serious mental illness health-insurance benefits with physical health insurance benefits.

Your Committee finds that current law provides there should be “parity” between the insurance benefits provided to persons who suffer from serious mental illness and those who suffer from other medical conditions. However, the law is scheduled to sunset later this year and does not require parity in benefits for some of the most serious conditions, such as depression. This measure reaffirms

the State's commitment to equal treatment for all of its citizens. It eliminates distinctions that set the seriously mentally ill apart, and places them on an equal footing with persons who suffer from physical illnesses.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1321 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Tsutsui).

**SCRep. 72 Commerce, Consumer Protection and Housing on S.B. No. 489**

The purpose of this measure is to require the Auditor to conduct a management audit of the Public Utilities Commission (PUC).

The PUC, Consumer Advocate, Hawaii Renewable Energy Alliance, Life of the Land, and an individual testified in support of the measure.

This measure directs the Auditor to conduct a management audit of the PUC that examines the appropriateness of utility legislation, the adequacy of PUC policies, rules and procedures, the provision of technical and analytical staff support for case management and enforcement purposes, and the effectiveness of the PUC and the Consumer Advocate in dealing with issues within their jurisdictions. Your Committee finds that a management audit will help the PUC assess the adequacy of its regulatory policies and procedures, and assist the Commission in meeting its statutory mandates.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 489 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 73 (Joint) Commerce, Consumer Protection and Housing and Science, Arts, and Technology on S.B. No. 498**

The purpose of this measure is to require the Public Utilities Commission (PUC) to maintain a web site containing information about its decisions, open dockets, meetings, and deadlines.

Life of the Land, and an individual testified in support of the measure. The Hawaii Renewable Energy Alliance provided oral testimony in support of the measure. The PUC and Verizon Hawaii supported the measure's general intent.

This measure:

- (1) Requires the PUC to maintain a web site that contains its decision and orders and listings of open dockets, commission meetings, and pending deadlines;
- (2) Requires applicants before the PUC to provide all documents in electronic format; and
- (3) Provides that the time period within which a PUC decision must be issued does not begin to run until a substantially completed application has been posted on the PUC's web site.

Your Committees find that this measure enhances public access to and participation in government, as well as provides a cost effective and efficient means of informing and educating the public about PUC proceedings and activities. This measure also protects the due process rights of potential intervenors by requiring the posting of a substantially complete application on the web site before the time can begin running on the Commission's deadline to issue a decision and order.

Your Committees find that the measure's requirement that all documents be provided in electronic format is overly broad and would require the posting of many documents with little relevance for the general public. Your Committees further find that most of the significant information submitted by an applicant is contained in the application, but that some information submitted therewith is confidential and proprietary. Therefore, your Committees have amended this measure to require the submission in electronic format of all applications, rather than all documents, but excluding confidential information submitted therewith. Additionally, your Committees have amended this measure to:

- (1) Make an appropriation from the Public Utilities Commission Special Fund to fund the activities of the PUC related to its web site; and
- (2) Authorize the hiring of personnel to implement and administer the web site.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Science, Art and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 498, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 498, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Fukunaga, Sakamoto, Hemmings).

**SCRep. 74 Commerce, Consumer Protection and Housing on S.B. No. 827**

The purpose of this measure is to authorize and establish requirements for the deregistration of fee time share interests from Land Court.

American Resort Development Association, McCorriston Miller Mukai MacKinnon, LLP, Island Title, and Embassy Vacation Resorts testified in support of the measure. Eight individuals opposed the measure, and comments were submitted by the Judiciary.

This measure raises questions regarding the efficiency of the Torrens systems of title registration, adopted in Hawaii in 1903, for the registration of fee time share interests, a form of land ownership that was created after the establishment of the Land Court system. Proponents of the measure argue that Land Court recording requirements are time consuming, cumbersome, and costly as applied to the recordation of fee time share interests, of which there are typically thousands in a single time share plan. Additionally, the necessity of recording large numbers of transactions for time share plans places a heavy burden on the Land Court, which recorded 326,000 documents in 2002, and is experiencing a fifteen per cent increase in filings.

Your Committee notes, however, that not all favor deregistration of fee time share interests. Opponents of this measure expressed concerns about the ability to have land deregistered without adjudication by the court.

As this measure raises complex issues that require further review and discussion, your Committee has inserted therein a delayed effective date of July 1, 2050, to facilitate this process. In addition, your Committee made technical amendments to the measure for purposes of clarity, style, consistency, and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 827, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 827, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Kim, Sakamoto).

**SCRep. 75 Commerce, Consumer Protection and Housing on S.B. No. 1282**

The purpose of this measure is to authorize the Housing and Community Development Corporation of Hawaii (HCDCH) to set the salaries of its executive director and executive assistant, subject to the Governor's approval.

The HCDCH testified in support of this measure.

The salaries of executive officers in public housing and housing finance agencies comparable to the HCDCH in other states range upward from \$80,000 and average \$100,000, substantially higher than that payable under the State's current salary ranges for HCDCH executives. This measure would allow the HCDCH, rather than the Governor, to set the salaries for its executives, without being subject to salary ranges, but subject to the Governor's approval.

While your Committee finds that this measure would allow the HCDCH to offer more competitive salaries as it begins its national search for a new director, your Committee believes that there is a need to develop a consistent state policy with respect to executive salaries, rather than addressing this issue on a case-by-case and piecemeal basis. Therefore, in order to facilitate further discussion of this matter by the Committee on Ways and Means, your Committee has amended this measure by inserting therein a delayed effective date of July 1, 2050. The measure has also been amended to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1282, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 76 Commerce, Consumer Protection and Housing on S.B. No. 1283**

The purpose of this measure is to repeal the laws relating to the Housing Alteration Revolving Loan Fund and the Hawaii Development Revolving Fund.

The Housing and Community Development Corporation of Hawaii testified in support of this measure.

Act 178, Session Laws of Hawaii 2002, repealed the laws establishing the Housing Alteration Revolving Loan Fund and the Hawaii Development Revolving Fund, and transferred the funds' balances to the General Fund. This housekeeping measure completes the funds' abolishment by repealing statutory provisions pertaining to the defunct funds.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1283 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 77 (Joint) Commerce, Consumer Protection and Housing and Tourism on S.B. No. 1629**

The purpose of this measure is to provide an excise tax exemption for amounts received by:

- (1) A submanager of an association of apartment owners or of a nonprofit homeowners or community association, as reimbursement of sums paid for common expenses; and
- (2) An operator of a hotel from an owner of a hotel or a timeshare association, or a suboperator of hotel from the owner of a hotel, timeshare association, or operator of a hotel, as disbursements for employee wages and related employee benefits.

Testimony in support of this measure was received from Outrigger Hotels. Comments were received from the Department of Taxation and Tax Foundation of Hawaii.

Existing law provides for general excise tax exemptions for amounts received by hotel operators from the hotel owner as reimbursements of sums paid for common expenses by the manager or board of directors of an association of apartment owners of a condominium property regime or a nonprofit homeowners or community association.

This measure extends existing general excise tax exemptions to include expenses paid by submanagers and suboperators and expenses in timeshare projects.

Your Committees find that this measure extends equitable treatment to taxpayers in similar situations and is justifiable.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1629 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Ige, Sakamoto, Taniguchi, Whalen).

**SCRep. 78 Commerce, Consumer Protection and Housing on S.B. No. 1650**

The purpose of this measure is to:

- (1) Preclude the nullification of a bulk sale purchase or conveyance of leased fee interests in a partially converted condominium, and of related obligations and assessments, if the sale or conveyance was undertaken by the lessor and association of apartment owners (AOAO) in good faith; and
- (2) Limit the liability of lessors and AOAOs for noncompliance with the law in such purchases or conveyances, to transactions involving knowing and intentional noncompliance, gross negligence, or wilful misconduct.

The Hawaii Council of Associations of Apartment Owners testified in support of this measure.

Act 199, Session Laws of Hawaii 2002, established requirements for the bulk sale purchase of leased fee interests in a partially converted condominium by AOAOs, including the requirement that the units' lessees be provided the first opportunity to purchase the leased fee interest from the AOAO. This measure provides limited protection for lessors and AOAOs against claims that may be asserted against them in connection with the bulk sales.

Your Committee has amended this measure by:

- (1) Deleting the last new subsection in the measure as received to avoid duplication and redundancy;
- (2) Inserting an effective date of July 1, 2050, to facilitate further review and discussion of this issue; and
- (3) Making technical, nonsubstantive amendments for clarity and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1650, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1650, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Espero, Kim, Sakamoto).

**SCRep. 79 (Joint) Commerce, Consumer Protection and Housing and Transportation, Military Affairs, and Government Operations on S.B. No. 1661**

The purpose of this measure is to require the Housing and Community Development Corporation of Hawaii (HCDCH) to complete construction of the Villages of Kapolei within five years and to collaborate with the Department of Transportation in implementing traffic study recommendations.

The Villages of Kapolei Association (Association) supported the measure. The HCDCH testified in opposition to the measure.

The original plan for the Villages of Kapolei included the construction of five thousand homes in eight villages over a ten-year period. Although more than thirteen years have passed since the recordation of the condemnation agreement between the agency's predecessor and the Campbell Estate, vacant parcels remain undeveloped and roadways have yet to be dedicated to the City and County of Honolulu. Meanwhile, community growth has brought an increase in traffic and unsafe traffic patterns, leading the Association to commission a study for the recommendation of traffic calming measures.

This measure requires completion of the development within five years and implementation of the traffic study recommendations. The HCDCH opposes the measure, citing factors beyond their control, such as sewer capacity and market conditions, that affect the timetable for completion of the development.

Your Committees have amended this measure by clarifying that the five-year deadline for completion runs from the effective date of this measure, and not from the effective date of Act 100, Session Laws of Hawaii 2001, and by making technical, nonsubstantive changes for style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Transportation, Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1661, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1661, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Kawamoto, Kim, Sakamoto).

**SCRep. 80 (Joint) Tourism and Commerce, Consumer Protection and Housing on S.B. No. 1533**

The purpose of this measure is to provide a general excise tax (GET) exemption on assessments paid by an association of homeowners for a time sharing plan to the manager or board of directors for reimbursement of sums paid for common expenses.

Testimony in support of this measure was received from the American Residential Development Association, McCorriston Miller Mukai MacKinnon LLP, Pahio Resorts, Hawaii Escrow & Title, Inc., Shell Vacations Club, Embassy Vacation Resorts, and one individual. Comments were received from the Department of Taxation (DTAX) and Tax Foundation of Hawaii.

This measure applies to time sharing plans subject to chapter 514E, Hawaii Revised Statutes (HRS), relating to time sharing plans. Existing law provides a GET exemption for amounts received from an association of apartment owners of a condominium property regime and a nonprofit homeowners or community association. This measure places time sharing plans on equal footing with these entities enjoying a GET exemption.

Your Committees note the comments of DTAX that it takes no position on this measure and does not have a revenue estimate at this time. Your Committees find that time shares are a common arrangement in condominium living. This measure recognizes that fact.

Your Committees have amended the measure by rearranging existing statutory language to clarify the law's intent.

As affirmed by the records of votes of the members of your Committees on Tourism and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1533, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1533, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Sakamoto, Taniguchi, Whalen).

**SCRep. 81 (Joint/Majority) Tourism and Transportation, Military Affairs, and Government Operations on S.B. No. 1461**

The purpose of this measure is to require each county to earmark two per cent of its portion of the Transient Accommodations Tax (TAT) for programs that support tourism promotion and visitor industry enhancement.

Your Committees received testimony in support of the intent of this measure from the Maui Hotel Association, and the Hawaii Tourism Authority provided comments. The Tax Foundation of Hawaii and a member of the Kauai County Council submitted testimony in opposition to this measure. The Department of Taxation submitted testimony expressing no position on this measure.

Your Committees find that, since the visitor industry is one of the most important sources of revenue for the State, it is critical to provide funds for programs that support tourism promotion and visitor industry enhancement.



Your Committees note that the counties already play a meaningful role in promoting and supporting tourism, and each county dedicates a significant portion of funds for that purpose. Your Committees are also mindful that the State should not micromanage the affairs of the counties.

However, revenues generated by the visitor industry help to support many programs that benefit the entire State, and the Legislature has a responsibility to ensure that tourism programs are adequately funded.

Therefore, to ensure that the counties continue to dedicate funds to create and maintain transportation infrastructure and other projects that benefit both the State and the visitor industry, your Committees find that it is appropriate to require each county to use at least two per cent of its portion of the TAT for that purpose.

Moreover, since the amount of revenues generated by the TAT is directly related to the number of visitors, it is an appropriate source of funds for programs that support the visitor industry. In fact, enhancement of visitor industry programs can lead to more visitors, which in turn will lead to increased TAT collections. Consequently, your Committees find that this measure may have a snowball effect, and generate greater revenues for the counties and the State.

Your Committees note that some, or all, of the counties may already be using an amount equivalent to two per cent of TAT revenues for tourism-related programs. In such cases, the counties can allocate the earmarked funds for existing programs, and will not be required to expend additional funds. This measure will ensure, however, that each county continues to meet the two per cent threshold.

As affirmed by the records of votes of the members of your Committees on Tourism and Transportation, Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1461 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, 2 (Slom, Whalen). Excused, 5 (Baker, Kanno, Menor, Sakamoto, Taniguchi).

**SCRep. 82 Health on S.B. No. 484**

The purpose of this measure is to make an appropriation for a grant-in-aid to the Maui AIDS Foundation for the case management program.

Testimony supporting this measure was received from the Department of Health, Mayor of Maui County, a member of the Maui County Council, Maui AIDS Foundation, and one individual.

Your Committee finds that AIDS remains to be a substantial threat to the health and welfare of the public. Despite advances in medical treatment, AIDS cases continue to overwhelm agencies, such as the Maui AIDS Foundation, that have experienced several budget cuts. If the Maui AIDS Foundation is not provided sufficient funding, there will be a dramatic decrease in programs, services, and the capacity to manage cases. Your Committee finds that the grant-in-aid provided in this measure is appropriate and necessary to ensure availability of these important services for Hawaii's population.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 484 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 83 Health on S.B. No. 740**

The purpose of this measure is to statutorily establish the public health nursing services program within the Department of Health.

Testimony supporting this measure was received from the Child Welfare Services State Advisory Council, Hawaii Early Intervention Coordinating Council, Parents and Children Together, Kapaa Lions Club, East Kauai Lions Club, KTA Super Stores, and twenty-two individuals. Supporting oral testimony was received from the Department of Health and Hawaii Nurses Association.

Your Committee finds that the public health nursing services program (PHN) was established by the Department of Health in 1923 to provide communicable disease control, infant welfare services, and nutrition services. Since its inception, PHN has contributed tremendously toward maintaining and improving the health of Hawaii's residents and is involved in all levels of service, including early intervention services, Felix related services, breast and cervical cancer programs, and others. Clearly, PHN has become an indispensable program for the State. Your Committee finds that this measure assures PHN's continued existence and the continued provision of nursing services to thousands around Hawaii.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 740 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 84 Labor on S.B. No. 783**

The purpose of this measure is to allow emergency medical technicians to retire without penalty after accruing twenty-five years of credited service, regardless of age upon retirement.

Testimony in support of this measure, was submitted by the the Department of Health, the Honolulu Emergency Services Department, the Honolulu Paramedic Association, twenty-one emergency medical technicians, and two private citizens.

Testimony in opposition of this measure, was submitted by the Department of Budget and Finance.

The Employees' Retirement System submitted comments on the measure.

Your Committee finds that under existing law, emergency medical technicians are the only public safety personnel who perform hazardous, stressful, and physically demanding duties, not eligible to retire after twenty-five years of service without penalty, regardless of age upon retirement.

Your Committee also finds that the work performed by emergency medical technicians routinely requires exposure to dangerous, violent, and life-threatening situations while also requiring the provision of dedicated service to the emergency medical care and transportation to the public in need. Your Committee believes that emergency medical technicians should be allowed to retire with at least twenty-five years of credit service, as the last group of public safety employees to be provided this benefit.

Your Committee, however, is concerned with the broad definition of "emergency medical technician" contained in the measure as received. Consequently, your Committee has amended the measure to limit this benefit to those employees who are licensed to provide emergency medical services to reflect this concern.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 783, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 783, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

**SCRep. 85 (Joint) Energy and Environment and Transportation, Military Affairs, and Government Operations on S.B. No. 490**

The purpose of this measure is to establish a requirement that the department of accounting and general services identify, evaluate, prioritize, and implement renewable energy systems in state facilities and to authorize the financing thereof through the issuance of revenue bonds.

Hawaiian Electric Company and the Hawaii Renewable Energy Alliance submitted testimony in support of this measure. The Department of Budget and Finance submitted comments on this measure.

Your Committees find that the use of renewable energy technologies in state-owned and operated facilities supports the State's objectives to increase energy self-sufficiency and the reduction or avoidance of greenhouse gas emissions from energy supply and use. Further, the use of revenue bonds to finance implementation of energy efficient projects, as is currently being done in the City of San Francisco, will accelerate the State's achievement of its energy objectives.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 490 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Baker, Kanno, Menor).

**SCRep. 86 (Joint) Energy and Environment and Transportation, Military Affairs, and Government Operations on S.B. No. 492**

The purpose of this measure is to authorize the issuance of general obligation bonds to help launch energy efficiency and renewable energy technologies in state facilities, including sea water air conditioning, wind energy, solar thermal technologies, and photovoltaic systems.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, Hawaiian Electric Company and its subsidiary utilities, Hawaii Electric Light Company and Maui Electric Company, the Gas Company, and the Hawaii Renewable Energy Alliance.

Your Committees find that though the State is committed to increasing the use of renewable energy resources and energy efficiency, the initial project costs and availability of funds are often major obstacles to their realization. The issuance of general obligation bonds will encourage and accelerate the implementation of energy-efficient projects in state-owned buildings.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 492 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (Baker, Kanno, Menor).

**SCRep. 87 Energy and Environment on S.B. No. 431**

The purpose of this measure is to provide for a tax credit for the purchase of clean fuel vehicles in taxable years beginning after December 31, 2002. If the credit claimed exceeds the amount of the income tax payments due, the excess of the credit may be used in subsequent years until exhausted.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism. Comments on this measure was submitted by the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that a tax credit for the purchase of clean fuel vehicles would encourage the purchase of alternative fuel vehicles as well as hybrid vehicles. Federal law currently allows an income tax deduction for the purchase of clean fuel vehicles. Clean fuels include natural gas, liquefied natural and petroleum gas, hydrogen, electric, or any fuel which is at least 85% alcohol or ether.

Your Committee has amended this measure in the following manner:

- (1) Adding the title of section 179A of the Internal Revenue Code; and
- (2) Clarifying that any excess credit allowable under the measure, may be used as credit against the taxpayer's income tax liability in subsequent years until exhausted.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 431, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 431, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 88 Energy and Environment on S.B. No. 855**

The purpose of this measure is to make permanent the alternative energy systems tax credit and to replace the credit amounts and qualifying percentages with an unspecified amount.

Testimony in support of this measure was submitted by The Gas Company, HECO and its subsidiaries, the Sierra Club, Life of the Land, Hawaii Renewable Energy Alliance, the Hydrogen Renewable Energy Enterprise, LLC, Hawaii Solar Energy Association, Inter-Island Solar Supply, Vertical Wind Turbine Technologies, LLC, and PowerLight Solar Electric Systems. Comments on this measure were submitted by the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that tax credits for alternative energy systems is worth continuing for the following reasons:

- (1) The State depends on imported oil for nearly 90 per cent of its energy needs. This dependence results in the outflow of the State's financial resources and creates a tenuous reliance on an unsustainable and unstable resource;
- (2) Tax credits leverage private investment that helps to sustain existing jobs and add jobs as the net number of systems sold per year increases; and
- (3) The solar industry is exactly the type of "high-tech" business that Hawaii needs. However, until a critical mass is reached for its demand, it must be supported by incentives.

Your Committee has amended this measure by directing the Tax Review Commission, beginning with the July 1, 2010, fiscal year, to periodically review and submit to the Legislature a report on whether to continue, amend, or repeal the tax credits.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 855, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 855, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 89 Energy and Environment on S.B. No. 487**

The purpose of this measure is to promote the use of geothermal-to-hydrogen systems to produce energy.

Specifically, the measure provides for a tax credit of twenty per cent of the total cost of a geothermal-to-hydrogen system erected or placed in service after December 31, 2003, but before January 1, 2012, that has an unspecified nameplate capacity. The system must be located on the same or immediately adjacent parcel of land.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, Hawaiian Electric Company, Inc., and Vertical Wind Turbine Technologies, LLC. Comments on this measure was submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that Hawaii has access to clean renewable energy resources, including geothermal wells, yet relies heavily on imported fossil fuels. With nationally recognized expertise in hydrogen/fuel cell technologies, and a wealth of indigenous energy resources, Hawaii can be a leader in the development of advanced energy systems that utilize renewable resources. The proposed tax credit can stimulate needed research and commercialization of these advanced systems, and benefit Hawaii's energy security, environment, and economy.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 487 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 90 Energy and Environment on S.B. No. 909**

The purpose of this measure is to provide for a tax credit for the cost of installing a required grease interceptor system as required by state or county law.

Testimony in support of this measure was submitted by Gyotaku Japanese Restaurant, Wailana Coffee House, Hawaii Hotel Association, National Restaurant Association, Ryan's Grill, and LWD, Inc. dba McDonald's. Comments on this measure were submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that the need to reduce the amount of grease discharged into sewer systems is clear. However, the cost of grease interceptor installation can be overwhelming to businesses. New grease interceptor systems can cost \$20,000 to over \$100,000. A tax credit for such installations is an incentive for restaurants and food production facilities to step up their compliance schedule and reduce the amount of grease being discharged into the local sewer systems. This measure will help to improve the environment without putting restaurants out of business.

Your Committee has left the tax credit percentage and the maximum dollar credit amount blank for further discussion by the Ways and Means Committee.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 909 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 91 Energy and Environment on S.B. No. 848**

The purpose of this measure is to appropriate \$500,000 from the special land and development fund for the development and implementation of a strategy for alternative energy resources on Kahoolawe.

Testimony in support of this measure was submitted by Pacific International Center for High Technology Research.

Your Committee finds that this appropriation provides for critical demonstration and data gathering for the development of renewable and sustainable, alternative energy resources on Kahoolawe. As a remote, non-utility supported location, Kahoolawe is ideal as a demonstration site for hydrogen, fuel cell, and ocean thermal energy conversion technologies.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 848 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 92 Energy and Environment on S.B. No. 713**

The purpose of this measure is to expand the definition of "pollution control project" to include the closure of landfills so that such closures will qualify for special purpose revenue bond funding.

The County of Hawaii, Department of Environmental Management submitted testimony in support of this measure.

Your Committee finds that throughout the counties, the closure of landfills is both imminent and expensive. Special purpose revenue bonds provide counties with an immediately available option for financing landfill closures.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 713 and recommends that it pass Second Reading and be referred to the Committee on Transportation, Military Affairs and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 93 Energy and Environment on S.B. No. 506**

The purpose of this measure is to allocate \$250,000 per year of all royalties received by the State from geothermal resources to the Department of Business, Economic Development, and Tourism to be used for hydrogen research and development as an alternative energy source.

The Gas Company submitted testimony in support of this measure. The Department of Business, Economic Development, and Tourism supported the measure's intent. The Chairperson of the Board of Land and Natural Resources provided comments on this measure.

Your Committee finds that this measure recognizes Hawaii's potential as a platform for development of hydrogen technologies based on renewable energy resources such as geothermal. The State's recent successes of hydrogen initiatives in attracting non-state funding and internationally recognized projects and partners demonstrate the strength of the State's capabilities, assets, and commitment to a hydrogen energy future.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 506 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 94 (Joint/Majority) Energy and Environment and Transportation, Military Affairs, and Government Operations on S.B. No. 319**

The purpose of this measure is to establish county requirements for food waste recycling by restaurants, food manufacturers or processors, catering establishments, hospitals, schools, and businesses.

Testimony in support of this measure was submitted by the Department of Education, Department of Health, and four individuals. Testimony opposing this measure was submitted by the National Restaurant Association, Wailana Coffee House, LCC, and Gyoatoku Restaurants.

Your Committees find that the State must enact viable alternatives to our brimming landfills for the State's waste and refuse. Current programs to recycle glass, paper, plastic, and aluminum have proven successful for this island State where land is finite. Food waste recycling is a solution that prevents ground contamination and potential "NIMBY" (Not In My Backyard) problems, and may cut refuse costs for businesses.

Your Committees have amended this measure by applying the requirements to counties with a population of 500,000 or greater, thereby limiting its effect to the City and County of Honolulu which is the only county that does not have a comprehensive food recycling program currently in place.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 319, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 319, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, 2 (Hemmings, Whalen). Excused, 3 (Baker, Kanno, Menor).

**SCRep. 95 Energy and Environment on S.B. No. 1536**

The purpose of this measure is to exempt fuel-efficient vehicles from county vehicle taxes and fees and to encourage the purchase of such fuel-efficient vehicles.

The Department of Taxation and the City and County of Honolulu, Department of Customer Services submitted testimony in support of the intent of this measure. Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that the State's dependence on imported fossil fuels can be lessened by the increase of fuel-efficient vehicles. This measure helps to encourage the purchase of new fuel efficient vehicles.

Your Committee has amended this measure in the following manner by:

- (1) Extending the exemption to state vehicle taxes and fees rather than limiting the exemption to county vehicle taxes and fees;

- (2) Adding a 10-year sunset to both exemptions; and
- (3) Changing the effective date of the Act to July 1, 2003, to coincide with the State's fiscal year.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1536, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1536, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Hooser, Kanno).

**SCRep. 96 Energy and Environment on S.B. No. 596**

The purpose of this measure is to allow taxpayers claiming the energy conservation tax credit the option to claim one-fifth of the tax credit in each of five successive years beginning in the year of the purchase.

Testimony supporting this measure was submitted by the Hawaii Solar Energy Association and R&R Services, Inc. Comments on this measure were submitted by the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that under existing law, the energy conservation tax credits are applied to a taxpayer's income tax liability with any excess credit applied against the taxpayer's tax liability in subsequent years. This measure would allow a taxpayer to claim the energy tax credit over a five-year period.

Your Committee has amended this measure by extending the energy conservation system "installment and placed in service" indefinitely, to allow taxpayers to take advantage of the credit in years to come.

Your Committee emphasizes that this measure provides an option to taxpayers rather than a requirement to take the credit evenly over five successive years.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 596, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 596, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 97 Transportation, Military Affairs, and Government Operations on S.B. No. 26**

The purpose of this measure is to place each house of the Legislature in charge of publishing, selling, and distributing the legislative journals.

Your Committee finds that under existing law, the Office of the Lieutenant Governor is responsible for selling, distributing, and fixing the price of the legislative journals, while the Legislature is responsible for preparing the journals.

Your Committee agrees that it makes more sense to put each house of the Legislature in charge of selling, distributing, and fixing the price for the legislative journals, and to allow the Legislature to retain the proceeds from sales of the journals.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 26 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aduja, Kanno).

**SCRep. 98 Transportation, Military Affairs, and Government Operations on S.B. No. 85**

The purpose of this measure is to authorize forfeiture of a vehicle for a street racing offense committed within five years of a prior conviction, and to authorize forfeiture of a vehicle that belongs to a minor violator's parents.

Your Committee received testimony in support of this measure from the Department of Transportation. The Honolulu Police Department testified orally in support of this measure. The Office of the Public Defender submitted testimony in opposition to this measure.

Although the Legislature increased the penalties for street racing during the 2002 Regular Session, your Committee finds that the problem remains serious in Hawaii. Modified street racing vehicles are increasingly common in the islands, and the speed with which these vehicles can race makes the problem deadly serious.

Your Committee supports enacting even stricter penalties, including vehicle forfeiture for two offenses committed within a five year period, which illustrates a pattern of disregard for the law.

Your Committee also believes that parents should monitor their children's behavior more closely. If a parent believes that his or her child is using his or her car for street racing, that parent should step in before it's too late. Therefore, your Committee also supports forfeiture of a parent's or guardian's vehicle that is used by a minor for street racing. This problem is too serious to take lightly.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 85 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 99                    Transportation, Military Affairs, and Government Operations on S.B. No. 297**

The purpose of this measure is to prohibit candidates for public office from commingling campaign literature with materials created or produced using government funds, for distribution in connection with the candidate's campaign.

Your Committee received testimony in support of this measure from the Campaign Spending Commission and the League of Women Voters of Hawaii. The Hawaii State Ethics Commission provided comments.

Your Committee finds that candidates for public office seek every possible advantage. Sometimes, when distributing campaign materials produced by the candidate's committee, a candidate may include materials that were produced by a state or county government agency.

To commingle a candidate's campaign materials with government-produced materials adds an air of legitimacy to the candidate's materials, and may imply an endorsement of the candidate by the agency that produced the materials on behalf of the government.

Your Committee agrees that to ensure the cleanliness and legitimacy of the elections process, candidates should be flatly prohibited from distributing, as campaign material, any publication produced in whole or in part using state or county funds.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 297 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 100                    Transportation, Military Affairs, and Government Operations on S.B. No. 313**

The purpose of this measure is to require children four years of age or older, but less than eight years old, and children under certain weight and height minimums to be properly secured in a child safety or booster seat in a motor vehicle.

Testimony in support of this measure was received from the Maui Police Department (MPD), Good Beginnings Alliance, Hawaii Association of Independent Schools, Keiki Injury Prevention Coalition, Mothers Against Drunk Driving, Waianae Coast Comprehensive Health Center, and State Farm Mutual Automobile Insurance Company. Comments were received from the Department of Transportation and the Office of the Public Defender.

Existing law sets the maximum age at four years for a child to be transported in a child safety or booster seat while a motor vehicle is being operated. This measure raises the age to eight, except:

- (1) If the child is under four, the child is properly restrained in a child passenger restraint system meeting federal motor vehicle safety standards; or
- (2) If the child is four years old but less than eight years old, a child safety seat or a booster seat meeting federal motor vehicle safety standards must be used if the child is eighty pounds or less and four feet nine inches or less, with an exemption for a child over forty pounds riding in a vehicle equipped with only lap belts in the rear seat, without shoulder straps.

Your Committee notes the testimony of the MPD that motor vehicle crashes are the leading cause of non-intentional deaths for children in Hawaii. This measure serves to prevent injury and death to children by ensuring that they will be properly secured when riding in a motor vehicle.

This measure allows the use of booster seats, which can be purchased for less than twenty dollars. There are booster seats small enough to fit multiple boosters in smaller cars. Your Committee finds that booster seats, where allowed under this measure, are a beneficial alternative to safety seats that could save young lives.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 313 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 101      Transportation, Military Affairs, and Government Operations on S.B. No. 386**

The purpose of this measure is to prohibit the Governor and the Director of Finance from restricting any state agency's ability to expend federal grant moneys if the granting federal agency has already approved the expenditure.

Your Committee received testimony in support of this measure from the Department of Education. The Department of Budget and Finance submitted testimony in opposition to this measure.

Your Committee finds that state agencies that receive federal grants are currently required to seek the approval of the Governor when making certain expenditures of federal grant moneys, even though the expenditures have already been approved by the federal granting agency, which regularly audits those expenditures.

Your Committee finds this approval process unnecessary, and therefore supports the intent of this measure, which will facilitate the timely expenditure and allocation of federal funds.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 386 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aduja, Kanno).

**SCRep. 102      Transportation, Military Affairs, and Government Operations on S.B. No. 531**

The purpose of this measure is to provide counties with immunity from civil liability arising from activities occurring in a county park, including a skateboard park, except in cases where the county is grossly negligent or acts with wanton disregard for public safety.

Your Committee received testimony in support of the measure from the Hawaii County Corporation Counsel, the Hawaii County Department of Parks and Recreation, the Maui County Council and two of its members, the Kauai County Attorney, and the Hawaii State Association of Counties. The Consumer Lawyers of Hawaii submitted testimony in opposition to the measure.

Your Committee finds that several counties in the State have developed or are considering development of new recreational facilities, including skateboard parks. Often, however, the counties are hesitant to create new recreational facilities for fear of civil lawsuits arising from injuries occurring in the facilities.

Your Committee believes that facilities such as skateboard parks offer a positive recreational alternative for our youth, and that the Legislature should encourage development of such facilities.

Your Committee further believes that in cases where a county develops or supervises a facility responsibly, without gross negligence or wanton disregard for public safety, immunity from civil liability is appropriate.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 531 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aduja, Kanno).

**SCRep. 103      Transportation, Military Affairs, and Government Operations on S.B. No. 532**

The purpose of this measure is to provide counties with immunity from claims for civil damages resulting from or caused by natural hazards on public property, except when the county is grossly negligent or acts with wanton disregard for public safety.

Your Committee received testimony in support of the measure from the Hawaii County Office of Corporation Counsel, the Chair, Vice Chair, and a member of the Maui County Council, and the Kauai County Attorney's Office. The Consumer Lawyers of Hawaii testified orally in opposition to the measure.

Your Committee finds that the public often looks to the counties to provide areas for outdoor recreation, such as bicycling, hiking, and walking trails. The natural beauty of the islands draws many people outdoors.

While our natural environment is beautiful, however, it can also be dangerous, and the counties cannot reasonably be expected to continuously patrol every outdoor environment to remove potentially dangerous natural hazards.

Your Committee believes that the counties should not be exposed to the potentially enormous civil liability that may arise when residents and visitors enjoy the natural beauty of Hawaii. The recent lawsuit resulting from the tragic rockfall at Sacred Falls State Park in 1999 illustrates the enormous potential liability faced by the State and the counties.

Your Committee agrees that civil liability is appropriate in cases where a county is grossly negligent or acts with wanton disregard for public safety. Aside from that, however, your Committee supports the intent of this measure.



As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 532 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aduja, Kanno).

**SCRep. 104      Transportation, Military Affairs, and Government Operations on S.B. No. 562**

The purpose of this measure is to clarify that a Terminable Rental Adjustment Clause (TRAC) in a vehicle lease does not create a sale or security interest, and that leases with such provisions are to be treated as true leases for purposes of bankruptcy and tax law.

Your Committee received testimony in support of this measure from the Hawaii Bankers Association.

Your Committee finds that TRAC vehicle leases involve the leasing of commercial fleets of motor vehicles by one business to another, and that such leases permit or require an upward or downward adjustment of rent to compensate for any difference between the projected value of a vehicle and its actual value upon termination of the lease.

If the lessee enters bankruptcy, your Committee finds that it is important that a TRAC lease is viewed as a "true" lease, so that the trustee in bankruptcy must pay the lessor full rental payments for using the vehicles, and so the lessor may recover the leased vehicles from the trustee and rerelease them.

Your Committee further finds that forty states and the District of Columbia have enacted legislation similar to this measure, which will clarify this area of the law.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 562 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 105      Transportation, Military Affairs, and Government Operations on S.B. No. 676**

The purpose of this measure is to exempt motor vehicle rental companies that periodically ship vehicles in quantities of ten or more from the requirements governing the removal or shipping of vehicles from the State or between the counties.

Catrala-Hawaii and Dollar Rent A Car testified in support of this measure.

Your Committee finds that the documentation requirements for shipping vehicles out of the State or between the counties place an undue burden on motor vehicle rental companies that deal in the shipment of quantities of vehicles. By exempting those companies from the requirements, this measure will facilitate business and commercial activity in the State.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 676 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 106      Transportation, Military Affairs, and Government Operations on S.B. No. 680**

The purposes of this measure are:

- (1) To require commercial tow trucks to be registered and to display distinguishing license plates and decals;
- (2) To require county Directors of Finance to establish a schedule of tow truck registration fees; and
- (3) To prohibit tow truck operators from collecting charges and fees unless they comply with the registration and licensing fee requirements.

Your Committee received testimony in support of this measure from the Hawaii State Towing Association. Testimony in opposition to this measure was submitted by the Department of Customer Services of the City and County of Honolulu and the Hawaii Insurers Council. The Department of Commerce and Consumer Affairs provided comments on this measure.

Your Committee finds that with limited commercial and residential parking space available in the State, towing companies run a booming business. Towing a vehicle can be dangerous to persons nearby, and can also result in damage to the towed vehicle if done improperly. Therefore, your Committee finds that it is important to the public safety and welfare that towing companies be registered and display some sort of insignia to illustrate their registration.

While other commercial fleet vehicles must have special license plates to identify themselves, commercial tow trucks do not. Therefore, your Committee supports this measure, which will ensure public safety and increase public confidence in local towing companies.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 680 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 107      Transportation, Military Affairs, and Government Operations on S.B. No. 732**

The purpose of this measure is to appropriate funds so that the Department of Transportation (DOT) can install and/or upgrade curbs ramps and bus stops along state highways to comply with the Americans With Disabilities Act (ADA).

Your Committee received testimony in support of this measure from the DOT and a concerned citizen.

Your Committee finds that the State has a legal and ethical obligation to ensure that state highways and curbs are usable by persons with disabilities, as called for by the ADA.

Your Committee further finds, based on the oral testimony of the ADA Compliance Unit of the DOT, that the State has an ongoing program to bring our highways in compliance with the Consent Decree for ADA requirements. Your Committee supports this measure, which will provide the DOT with adequate funding to complete the task.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 732 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Menor).

**SCRep. 108      (Majority) Transportation, Military Affairs, and Government Operations on S.B. No. 862**

The purpose of this measure is to extend protection for individuals with disabilities against discrimination by every State and county agency that provides services, programs, or activities.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities, the Disability and Communication Access Board, the Hawaii Civil Rights Commission (Commission), the Aloha State Association of the Deaf, and four concerned citizens.

Your Committee finds that this measure will strengthen current State laws prohibiting discrimination against persons with disabilities by incorporating several important provisions of the federal Americans with Disabilities Act (ADA). Your Committee further finds that this measure gives the Commission the authority to adopt rules to carry out the provisions of Hawaii's anti-discrimination laws.

Your Committee fully supports this measure, which will bring State law directly in line with the ADA, and ensure that all persons with disabilities receive equal treatment under the law.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 862 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Whalen). Excused, 2 (Aduja, Kanno).

**SCRep. 109      Transportation, Military Affairs, and Government Operations on S.B. No. 880**

The purpose of this measure is to transfer the State Capitol Tour Service from the Office of the Governor to the Legislature.

Your Committee received testimony in support of this measure from "Uncle Joe," Renwick Valentine Ililipuna Tassill, who has been conducting capitol tours for nearly two decades.

Your Committee finds that the Hawaii State Capitol Building was designed and constructed to showcase the history and geography of the Hawaiian Islands. The capitol building is as unique as our islands and our people, and its story has enchanted thousands of visitors and residents over the years.

Your Committee finds that Uncle Joe's wonderful tours and the capitol tour program belong in the Legislature, and not in the Governor's Office. Therefore, your Committee supports this measure, so that Uncle Joe and his successors can share the history and tradition of the capitol building with visitors for years to come.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 880 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 110      Transportation, Military Affairs, and Government Operations on S.B. No. 1035**

The purpose of this measure is to provide funds for phases I and II of a combined multi-use veterans center on the island of Hawaii.

Your Committee received testimony in support of this measure from the Department of Defense, ILWU Local 142, and seventy-four proud veterans.

Your Committee finds that military veterans who risked their lives to preserve freedom and democracy deserve our utmost honor and respect, and that we should never forget the lives lost by our forebearers to preserve our freedom.

The funding provided by this measure will be used to construct phases I and II of the proposed veterans memorial complex, consisting of facilities for counseling, readjustment, a community-based outpatient clinic, a meeting hall, an office for the Hawaii County Office of Veterans Services, parking, recreational areas, and a picnic area. Phase III, to be constructed at a later date, will consist of housing for veterans.

Your Committee fully supports this measure, to memorialize the efforts of our military veterans and to give something back to those who risked so much so that we can continue to live in freedom.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1035 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 111      Transportation, Military Affairs, and Government Operations on S.B. No. 1046**

The purpose of this measure is to subject all elected officials to the jurisdiction of the Hawaii State Ethics Commission (Commission) immediately upon election, rather than at the point of taking office.

Your Committee received testimony in support of this measure from the Commission.

Your Committee finds that our State's Ethics Code help to ensure that public officials act in the public interest, without outside influence. Your Committee believes that coverage of the Ethics Code should begin as soon as an elected official has the ability to take official action.

Your Committee realizes that in most cases, an elected official can take no "official" action until actually assuming office. However, there may be instances in which an elected official takes or attempts to take "official" action immediately after election. To some extent, this depends on the definition of "official action."

While the Commission testified that it is not aware of any cases where this issue has arisen to date, your Committee agrees that our Ethics Code should apply as broadly as possible to ensure the integrity of our government.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1046 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 112      Transportation, Military Affairs, and Government Operations on S.B. No. 1051**

The purpose of this measure is to clarify the permissible operation of electric personal assistive mobility devices (Segway).

Testimony in support of this measure was received from Segway. Testimony in opposition was received from the Department of Transportation (DOT).

This measure allows a Segway to be operated on the sidewalks and bicycle paths at speeds up to eight miles per hour. The operator must be sixteen years of age or older, unless the person is disabled. Specific requirements for the actual operation are set out to protect the operator, pedestrians, and traffic.

Your Committee believes that use of the new and innovative Segway is inevitable. Legislation is needed to regulate its operation before an accident happens. Your Committee finds that the regulations are reasonable and compliance is easy.

The objection of the DOT that sidewalks are too narrow for Segways is well taken. However, sidewalks and bikeways are safer than streets. It is reported that the United States Postal Service is utilizing Segways to deliver mail, and if this practice is expanded to Hawaii's Postal Service, then the clarification provided under measure is warranted.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1051 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 113      Transportation, Military Affairs, and Government Operations on S.B. No. 1056**

The purpose of this measure is to amend the financial interests disclosure law for public employees to include business interests and real property interests that are outside of the State of Hawaii.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission and the League of Women Voters of Hawaii.

Your Committee finds that under existing law, public employees must disclose only their financial interests located within the State of Hawaii. When the State's ethics laws were first enacted, in 1972, it was much less likely that business interests and real property interests outside the State could affect a public employee's duties.

Now that our economy has become completely globalized, your Committee finds that it is appropriate to require disclosure of financial interests located outside the State, which may have an impact on the manner in which a public employee discharges his or her duties.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1056 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 114      Transportation, Military Affairs, and Government Operations on S.B. No. 1094**

The purpose of this measure is to authorize the Hawaii State Ethics Commission (Commission) to determine the salary of its Executive Director without any limitation in the law.

Your Committee received testimony in support of this measure from the Commission.

Your Committee finds that until 1982, the Commission had the authority to fix the compensation of its Executive Director and other staff members, within the amounts made available in the Commission's annual budget appropriation from the Legislature.

Your Committee agrees that authority to set the salary of the Executive Director should be returned to the Commission. Because the Commission renders legal advice and enforces the State Ethics Code with regard to legislators, it is important that the Commission and its employees and Executive Director be as independent as possible.

Under current law, the salary of the Executive Director of the Commission, which is limited by law, cannot be raised except by a law passed by the very same persons regulated by the Commission. This process would lead to a possible appearance of impropriety, and therefore your Committee agrees that the Commission should be completely independent in setting the salaries of its employees and Executive Director.

Your Committee notes that the Legislature can still oversee the amount budgeted for the Executive Director of the Commission as part of the annual budgetary process.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1094 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 115      Transportation, Military Affairs, and Government Operations on S.B. No. 1330**

The purpose of this measure is to make emergency appropriations for the Offices of the Governor and the Lieutenant Governor, so that those offices can meet staffing requirements from January, 2003, through June, 2003.

Your Committee received testimony in support of this measure from the Office of the Governor.

Your Committee finds that the Legislature, during the 2002 Regular Session, did not provide full funding for the Governor's and Lieutenant Governor's offices for the last two quarters of fiscal year 2002-2003.

Your Committee further finds that the requested appropriations are required to enable our State's two highest executive officers to properly exercise statewide statutory and constitutional obligations.

Without the resources contained in this measure, your Committee finds that Governor and Lieutenant Governor may not be able to ensure the proper implementation of state programs and services provided to the public.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1330 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 116            Transportation, Military Affairs, and Government Operations on S.B. No. 1331**

The purpose of this measure is to require the State to transmit to each county, traffic fines and forfeitures collected for uncontested traffic infractions collected in that county.

Testimony in support of this measure was received from the Governor, Hawaii County Finance Department, City and County of Honolulu Budget and Fiscal Services Department, one Kauai County Council member, and three Maui County Council members. The Judiciary submitted comments.

This measure requires beginning July 1, 2003, the transmittal of fifty per cent of the fines and forfeitures collected, and beginning July 1, 2004, the transmittal of all fines and forfeitures collected, except for amounts required to administer the Traffic Violations Bureau. Moneys collected from parking violations or moneys required to be deposited into special, revolving, or trust funds are excluded.

Your Committee views this measure as a means of cost sharing with the counties for their expense in enforcing the statewide traffic code. Your Committee believes that the counties need a modicum of financial relief from the State, and this measure provides a dedicated source of revenue toward that end.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1331 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 117            Water, Land, and Agriculture on S.B. No. 4**

The purpose of this measure is to require the State and counties to develop and implement recycled water use plans by January 1, 2004, and every ten years thereafter.

Testimony in support of this measure was submitted by the City and County of Honolulu Board of Water Supply and the Hawaii Water Environment Association. Testimony in support of the intent of this measure was submitted by the Department of Health and the Department of Transportation.

Your Committee finds that a recycled water use plan would promote both the conservation of the State's finite potable water resources and the safe use of recycled water by state and county government agencies, allowing them to lead private water users by example.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 4 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 118            Water, Land, and Agriculture on S.B. No. 36**

The purpose of this measure is to authorize the issuance of general obligation bonds and to appropriate \$2,500,000 from the proceeds to widen Waikiki Beach by replenishing the sand between the north Kuhio beach groin and the Kapahulu storm drain.

Testimony in support of this measure was submitted by the Hawaii Tourism Authority, Hawaii Hotel Association, Chamber of Commerce of Hawaii, and Waikiki Improvement Association. The Board of Land and Natural Resources supported the intent of the measure.

Your Committee finds that because of opposition to some of the proposed beach restoration projects, the requested amount of \$2,500,000 should be cut to \$700,000 to be used only for sand recovery and replacement. This change was agreed upon by all parties involved.

Your Committee has amended the measure to reflect the agreed upon amount.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 36, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 36, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 119 Water, Land, and Agriculture on S.B. No. 378**

The purpose of this measure is to include accreted lands in the definition of state public lands, although allowing a private property owner to file an accretion claim to regain title to the owner's eroded land that has been restored by accretion.

Testimony in support of the measure was submitted by Hawaii's Thousand Friends, Life of the Land, the Sierra Club, a coastal geologist, and a concerned citizen. The Board of Land and Natural Resources submitted comments on the measure.

Your Committee finds that this measure will stop the unlawful taking of public beach land under the guise of fulfilling a nonexistent littoral right supposedly belonging to shorefront property owners. The measure will help protect Hawaii's public lands and fragile beaches.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 378 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 120 Water, Land, and Agriculture on S.B. No. 530**

The purpose of this measure is to authorize counties to permit newly defined "home occupations" in agricultural districts without requiring a special permit.

Testimony in support of this measure was submitted by the Land Use Commission, the County of Hawaii's Planning Department, and the Hawaii Association of Realtors. Testimony in support of the measure, with amendments, was submitted by the Office of Planning. Testimony in support of the intent of this measure was submitted by the Board of Agriculture. Testimony in opposition to the measure was submitted by Hawaii's Thousand Friends, the Maui County Farm Bureau, and the Sierra Club.

Your Committee finds that county planning departments are best equipped and positioned to regulate accessory uses within approved farm dwellings. To remove redundancy, this measure eliminates the need for special use permits for some home occupations in agricultural or rural land use districts.

Your Committee also finds that amendments proposed by the State Office of Planning would clarify the measure. The Office of Planning suggests, and your Committee concurs, that changing some language would assure that the measure not create a new class of allowed single family dwellings on agricultural lots. Your Committee further amends the measure to delete a reference to accessory structures because the particular home occupation described would be conducted by a resident of a dwelling, not a resident of an accessory structure.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 530, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 530, S.D. 1, and be referred to the Committee on Transportation, Military Affairs and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 121 Water, Land, and Agriculture on S.B. No. 535**

The purpose of this measure is to provide funding to the Department of Land and Natural Resources for the creation of a master plan to control the Axis Deer in Maui.

Testimony in support of this measure was submitted by the Maui County Farm Bureau, Hawaii Farm Bureau, the Nature Conservancy of Hawaii, and a concerned citizen. Testimony in support of the intent of the measure was submitted by the Board of Land and Natural Resources.

Your Committee finds that Axis Deer have become a nuisance to farmers on Maui, and that the expanding population's potential impact on watersheds is a concern. The deer currently cost the agricultural community thousands of dollars worth of agricultural products and supplies, and destroy native plants, endangered species, and water quality.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 535 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 122 Water, Land, and Agriculture on S.B. No. 540**

The purpose of this measure is to make a grant-in-aid for the Hawaii Farm Bureau Federation to pursue efforts in agricultural research and market development.

Testimony in support of this measure was submitted by the Hawaii Farm Bureau, Gay & Robinson, the Hawaii Forest Industry Association, Hawaii Agriculture Research Center, Hawaii Coffee Association, Hawaii Beekeepers' Association, Hawaii Export Nursery Association, and the Pineapple Growers Association of Hawaii. Testimony in support of the intent of this measure was submitted by the Board of Agriculture and the College of Tropical Agriculture and Human Resources.

Your Committee finds that the Hawaii Farm Bureau is working to resolve problems faced by farmers, ranchers, and other agricultural producers. This funding will help the Bureau to fund the Hawaii Agriculture Research Center, which has been of great aid to the coffee, papaya, sugarcane, and forestry industries. Another part of the funding will be funneled into ongoing research on pineapple, taro, vegetables, coffee, papaya, ornamental nurseries, tropical fruits and flowers, and macadamia nut crops. The last segment of the funding will go towards agricultural market development on the local level and overseas.

Your Committee also finds that both agricultural research and market development are essential to the success of diversified agriculture in Hawaii. Research helps producers raise their yields through informed choices about which crops to plant, when and where to plant them, how to protect them from pests, and how to optimize post-harvest quality. Market development complements research by expanding the consumer base that knows and values Hawaii's agricultural products.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 540 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 123 Water, Land, and Agriculture on S.B. No. 546**

The purpose of this measure is to appropriate funds for pineapple research.

Testimony in support of this measure was submitted by the Pineapple Growers Association of Hawaii, Maui County Farm Bureau, Hawaii Agriculture Research Center, and the Hawaii Farm Bureau. Testimony in support of the intent of the measure was submitted by the Board of Agriculture and the College of Tropical Agriculture and Human Resources.

Your Committee finds that Hawaiian pineapple, which is the State's leading agricultural commodity and one of the State's largest crops, faces intense international competition from third-world producers who have less overhead cost and few restrictions on pest control management. The future of Hawaii pineapple is in research and development to ensure competitiveness and cost efficiency. To preserve the industry's contribution to Hawaii's general fund revenue, labor, ancillary business support, rural lifestyle, preservation of green belts, and stewardship of land, the state must invest in its future.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 546 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 124 Water, Land, and Agriculture on S.B. No. 704**

The purpose of this measure is to include accreted lands in the definition of state public lands, although allowing a private property owner to file an accretion claim to regain title to the owner's eroded land that has been restored by accretion.

Testimony in support of the measure was submitted by Hawaii's Thousand Friends, Life of the Land, the Sierra Club, a coastal geologist, and a concerned citizen. The Board of Land and Natural Resources submitted comments on the measure.

Your Committee finds that this measure will stop the unlawful taking of public beach land under the guise of fulfilling a nonexistent littoral right supposedly belonging to shorefront property owners. The measure will help protect Hawaii's public lands and fragile beaches.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 704 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 125 Water, Land, and Agriculture on S.B. No. 814**

The purpose of this measure is to authorize the Hawaii Community Development Authority to issue special facility revenue bonds for the 2003-2005 fiscal biennium for constructing, furnishing, and equipping an ocean research science center in Kaka'ako.

Testimony in support of this measure was submitted by the Hawaii Community Development Authority and the University of Hawaii at Manoa.

Your Committee finds that the proposed ocean research center would have three components: an aquarium, and two research facilities. The center would be a public-private partnership between the University of Hawaii and KUD International LLC for a marine biotechnology center and aquarium. The University of Hawaii hopes to unite the public education and attendance of the Waikiki Aquarium with the world class research capabilities of the Kewalo Marine Lab, as well as include research for and by the University of Hawaii's John A. Burns School of Medicine.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 814 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (English).

**SCRep. 126 Water, Land, and Agriculture on S.B. No. 920**

The purpose of this measure is to prohibit the addition of chemicals to the public water supply but not additives used to make water safe and potable, such as chlorine.

Testimony in support of this measure was submitted by more than twenty concerned citizens and environmentalists from around the State. Testimony in opposition to this measure was submitted by the Department of Health.

Your Committee finds that this measure would free Hawaii from periodic threats of mandatory community fluoridation, which have been occurring since the 1950s.

Your Committee has amended the measure as suggested by the Department of Health. The department's concerns with the measure would be assuaged by amending the measure's language to exempt the military, which has a standard practice of providing fluoridated water at its facilities, and to make the prohibition less broad, allowing the possible use of future new and safe treatment chemicals other than chlorine.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 920, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 920, S.D. 1, and be referred to the Committee on Transportation, Military Affairs and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 127 Water, Land, and Agriculture on S.B. No. 1287**

The purpose of this measure is to consolidate the Aloha Tower Development Corporation and the Hawaii Community Development Authority (HCDA) by giving responsibility for the redevelopment of Aloha Tower to HCDA and by appropriating \$2,000,000 from the Aloha Tower Fund for the HCDA to expend for that redevelopment.

Testimony in support of this measure was submitted by the Governor; the Department of Transportation; the Department of Business, Economic Development, and Tourism; the Hawaii Community Development Authority; and a representative of Victoria Ward. Although a representative of the Aloha Tower Development Corporation presented oral testimony in support of this measure, the Aloha Tower Development Corporation submitted written testimony in opposition to this measure.

Your Committee finds that this measure would create a more efficient and effective method of continued, positive redevelopment in the Kakaako District.

Your Committee further finds that the money from the Aloha Tower Fund would be used to preserve and expand efforts for Aloha Tower, not spread among the HCDA's other interests. Also, placing the Aloha Tower Development Corporation under the Department of Transportation instead of HCDA was found to not be as efficient. Although the Department of Transportation plays a critical role in



the harbor's redevelopment plan, as a development function, Aloha Tower does not fit as well under the department as under HCDA, which owns adjacent property parcels.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1287 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (English).

**SCRep. 128 Water, Land, and Agriculture on S.B. No. 1495**

The purpose of this measure is to appropriate state funds to supplement federal funding for further development and planning of the Hawaii Drought Plan.

Testimony in support of this measure was submitted by the Board of Water Supply, Maui County Farm Bureau, and Pineapple Growers Association of Hawaii. Testimony in support of the intent of the measure was submitted by the Board of Agriculture. Testimony in opposition to the measure was submitted by the Commission on Water Resource Management of the Department of Land and Natural Resources.

Your Committee finds that droughts can be devastating to Hawaii's economy, people, and way of life. A comprehensive, well-coordinated drought plan would significantly reduce the impacts of drought in Hawaii by providing a coordinated response mechanism.

Your Committee further finds that the first phase of the Hawaii Drought Plan, although complete, needs more detail in its second phase to qualify Hawaii for federal funding under the U.S. Department of Interior's Bureau of Reclamation Program.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1495 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 129 Water, Land, and Agriculture on S.B. No. 1496**

The purpose of this measure is to extend the period of authorization for issuing Special Purpose Revenue Bonds on behalf of Hawaii Gold Cacao Tree, Inc., from June 30, 2003, to June 30, 2005.

Testimony in support of this measure was submitted by Hawaii Gold Cacao Tree, Inc., a coalition of native Hawaiian farmers, and Hakalau Farm & Nursery. Testimony in support of the intent of this measure was submitted by the Board of Agriculture.

Your Committee finds that Hawaii Gold Cacao Tree's success with growing, processing, and marketing cacao beans in Hawaii gives hope to independent farmers who want to invest in this crop. Because Hawaii Gold Cacao Tree's further commitment to build a cacao processing and chocolate manufacturing facility in Hawaii gives farmers the assurance that they will have a local outlet for their product.

Hawaii Gold Cacao Tree's efforts to build this facility were hampered by the events of September 11, 2001, which caused the market to drop and the shipment of equipment to require terrorism insurance, which has been extremely difficult to acquire. Your Committee finds that the project remains on track, but needs more time to be completed.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1496 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 130 Water, Land, and Agriculture on S.B. No. 1555**

The purpose of this measure is to approve an exchange of private lands owned by the Aloha Council, Boy Scouts of America in Waikale, Oahu for public lands on Oahu, Kauai, and the Big Island.

Testimony in support of this measure was submitted by the Board of Land and Natural Resources and the Aloha Council, Boy Scouts of America.

Your Committee finds that the land transfer will allow the Boy Scouts to go ahead with their plan to upgrade their campgrounds on lands that they had leased from the State, while allowing the State to gain three contiguous lots in a light industrial area, from which more revenue could be realized.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1555 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (English).

**SCRep. 131 Water, Land, and Agriculture on S.B. No. 1585**

The purpose of this measure is to authorize issuing general obligation bonds to finance small boat harbor improvements around the State.

Testimony in support of the measure was submitted by the Hawaii Government Employees Association and by one private individual. Testimony in opposition to the measure was submitted by the Board of Land and Natural Resources.

Your Committee finds that substantial improvements are required to assure that the State's small boat harbors remain viable. The scope of improvements needed requires the issuance of general obligation bonds.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1585 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (English).

**SCRep. 132 Water, Land, and Agriculture on S.B. No. 1594**

The purpose of this measure is to add a member with substantial experience in traditional Hawaiian water resource management techniques and in traditional riparian usage to the Commission on Water Resource Management.

The Commission on Water Resource Management submitted comments on the measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1594 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 133 Water, Land, and Agriculture on S.B. No. 1616**

The purpose of this measure is to appropriate funds for capital improvement projects at Haleiwa Harbor.

Testimony in opposition to the measure was presented by the Board of Land and Natural Resources.

Your Committee finds that an appropriation out of the general revenues of the State is required for such projects as seal coating, asphaltic concrete and curb repairs, overlay, and restriping of the parking lot at Haleiwa Harbor.

Your Committee has amended this measure to correctly reference the 2003-2004 fiscal year as the fiscal year in which the appropriation is to be expended.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1616, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1616, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (English).

**SCRep. 134 Water, Land, and Agriculture on S.B. No. 1680**

The purpose of this measure is to prohibit the owner of a dangerous dog from allowing that dog to roam without supervision, provide for penalties, and require owners of dangerous dogs to obtain liability insurance.

Testimony in support of this measure was submitted by a concerned citizen. Testimony in support of the measure's intent was submitted by the Board of Agriculture. Testimony in opposition to the measure was submitted by the Hawaiian Humane Society and the Kauai Humane Society.

Your Committee finds that lack of funding of the Humane Society has caused the job of animal control to move to the police departments, which do not have enough staff to manage the problem. Many questions remain, such as whether this legislation is under the correct chapter heading, whether funding is required, how a dog's owner may obtain due process rights to have the incident investigated, and why a dog may be euthanized, under this legislation, prior to any investigation of the incident. Your Committee finds

that more research is needed on these issues, and believes this measure should continue in the legislative process to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1680 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 135 Health on S.B. No. 1163**

The purpose of this measure is to require ambulance service providers to establish and maintain an alcohol and substance abuse policy for employees equivalent to or exceeding federal standards for commercial driver's licenses.

Testimony supporting this measure was received from the Department of Health, Honolulu Emergency Services Department of the City and County of Honolulu, American Medical Response, and one individual.

Your Committee finds that adequate implementation of alcohol and substance abuse policies for ambulance service providers reduces risks to the health and safety of emergency medical personnel, patients, and the public. Ambulance drivers and personnel are expected to provide critical services under emergency conditions, including transporting a patient at high speeds. Your Committee believes that this measure will assist in ensuring that they are fully capable to perform their duties at all times.

Your Committee believes that implementing such a policy will benefit the health and safety of Hawaii's citizens while imposing no fiscal impact on the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1163 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 136 Water, Land, and Agriculture on S.B. No. 1038**

The purpose of this measure is to ban the addition of chemicals to the public water supply but not additives used to make water safe and potable, such as chlorine.

Testimony in support of this measure was submitted by more than twenty concerned citizens from around the State. Testimony in opposition of this measure was submitted by the Department of Health.

Your Committee finds that this measure would free Hawaii from periodic threats of mandatory community fluoridation, which have been occurring since the 1950s.

Your Committee has amended the measure as suggested by the Department of Health. The department's concerns with the measure would be assuaged by amending the measure's language to exempt the military, which has a standard practice of providing fluoridated water at its facilities.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1038, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1038, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 137 Water, Land, and Agriculture on S.B. No. 1547**

The purpose of this measure is to expand the definition of "marine activities" to include "marine industries".

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, and the Building Industry Association of Hawaii. The Department of Agriculture submitted testimony in support but with some concerns regarding possible limitations on offshore mariculture.

Your Committee finds that this measure simply expands upon the current definition of "marine activities" in section 190D-3, Hawaii Revised Statutes, and does not in any way limit or restrict ongoing or future mariculture activities. This definition is to be interpreted broadly so as to increase rather than to restrict departmental authority.

Your Committee also finds that approval of this measure would further the work begun previously by your Committee and the 1999 Legislature by encouraging economic development, and clarifying and streamlining the procedure for the leasing of the oceans and submerged lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1547 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 138          Tourism on S.B. No. 1462**

The purpose of this measure is to require the Board of Directors of the Hawaii Tourism Authority (Authority) to appoint a sports coordinator to provide management services for all sporting events supported through the Authority.

Testimony in support of this measure was received from the Authority and the Outrigger Hotels.

Your Committee notes the testimony of the Authority that this measure is not necessary because the Authority is in the process of administratively establishing a position of sports coordinator. However, your Committee is concerned that a change in administration at the Authority might mean that the position could be eliminated unless it were established in law.

Your Committee further notes that there is consensus within the tourism industry that a sports coordinator would help immensely in developing sports related tourism. Your Committee believes that sports events and sports marketing is an important and integral part of tourism, and past experience supports this point. With every athlete that comes to Hawaii to participate in a sporting event comes the athlete's family and the team's fans. The multiplier effect is tremendous. This measure ensures a continuing emphasis on sports, including planning, coordinating, and marketing of sporting events.

Your Committee believes that the Authority should be looking beyond the traditional lure of sun and surf to areas such as sports, health tourism, cultural tourism, convention business, culinary instruction programs, and ecological and conservation education programs, to name a few areas of expansion for tourism.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1462 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 139          Water, Land, and Agriculture on S.B. No. 511**

The purpose of this measure is to appropriate funds for a complete master plan and environmental impact statement for the Ahupua`a o Kahana.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Kahea, Ka Lahui Hawai`i, several residents of Kahana, and the Native Hawaiian Protocol and Consultant Services. Testimony in support of the measure, with amendments, was submitted by two residents of Kahana. Testimony in support of the intent of the measure was submitted by the Board of Land and Natural Resources. Testimony in opposition to the measure was submitted by the Agribusiness Development Corporation; farmers who use water from the Waiahole Ditch, including Del Monte Fresh Produce (Hawaii), Inc.; the Hawaii Agriculture Research Center, and the Hawaii Farm Bureau. The Department of Budget and Finance submitted comments on the measure.

Your Committee finds that Kahana is the only remaining ahupua`a in the main Hawaiian Islands owned by one owner, and the only one in the State owned by the State. Kahana is of cultural, historic and natural significance to the State, but it does not have a master plan, despite several piecemeal studies having been done over the years. Lack of a master plan has caused the loss, through ineffective management, of natural and human resources. A Legislative Reference Bureau report also recommends creation of a master plan.

Your Committee finds that interested parties agree that instead of appropriating money from the Waiahole Ditch system for the master plan, funds should be appropriated from general funds. Accordingly, your Committee has amended the measure to effectuate the suggested amendment.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 511, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 511, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Whalen).

**SCRep. 140          Water, Land, and Agriculture on S.B. No. 516**

The purpose of this measure is to require the board of land and natural resources to calculate the lease rents for private, noncommercial piers in Kaneohe Bay by using a maximum multiplier of ten per cent, instead of the current fifty per cent.

Testimony in support of this measure was submitted by the Protect Our Shoreline Ohana. The State Representative from the 47th House District submitted testimony in support of the measure, with suggested amendments. The Board of Land and Natural Resources submitted comments on the measure.

Your Committee finds that the Department of Land and Natural Resources based its 2001 leases of submerged lands for noncommercial use on the same percentage of fast land value that it used to determine the leases for commercial use of submerged lands. The Department's decision was made with little to no public input, and raised the multiplier from approximately ten per cent to an average of fifty per cent of the value of attached fast land.

This measure assures that the calculation of leases for private noncommercial piers is not the same as that used for commercial piers, bringing the leases for submerged land under private noncommercial piers in step with the rest of the nation. Your Committee has amended the measure to incorporate the amending language offered by the Representative from the 47th House District to further clarify the intent of the measure. The measure has also been amended to apply the measure retroactively to June 20, 2000, when the original law, Act 261, Session Laws of Hawaii 2000, took effect.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 516, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 516, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Aduja).

**SCRep. 141 Water, Land, and Agriculture on S.B. No. 524**

The purpose of this measure is to appropriate funds to purchase a 1.24-acre parcel of sacred native Hawaiian grounds to link Keolonahihi State Park and Keakealaniwahine Complex.

Testimony in support of the measure was submitted by the Mayor of Hawaii County, Office of Hawaiian Affairs, Kamehameha Schools, Trust for Public Land, Hui Laulima O Kekaha Kai, Association of Hawaiian Civic Clubs, and three members of Kulana Huli Honua. Testimony in support of the intent of the measure was submitted by the Department of Land and Natural Resources.

Your Committee finds that the cultural significance of this plot of land warrants preservation of the area as a unit. The present owner of the parcel plans to develop it into a modern residential condominium, which would irreparably diminish the cultural and historic value of the area.

Your Committee has amended the measure by making technical, nonsubstantive amendments for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 524, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 524, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Whalen).

**SCRep. 142 Water, Land, and Agriculture on S.B. No. 536**

The purpose of this measure is to appropriate funds for the Hawaii Forestry and Community Initiative.

Testimony in support of this measure was submitted by the Hawaii Forest Industry Association, Hawaii Leeward Planning Conference, the Nature Conservancy, Hawaii Agriculture Research Center, and the Hawaii Farm Bureau. Testimony in support of the intent of this measure was submitted by the Board of Land and Natural Resources, the Board of Agriculture, and the Department of Accounting and General Services. Testimony in opposition to the measure was submitted by Ka Lahui Hawaii.

Your Committee finds that the funds requested in this measure will be matched by both cash and in-kind contributions from the private sector, and will continue a six-year, federally-funded program. This program will diversify and strengthen the State's economy by expanding the forest industry. This program has already brought approximately \$1,200,000 in federal dollars to Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 536 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Whalen).

**SCRep. 143 Water, Land, and Agriculture on S.B. No. 537**

The purpose of this measure is to authorize the issuance of general obligation bonds and appropriate the moneys therefrom to expand the Kahuku Agricultural Park.

Testimony in support of this measure was submitted by the two partners of Hawaiian Marine Enterprises, a research graduate student, the Hawaii Aquaculture Association, Pacific Harvest, and the Hawaii Farm Bureau. The Board of Agriculture submitted comments on the measure. Testimony in opposition to the measure was submitted by the Estate of James Campbell.

Your Committee finds that the Kahuku community has endured severe flooding, particularly in 1991. Thus far, the sparsely populated area has failed the Army Corps of Engineers' (Corps) "cost-benefit" analysis, which would allow the Corps to assist the community with the mitigation process. Another way for the Corps to undertake the flood control project would be if a federal agency owned the property and undertook an "ecological system restoration" project.

Campbell Estate seeks to sell its agricultural lands in Kuhuku, including eight hundred acres that currently hold agriculture and aquaculture industries, which provided fifty jobs and \$3,000,000 in gross revenues to the state economy. The United States Fish & Wildlife Service (Fish and Wildlife) is in negotiations to buy the area, and intends to use the land for wetland conservation purposes and to expand their bird preservation area for four species of protected birds. If Fish and Wildlife purchases all of the property, the agriculture and aquaculture businesses, which have been feeding the birds, will be shut down.

Your Committee finds that if the State purchases the half of the property that is currently under production to maintain the agricultural park, leaving the other half for Fish and Wildlife, a compromise could be reached. Also, according to oral testimony from Hawaiian Marine Enterprises, the Corps said that ecological restoration can occur on state land as well as federal land.

Your Committee chair and two members have serious reservations about the State being able to purchase lands in a flood plain. Your Committee finds that more research is needed on this and other issues, but believes this measure should continue in the legislative process to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 537 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 144 (Joint) Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations on S.B. No. 539**

The purpose of this measure is to appropriate funds to plan, construct, and equip a terminal market pilot program and vacuum cooling plant on the Big Island.

Testimony in support of this measure was submitted by the Department of Agriculture and the Hawaii Agriculture Research Center.

Your Committees find that this project would facilitate more efficient consolidation, processing, distribution and marketing of multiple agricultural products from the Neighbor Islands. Consolidation and coordination of small and medium volume crops could lower transaction costs, allow Neighbor Island products to be more competitive, and maximize the growers' profits.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation, Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 539 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 2 (English, Kanno).

**SCRep. 145 Water, Land, and Agriculture on S.B. No. 542**

The purpose of this measure is to prohibit the labeling of agricultural products as "organic" unless the method of production has been certified as organic.

Testimony in support of this measure was submitted by the Hawaii Farm Bureau, Maui County Farm Bureau, Hawaii Organic Farmers Association, Pinner Creek Farms, Kona Rainforest Farms, and a concerned citizen. The Department of Agriculture (Department) submitted testimony in support of the measure, with proposed amendments. Testimony in support of the intent of the measure was submitted by the Hawaii Agriculture Research Center.

The further purpose of this measure is to recognize organic certifying agents accredited by the Secretary of Agriculture, establish administrative penalties for false labeling, allow the Department to adopt rules pertaining to enforcement of organic labeling, and bring state laws into compliance with new federal requirements.

Your Committee finds that this measure addresses weaknesses found in the U.S. Department of Agriculture's National Organic Program by addressing the enforcement of organic labeling. This will help protect the legitimate producers of organic products from unfair competition and provide consumers with assurances that they are receiving the product expected.

Upon the recommendation of the Department of Agriculture, your Committee has amended this measure to comply with the federal requirements that have been established since the measure was introduced.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 542, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 542, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 146 Water, Land, and Agriculture on S.B. No. 543**

The purpose of this measure is to issue general obligation bonds and appropriate funds for an agricultural dual line water system in upcountry Kula, Maui, and for capital improvements on the Molokai irrigation system.

Testimony in support of this measure was submitted by the Hawaii Farm Bureau, Hawaii Agriculture Research Center, Maui Pineapple Company, Ltd., Kula Community Association, Kula Vista Protea, Maui County Farm Bureau, Waiakoa Estates Property Owners Association, the Molokai Farm Bureau, and two individuals. The Department of Hawaiian Home Lands and the Board of Agriculture provided testimony in support of the intent of this measure.

Your Committee finds that the Legislature approved funding for the upcountry Maui dual water line project in last year's budget, however the funding was vetoed by the Governor. The agriculture industry's lifeline is the delivery of reliable irrigation water. This measure provides funding to make necessary improvements to existing systems and developing irrigation systems for existing farming regions currently utilizing domestic water. With the economic recession, financial assistance from private capital is not readily available and because these improvements to water infrastructure are vital for economic recovery, these projects are worthy of support with public funds.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 543 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 147 Water, Land, and Agriculture on S.B. No. 548**

The purpose of this measure is to clarify that lawful possession of a rifle or shotgun for hunting or target shooting is limited to "lawful" hunting or "lawful" target shooting.

Testimony in support of this measure was submitted by the Board of Agriculture, Hawaii Farm Bureau, and the Office of the Prosecuting Attorney for Hawaii County. Testimony in opposition to the measure was submitted by the Hawaii Rifle Association.

Your Committee finds that the proposed language of this measure closes some legal loopholes that could help resolve the growing problem of agricultural theft. Currently, a trespasser with criminal intent could claim to be hunting or target shooting, and this measure will specifically address that concern.

Your Committee also finds, however, that some hunters have concerns about this law creating a possibility of double jeopardy by subjecting someone who has committed a misdemeanor to a felony firearms possession. Your Committee does not intend this language to infringe on lawful hunters.

More research is needed on these issues, and your Committee believes this measure should continue in the legislative process to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 548 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Whalen).

**SCRep. 148 Water, Land, and Agriculture on S.B. No. 561**

The purpose of this measure is to facilitate the continued operation and maintenance of an irrigation system for East Kauai.

Testament in support of this measure was submitted by the County of Kauai's Office of Economic Development, Hawaii Agriculture Research Center, and Saiva Siddhanta Church. The Hawaii Farm Bureau, Kauai County Farm Bureau, and East Kauai Water Users' Cooperative submitted testimony in support of this measure, with a suggested amendment. Testimony in support of the intent of the measure was submitted by the Agribusiness Development Corporation.

Your Committee finds that the East Kauai Irrigation System is a historical remnant of Kauai's sugar history and a working state-owned asset servicing the Wailua area and state-owned agricultural lands of Kalepa. A cooperative of twenty-six farmers have self-assessed approximately \$60,000 to pool with state funds to operate and maintain this extensive system.

Your Committee also finds that the suggested amendment of making the Agribusiness Development Corporation the expending agency, instead of the Department of Agriculture, would be agreeable to all parties. The Agribusiness Development Corporation has been the expending agency for the first part of this project and should continue to be the funding source.

Accordingly, your Committee has amended the measure to effectuate the suggested amendment.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 561, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 561, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 149 Water, Land, and Agriculture on S.B. No. 633**

The purpose of this measure is to propose a constitutional amendment to protect trust lands that benefit Hawaiians from condemnation by the State and counties.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Kamehameha Schools, Ka Lahui Hawaii, Association of Hawaiian Civic Clubs, and the Representative from the 44th District. Testimony in support of the intent of this measure was submitted by two concerned citizens. Testimony in opposition to this measure was submitted by the Department of Transportation, Department of Land and Natural Resources, Leasehold Co-op Committee, Hawaii Independent Condominium & Cooperative Owners, and Hawaii Council of Associations of Apartment Owners.

Your Committee finds that concerns remain about the definition of "Hawaiian" and the legal ramifications of this measure as it relates to current state and federal case law, which allow for leasehold conversions. Accordingly, your Committee believes that more research is needed on these issues, and that this measure should continue in the legislative process to promote further discussion. Your Committee notes that Kamehameha Schools indicated it will provide clarification to the measure and a definition for "Hawaiian" to the Committee on Judiciary and Hawaiian Affairs.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 633 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Whalen).

**SCRep. 150 (Joint) Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations on S.B. No. 719**

The purpose of this measure is to establish a reduced rate schedule for dockage, wharfage, demurrage, and other rates and fees pertaining to all harbors, wharves, and other properties for Hawaii entrepreneurial enterprises engaged in aquaculture.

Testimony in support of this measure was submitted by the Board of Agriculture, Kona Blue Water Farms, and Cates International, Inc. The Department of Transportation offered testimony in support of the intent of this measure, but objected to the proposal to offer reduced wharfage and other rates for Hawaii aquaculture enterprises.

Your Committees find that this measure would improve accessibility to lands around State harbors at reasonable costs for commercial aquaculture. Aquaculture requires easy access to harbor facilities for such support activities as feed and equipment storage, fish packing and transport, and hatchery production of fish fingerlings for loading on a boat with minimal handling and stocking in offshore cages. Providing proactive support in Hawaii's early stages of offshore aquaculture could increase the rate of expansion of one of the State's newest, low-impact, environmentally sustainable industries, with its potential for investment dollars and job generation.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation, Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 719 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 2 (English, Kanno).

**SCRep. 151 Water, Land, and Agriculture on S.B. No. 813**

The purpose of this measure is to extend to the 2003-2005 fiscal biennium, the authority of the Hawaii Community Development Authority to issue special facility revenue bonds for the Kaka'ako Aquarium.

Testimony in support of this measure was submitted by the University of Hawaii at Manoa and the Hawaii Community Development Authority (HCDA).

Your Committee finds that the vision for the Kaka'ako Waterfront is to be a center for cultural, recreational, commercial, educational, and research activities. One of the anchors for this vision is a world-class ocean science center that includes research facilities, incorporating a number of the University of Hawaii's successful ocean research programs. The HCDA is currently in exclusive negotiations with KUD International LLC for the leasing of land for a marine science complex on the Kaka'ako Waterfront. This complex would include an aquarium, research facilities, and a private research institute.



As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 813 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Whalen).

**SCRep. 152 Water, Land, and Agriculture on S.B. No. 1066**

The purpose of this measure is to appropriate funds for the maintenance and upkeep of Puea Cemetery in Kapalama, Oahu.

Testimony in support of this measure was submitted by the Oahu Island Burial Council.

Your Committee finds that Puea Cemetery is a historical cemetery with persons representing a diversity of ethnic origins buried there. The main improvement needed is a chain link fence to surround the cemetery with one or two entry points to control access, pets, loitering, trash, and other damage to marked and unmarked graves.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1066 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Whalen).

**SCRep. 153 Water, Land, and Agriculture on S.B. No. 1076**

The purpose of this measure is to authorize the Department of Land and Natural Resources to designate public hunting as the primary means to control game animals in the Natural Area Reserves System.

Testimony in support of the intent of this measure was submitted by the Hawaii Rifle Association. Testimony in support of the intent of this measure, with amendments, was submitted by the Department of Land and Natural Resources. Testimony in opposition to the measure was submitted by the Maui Invasive Species Council, Ka Lahui Hawaii, and the Conservation Council for Hawaii. The Nature Conservancy submitted concerns about the measure. Oral testimony in opposition to the measure was submitted by the Sierra Club.

Your Committee finds that the Department of Land and Natural Resources (Department) already uses public hunting as its primary means of controlling game animals. The inherent conflict between the values of preserving intact native ecosystems and maintenance of viable game mammal populations for traditional, subsistence and recreational hunting has put the Department and its staff in the middle of some very emotional community issues. The legislative intent of the Natural Area Reserve System (NARS), which focuses on preservation, is very clear. The scientific data is also very clear, that to preserve certain native ecosystems, major reduction and at times, complete elimination of game mammals will be necessary. The Department, and several other testifiers, voiced concerns about the specific language of the measure. The term "acceptable habitat-carrying capacity" is subjective and confusing, and will make it difficult to meet the NARS legislative mandates and the stakeholders requested that it be changed to "as appropriate".

Accordingly, your Committee has amended the measure to effectuate the suggested amendment.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1076, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1076, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Whalen).

**SCRep. 154 Water, Land, and Agriculture on S.B. No. 1257**

The purpose of this measure is to repeal the Irrigation Water Development Special Fund.

The Board of Agriculture submitted comments on this measure.

Your Committee finds that the Irrigation Water Development Special Fund provided a vehicle for the Department of Agriculture to issue revenue bonds to acquire and improve former irrigation systems. However, this fund was never utilized because the Agribusiness Development Corporation was charged with the responsibility of administering the transition of agricultural infrastructure from plantation operations into other agricultural enterprises. Additionally, the Auditor has recommended that the Department of Agriculture terminate this inactive special fund.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1257 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 155 Water, Land, and Agriculture on S.B. No. 1415**

The purpose of this measure is to clarify that the Board of Land and Natural Resources may impose fines for each violation within a Conservation District where multiple violations occur, in addition to costs associated with land or habitat restoration where necessary.

Testimony in support of this measure was submitted by the Board of Land and Natural Resources, the County Council of Maui, and the Maui Invasive Species Committee. Oral testimony in support of this measure was submitted by the Sierra Club.

Your Committee finds that the Department of Land and Natural Resources has recently experienced a rash of violations involving the unauthorized use of conservation lands throughout the State. Too frequently, people believe that it is cheaper to deal with the consequences of the enforcement process than the permit process. Without strict fines, this problem will continue to expand as urban and agriculture lands approach build-out status, and there is increased pressure to develop conservation lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1415 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Whalen).

**SCRep. 156 Water, Land, and Agriculture on S.B. No. 1432**

The purpose of this measure is to appropriate funds for a Kauai Tropical Fruit Disinfestation Facility and an incubator community kitchen.

Testimony in support of this measure was submitted by the County of Kauai's Office of Economic Development. Testimony in support of the measure, with an amendment, was submitted by the Kauai County Farm Bureau. Testimony in support of the intent of this measure was submitted by the Agribusiness Development Corporation and the University of Hawaii's College of Tropical Agriculture and Human Resources.

Your Committee finds that reopening the Kauai Tropical Fruit Disinfestation Facility and expanding it to include a full-service community kitchen is an excellent opportunity for the State to promote diversified agriculture, while making optimal use of available agricultural resources. The Kauai Farm Bureau (Bureau) stated that it has been, and would prefer to continue, working through the Agribusiness Development Corporation (ADC) on obtaining the master lease to the Disinfestation Plant. The Bureau would therefore prefer that the ADC be the expending agency for the repair and maintenance of the facility because the ADC has greater flexibility and understanding of the issues involved in reopening this facility.

Accordingly, your Committee has amended the measure to effectuate the suggested amendment.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1432, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1432, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Whalen).

**SCRep. 157 (Joint) Water, Land, and Agriculture and Economic Development on S.B. No. 1435**

The purpose of this measure is to authorize special purpose revenue bonds for Hawaii Gold Cacao Tree, Inc. to finance facilities for processing cacao beans and manufacturing cocoa by-products and chocolate on Kauai.

Testimony in support of this measure was submitted by Hawaii Gold Cacao Tree, Inc., Hakalau Farm & Nursery, and a coalition of native Hawaiian farmers. Testimony in support of the intent of this measure was submitted by the Board of Agriculture.

Your Committees find that such facilities would bring much needed jobs and revenues to the island of Kauai, which has seen the loss of sugar operations in recent years. The growth and processing of the new crop of cacao, which has proven successful on the Big Island, would utilize the extant agricultural skills and knowledge of Kauai's people, as well as provide jobs for future generations.

Your Committees also find that Hawaii Gold Cacao Tree, Inc. has proven its knowledge, experience, and ability to run a successful cacao business on the Big Island. It has been determined that cacao can be grown sustainably on Kauai by independent farmers and Hawaii Gold Cacao Tree, Inc.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1435 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (Ihara, Kanno, Kawamoto).

**SCRep. 158 Water, Land, and Agriculture on S.B. No. 1615**

The purpose of this measure is to authorize the Department of Land and Natural Resources to condemn the land adjacent to the Kohala Historical Sites State Monument.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs and Mo`okini Luakini. Testimony in support of the intent of the measure was submitted by the Board of Land and Natural Resources.

Your Committee finds that purchasing land to provide public access and buffers for the Kohala Historic Monument, which includes the Kamehameha birth site, Kukuipahu heiau, and Mo`okini Luakini, would ensure the protection of three very significant sites in Kohala. The Kamehameha birth site is currently surrounded by private land, which presents the possibility of building around it. The Kukuipahu heiau is so old that not much is known about it, and the Mo`okini Luakini may be the only luakini in Hawaii where the kahu have never been separated from the care of their heiau.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1615 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Whalen).

**SCRep. 159      Health on S.B. No. 1243**

The purpose of this measure is to appropriate funds to the Department of Health to provide resources to nonprofit, community-based health care providers to care for the uninsured.

Testimony supporting this measure was received from the Department of Health, Waianae Coast Comprehensive Health Center, Waimanalo Health Center, Papa Ola Lokahi, AlohaCare, Hawaii Primary Care Association, ILWU Local 142, and Healthcare Association of Hawaii.

Your Committee finds that, over the last decade, there has been a significant increase in the number of individuals in Hawaii who do not have health insurance. This has resulted in increased burdens, financial and otherwise, on Hawaii's health care industry, particularly community health centers. Due to their closeness to the community and open patient-acceptance policies, community health centers represent the best system of community-based primary care for uninsured people. However, financial support for these centers is inadequate to meet the increasing demands of servicing the uninsured. Your Committee finds that this measure provides the necessary resources for these centers to serve the uninsured and to secure the public health and welfare.

Your Committee has amended this measure by providing that the appropriation made by this measure "may", rather than "shall", be used to pay for prescription drugs in order to provide the Department of Health added flexibility in utilizing the funds.

Your Committee further notes that it has also recommended passage of and referred to the Committee on Ways and Means S.B. No. 1519, S.D. 1, which provides a dedicated funding source for Hawaii's community health centers. Therefore, the need for this measure may need to be reevaluated if a dedicated funding source framework is subsequently adopted.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1243, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1243, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 160      Health on S.B. No. 1612**

The purpose of this measure is to appropriate funds for Hana Community Health Center to continue its current level of operations.

Testimony supporting this measure was received from the Department of Health, Mayor of Maui County; Hana Community Health Center; Papa Ola Lokahi; Hawaii Primary Care Association, AlohaCare; the principal, and numerous teachers, administrators, and students of Hana High and Elementary School; and nine individuals.

Your Committee finds that the Hana Community Health Center provides needed primary care and emergency care to the residents of Hana and the eastern region of Maui, Hawaii. The center is simply the only primary care and emergency care service provider in the area. Consequently, the community is largely dependent on its services and any reduction would certainly threaten the health and welfare of the residents of Hana and the surrounding areas. Hana Community Health Center relies on subsidies to cover operational expenses. However, those amounts have steadily declined while the needs of the community have increased. Your Committee also finds that the appropriation made by this measure is necessary to allow Hana Community Health Center to maintain its level of services and to secure the public health and welfare.

Your Committee further notes that it has also recommended passage of and referred to the Committee on Ways and Means S.B. No. 1519, S.D. 1, which provides a dedicated funding source for Hawaii's community health centers. Therefore, the need for this measure may need to be reevaluated if a dedicated funding source framework is subsequently adopted.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1612 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 161 Water, Land, and Agriculture on S.B. No. 496**

The purpose of this measure is to appropriate funds to complete fencing around Lana`i's critical and sole watershed area.

Testimony in support of the measure was submitted by the Nature Conservancy of Hawaii, Maui Invasive Species Committee, a citizen member of the Marine and Coastal Zone Advisory Committee (MACZAC), and Castle & Cooke Resorts, LLC. Testimony in support of the intent of this measure was submitted by the Board of Land and Natural Resources.

Your Committee finds that construction of a perimeter fence around approximately three thousand five hundred eighty-eight acres of Lana`i's primary forested watershed area is required to preserve indigenous ecosystems and the island's drinking water source. The major cause of the loss of vegetative cover Lana`ihale, Lana`i's primary forested watershed area, has been populations of Axis deer. This progressive loss of cover and soil will decrease both the quantity and quality of potable water as well as degrade nearshore waters and reefs.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 496 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (English).

**SCRep. 162 Water, Land, and Agriculture on S.B. No. 550**

The purpose of this measure is to strengthen the State's agricultural theft laws.

Testimony in support of this measure was submitted by the Hawaii Forest Industry Association, Hawaii Farm Bureau, Pineapple Growers Association of Hawaii, and the Hawaii Agriculture Research Center. Testimony in support, but with requests for amendments, was submitted by the Board of Agriculture.

Specifically, the measure includes "silvicultural products" in the definition of "agricultural products", to remove the monetary value and weight requirements needed to trigger the showing of a certification of ownership for the sale or resale of agricultural products, and to allow the Department of Agriculture to deputize persons to assist with the investigation and enforcement of this law.

Your Committee finds that this measure will be a great help in preventing agricultural theft in many areas, and will provide coverage for an important sector of the agricultural industry: the silviculture industry. By removing the minimum value from the requirement for proof of ownership, a loophole is closed.

Your Committee also finds that the Department of Agriculture's suggested amendments to the measure would make the law easier to enforce. Based on the Department of Agriculture's testimony, your Committee has amended the measure to authorize "any other person" instead of deputizing persons to investigate and enforce. This removes the implication of more authority than the department is capable of providing.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 550, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 550, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 163 Water, Land, and Agriculture on S.B. No. 1207**

The purpose of this measure is to authorize the issuance of general obligation bonds for Manele Small Boat Harbor improvements.

Testimony in support of this measure was submitted by the Ocean Tourism Coalition and Castle & Cooke Resorts. Testimony in opposition to this measure was submitted by the Board of Land and Natural Resources.

Your Committee finds that Manele Small Boat Harbor is the major port of entry to Lana`i for residents and visitors alike. The current condition of this harbor has become a tremendous strain on, and danger to, the community. The roads are rocky, rutted, and muddy during rains, and there is no lighting in the area. These conditions have caused damage to vehicles, and the lack of infrastructure creates potentially serious safety issues.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1207 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (English).

**SCRep. 164 Water, Land, and Agriculture on S.B. No. 1209**

The purpose of this measure is to authorize the issuance of general obligation bonds for Hana Small Boat Harbor improvements.

Testimony in support of this measure was submitted by Castle & Cooke. Testimony in opposition to this measure was submitted by the Board of Land and Natural Resources.

Your Committee finds that the Hana Small Boat Harbor provides important access for the Hana community to that region's fishing grounds for subsistence, recreational, and tourism uses. The harbor requires infrastructure improvements for the safety of its users. This measure would provide for road repairs, replacement of the launch ramp, and a new loading dock.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1209 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (English).

**SCRep. 165 Education on S.B. No. 6**

The purpose of this measure is to appropriate general funds for stipend increases for coaches of the department of Education (DOE).

The DOE and the Athletic Directors and Coaches Association testified in support of this measure.

Section 302A-633.6, Hawaii Revised Statutes, mandates an increase in the base stipend of all DOE coaches, effective July 1, 2003. This measure appropriates \$1,000,000 in general revenues to fund this increase.

Your Committee notes that while assistant athletic directors are not covered under the aforementioned law or this measure, an increase in their stipends is also warranted in order to more adequately compensate them for time spent in assisting students in athletic activities.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 6 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

**SCRep. 166 Education on S.B. No. 16**

The purpose of this measure is to create the Hawaii educator incentive program to provide tuition reimbursements for teachers who graduate from an accredited teacher education program and who upon graduation are employed as teachers in the public schools.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii College of Education, the Hawaii Association of Independent Schools, the Hawaii Parent Student Teacher Association, the Hawaii State Teachers Association, and the University of Phoenix. Testimony in opposition to this measure was submitted by the Department of Budget and Finance and a private citizen.

Your Committee finds that the State of Hawaii is facing an increasing shortage of certified teachers due to increased teacher attrition and retirement and decreased interest in the teaching profession. Your Committee further finds that this measure is an incentive being offered by the State of Hawaii to encourage local students, who are more likely to remain in Hawaii upon graduation, to become teachers in the public school system.

Your Committee has amended this measure by:

- (1) Correcting language in Section 1 to reflect that the program is for persons who have graduated from, rather than are enrolled in, a state-approved teacher education program;
- (2) Clarifying language in Section 2 to delineate that the persons must be employed as teachers in Hawaii public schools; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 16, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 16, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Menor).

**SCRep. 167 Education on S.B. No. 56**

The purpose of this measure is to appropriate funds to establish a mandatory basic training program for secondary school security guards.

The Department of Education and four individuals testified in support of this measure.

Currently, Department of Education school security attendants (SSAs) require no certification or prior security experience as a precondition of employment. Your Committee finds that requiring secondary school SSAs to undergo basic security guard training will enhance the safety and security of Hawaii's secondary school students and enable SSAs to more effectively perform their duties. Therefore, this measure appropriates funds to establish such a training program.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 56 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

**SCRep. 168 Education on S.B. No. 58**

The purpose of this measure is to make a grant-in-aid to Helping Hands Hawaii, and to appropriate funds to the Department of Accounting and General Services (DAGS) to establish one new position to coordinate public and private efforts to repair and maintain schools.

Testimony in support of this measure was received from the Department of Education (DOE), DAGS, Hickam Elementary School, Waiahole School, Mililani Complex, Hawaii 3R's, Pacific Resource Partnership, American Society of Civil Engineers, Painter's Warehouse, Inc., URS Corporation, Kauai Economic Development Board, Hawaii Business Roundtable, U.S. Senator Daniel Inouye, and a private citizen.

Your Committee finds that the backlog of repair and maintenance projects in public schools continues to be of concern and that all means of addressing the problem should be explored and supported. To this end, Act 309, Session Laws of Hawaii 2001, laid the foundation for Hawaii 3R's, a project of the private, nonprofit organization, Helping Hands Hawaii, by providing a \$1,000,000 grant and funding a coordinator position in DAGS.

This measure that provides a \$500,000 grant-in-aid to Helping Hands Hawaii, would be used to continue its school repair and maintenance effort, and continued funding for the coordinator position to DAGS to assist in coordinating the public and private construction effort.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 58 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 169 Education on S.B. No. 342**

The purpose of this measure is to issue special purpose revenue bonds (SPRB) for Hanahauoli School.

Testimony in support of this measure was received from Hanahauoli School, Hawaii Association of Independent Schools, Hawaii Business Roundtable, and The Pacific Resource Partnership. Testimony in opposition was submitted by the Hawaii State Teachers Association.

Your Committee believes that the SPRB issuance will assist Hanahauoli School in its purpose of providing quality education to the children of the State.

Your Committee finds that the measure authorizes the issuance of \$5 million in SPRB to finance the construction and improvement of educational facilities and acquisition of land for the school's future needs.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 342 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Hogue).

**SCRep. 170 Education on S.B. No. 343**

The purpose of this measure is to issue special purpose revenue bonds for Chaminade University.

Testimony in support of this measure was received from Chaminade University and the Hawaii Association of Independent Schools.

Your Committee finds that Act 257, Session Laws of Hawaii 2002, authorized the issuance of special purpose revenue bonds to assist not-for-profit private sectarian and nonsectarian elementary schools, secondary schools, colleges, and universities that serve the general public. This measure will provide \$10 million for Chaminade University to undertake a variety of campus projects, with priority given to acquire and refinance past acquisitions and to remodel and refurbish student housing.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 343 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Hogue).

**SCRep. 171 Education on S.B. No. 365**

The purpose of this measure is to authorize the issuance of general obligation bonds for the repair and maintenance of state educational facilities.

Testimony in support of this measure was received from the Department of Education (DOE) and Department of Accounting and General Services (DAGS).

This measure is part of the Comprehensive Six Year Plan to Repair and Maintain Public School Facilities in the State of Hawaii that DAGS developed with the DOE. The DOE estimates that the current backlog of repair amounts to \$400 million.

The legislature finds that continuous lack of adequate funding for repair and maintenance will multiply and compound the severity of the repair requirements in coming years, resulting in progressive deterioration of plant facilities.

Your Committee has amended this measure on the recommendation of DAGS to increase the amount to \$120 million.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 365, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 365, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 172 Education on S.B. No. 395**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Ho`ala School in the financing or re-financing of improvements to school facilities.

Testimony in support of this measure was submitted by the Hawaii Association of Independent Schools and Ho`ala School. The Department of Budget and Finance submitted comments on this measure.

Your Committee finds that the Ho`ala School is an independent, non-sectarian school serving kindergarten through grade 12 students residing on the North Shore as well as central and leeward Oahu. Your Committee further finds that this bond authorization will assist Ho`ala School in making improvements to support their existing four classroom structure and in constructing additional new facilities.

Your Committee has amended this measure by inserting provisions that allow the Department of Budget and Finance to issue a series of bonds for multiple projects or to combine single issues separately authorized, provided that the total amount of the issue does not exceed the aggregate amount authorized by law.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 395, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 395, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Hogue).

**SCRep. 173 Education on S.B. No. 397**

The purpose of this measure is to authorize the issuance of special revenue bonds to assist Mid-Pacific Institute in financing and refinancing the planning, acquisition, construction, and improvement of its educational facilities in the State of Hawaii.

Testimony supporting this measure was received from the Hawaii Association of Independent Schools and Mid-Pacific Institute.

Your Committee finds that the State is committed to providing Hawaii's children with superior education. Your Committee believes that Hawaii's private educational institutions play a key role in fulfilling the State's overall commitment by providing a viable educational option for children and their families. As such, the State should provide assistance to these private institutions when appropriate. Your Committee finds that the assistance provided by this measure for Mid-Pacific Institute is appropriate and is consistent with the State's overall objective of providing a superior education to all of Hawaii's children.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 397 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Hogue).

**SCRep. 174 Education on S.B. No. 816**

The purpose of this measure is to appropriate funds and to provide permanent position counts for the central Oahu school district safety resource officer program.

Testimony in support this measure was submitted by the Department of Education and a central Oahu school complex area superintendent.

Your Committee finds that a safe learning environment is one of the cornerstones of academic achievement. Your Committee further finds that the safety resource officer program has successfully addressed myriad school safety issues, primarily relying upon the expertise of retired law enforcement officials. Your Committee notes, however, that while a law enforcement background is important to the ongoing success of the program, all safety resource officers should receive training in working with youth to ensure that the officers respond appropriately in all situations involving student safety.

Your Committee has amended this measure by:

- (1) Providing an exemption from the civil service law for safety director and safety resource officer positions;
- (2) Including provisions for temporary positions to be converted to permanent positions; and
- (3) Deleting the appropriation amounts for further consideration by the Ways and Means Committee.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 816, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 816, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Menor).

**SCRep. 175 Education on S.B. No. 832**

The purpose of this measure, as received by your Committee, is to allow taxpayers to designate \$2 of their income tax liability to support the Hawaii state public library system.

Testimony in support of this measure was submitted by the State Librarian and the Department of Taxation. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that the Hawaii State Public Library System is a critical component of our statewide education network. Your Committee further finds that allowing taxpayers to make a donation to the state library system is both an innovative and efficient method of fundraising that can assist with the rising costs of maintaining an updated collection for library customers. However, your Committee believes that the taxpayer donation should come from the taxpayer's own refund, rather than the taxpayer's liability owed to the State, in order to offset any state revenue loss.

Thus, your Committee has amended this measure by allowing taxpayers to designate \$2 of their income tax refund rather than their income tax liability owed to the State.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 832, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 832, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.



**SCRep. 176 Education on S.B. No. 992**

The purpose of this measure is to appropriate funds to the Department of Education for playground equipment to be installed at all public elementary schools.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that an important aspect of early childhood education includes the development of physical and social skills through playtime with peers in a playground setting. Your Committee further finds that current national safety standards require that these playgrounds include equipment that will not expose children to serious injury and thus most of the existing playground equipment must be replaced in order to meet these standards. Due to ongoing budget restrictions, the Department is requesting additional funds above and beyond its \$1.5 million 2003-2005 biennium budget request.

Your Committee has amended this measure to clarify that these funds shall be used to ensure that all public elementary schools have at least one set of new playground equipment installed in the 2003-2004 fiscal year.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 992, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 992, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Hogue).

**SCRep. 177 Education on S.B. No. 1002**

The purpose of this measure is to propose a constitutional amendment to allow the student member of the Board of Education (BOE) to vote on all matters except on issues directly pertaining to either fiscal or personnel matters.

Testimony supporting this measure was received from the current student member of the BOE and the Chairperson of the BOE.

Your Committee finds that the student member on the BOE provides a unique perspective on education issues. A student member possesses special insight into the day-to-day operations of Hawaii's education system and that insight is just as valuable as those of the adult members of the BOE. Therefore, your Committee believes that this measure provides equitable representation of the student population and perspective on the BOE.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1002 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Hogue).

**SCRep. 178 Education on S.B. No. 1183**

The purpose of this measure is to authorize the issuance of special revenue bonds to assist St. Patrick School in financing and refinancing the planning, acquisition, construction, and improvement of its educational facilities in the State of Hawaii.

Testimony supporting this measure was received from the Hawaii Association of Independent Schools, St. Patrick School, and one individual.

Your Committee finds that the State is committed to providing Hawaii's children with superior education. Your Committee believes that Hawaii's private educational institutions play a key role in fulfilling the State's overall commitment by providing a viable educational option for children and their families. As such, the State should provide assistance to these private institutions when appropriate. Your Committee finds that the assistance provided by this measure for St. Patrick School is appropriate and is consistent with the State's overall objective of providing a superior education to all of Hawaii's children.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1183 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Hogue).

**SCRep. 179 (Joint) Science, Arts, and Technology and Education on S.B. No. 1485**

The purpose of this measure is to appropriate general funds for the Project EAST initiative.

The Hawaii State Teachers Association, Maui Economic Development Board, Inc., and administrators and students from King Kekaulike High School, Lahainaluna High School, Kihei High School, and Baldwin High School testified in support of the measure.

Project EAST (Environmental and Spatial Technology) is a national initiative in which students work in partnership with business, industry and government to solve problems in their community utilizing state-of-the-art technology. Over 10,000 students from ninety-five schools in five states, including Hawaii, participate in the program which helps students to improve their critical thinking and problem solving skills and develop technological knowledge and expertise, while serving their communities.

Some of the projects undertaken by Hawaii students participating in Project EAST include the use of global positioning and geographic information systems to map fire access routes for the Lahaina Fire Department, researching the effects of the chemical C-9 in the Upcountry water system, and working with the Department of Health to contain the murine typhus problem. The appropriation of funds effected by this measure will enable the Project EAST program to continue and expand in this State.

As affirmed by the records of votes of the members of your Committees on Science, Art and Technology and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1485 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 2 (English, Menor).

**SCRep. 180      Transportation, Military Affairs, and Government Operations on S.B. No. 71**

The purpose of this measure is to amend the driver's license application process so that persons who are ineligible for a social security number can obtain a driver's license by presenting an individual tax identification number and proof of legal presence in the United States.

Your Committee received testimony in support of this measure from the Consulate General of Japan, the Department of Transportation, the University of Hawaii, the President and Visa Officer of the East-West Center, and three concerned individuals. The Department of Customer Services of the City and County of Honolulu submitted testimony expressing no objection to this measure, and the American Immigration Lawyers Association (AILA) provided comments.

Your Committee finds that due to the lack of an effective broad-scale mass transit system in Hawaii, a driver's license is necessary to provide residents with freedom of movement.

Non-United States citizens, who are legally in the country but ineligible for a social security number, have experienced difficulty in obtaining the documentation necessary to obtain a driver's license.

Prior to the implementation of heightened security measures as a result of the terrorist attacks of September 11, 2001, the Social Security Administration (SSA) issued social security numbers to individuals with a letter from the Division of Motor Vehicle & Licensing for the purpose of obtaining a driver's license.

In March, 2002, the SSA discontinued that practice, and now non-citizens are unable to obtain a driver's license. Your Committee finds this situation inequitable, and therefore supports this measure to allow alternative documentation.

Based on the comments of several testifiers, your Committee amended this measure with regard to which forms of alternative identification would be acceptable in lieu of a social security number.

Your Committee worked with AILA to craft language that was narrow enough to ensure that a legitimate form of government-issued identification is required, and broad enough to accommodate the frequent changes in immigration policy we have been experiencing in the post-9/11 world.

Instead of requiring a tax identification number and proof of legal presence in the United States, your Committee amended this measure to set forth the acceptable forms of identification, and authorized the Examiner of Drivers to adopt rules under chapter 91, Hawaii Revised Statutes, in the event further changes are required.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 71, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 71, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 181      Transportation, Military Affairs, and Government Operations on S.B. No. 84**

The purpose of this measure is to amend the traffic code to promote pedestrian safety by increasing the penalties for violating pedestrian safety laws and by imposing additional requirements on pedestrians crossing roadways.

Testimony in support of this measure was received from the Department of Transportation and Honolulu Police Department.

Your Committee finds that the increasing number of pedestrian injuries and fatalities in Hawaii is a serious concern. This measure clarifies and strengthens the pedestrian laws to alleviate this growing problem.

Your Committee has amended this measure by clarifying the procedure requiring a vehicle approaching another vehicle that is stopped in an adjacent lane for the purpose of allowing a pedestrian to cross a street. Your Committee has also made a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 84, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 182      Transportation, Military Affairs, and Government Operations on S.B. No. 315**

The purpose of this measure is to require all drivers under age eighteen to be accompanied by a licensed driver over the age of twenty-one when driving between 10:00 p.m. and 4:00 a.m., subject to exceptions.

Your Committee received testimony in support of this measure from the Department of Education, the Police Department of the City and County of Honolulu, the Hawaii Insurers Council, State Farm, Keiki Injury Prevention Coalition, Mothers Against Drunk Driving - Hawaii (MADD), and three MADD – Hawaii Youth in Action members. The Hawaii Motorcycle Dealers Association submitted testimony in opposition to this measure. The Department of Transportation submitted testimony taking no position on this measure.

Your Committee finds that motor vehicle crashes are the leading cause of death among teenagers, and that this age group is most at risk when driving at night. By requiring young drivers to be accompanied by an adult when driving at night, your Committee finds that they will be more cautious and attentive, and that fewer accidents will result.

Therefore, your Committee continues to support this measure, as it did during the 2002 Regular Session. Although this measure will restrict teens' freedom somewhat when driving at night, that price is small compared to the number of lives that will ultimately be saved.

This measure contains exceptions to allow teens to drive alone at night under certain circumstances, and your Committee amended those provisions to remove the exception for drivers with only a temporary instruction permit. Your Committee believes that it is appropriate to require drivers with only a temporary instruction permit to always be accompanied at night, with no exceptions.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 315, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 315, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 183      (Joint/Majority) Transportation, Military Affairs, and Government Operations and Labor on S.B. No. 318**

The purpose of this measure is to require the State and counties to attempt to obtain services through a public-private managed competition system before contracting with a private entity for those services.

Testimony in support of this measure was received from the HGEA-AFSCME. Testimony in opposition was received from the Honolulu County Department of Human Resources. Comments were received from the Kauai County Department of Water.

The intent of this measure is to provide government workers affected by privatization to compete on a level playing field for the chance to retain their jobs. Your Committees believe that this is fair and reasonable, and without adverse cost effects to the State or counties if the managed competition system can yield the same or better services at a competitive price. Your Committees view this measure as a reasonable compromise between civil service and privatization.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs and Government Operations and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 318 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, 2 (Slom, Whalen). Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 184      Transportation, Military Affairs, and Government Operations on S.B. No. 681**

The purpose of this measure is to allow towing companies to charge an extra recovery charge under certain circumstances.

Testimony in support of this measure was received from Catrala-Hawaii and Dollar Rent A Car Systems, Inc. Testimony in opposition was received from the Hawaii Insurers Council. Comments were received from the Department of Commerce and Consumer Affairs.

Your Committee finds that towing companies should be allowed to charge an additional "recovery charge" if it takes longer than fifteen minutes to hookup a vehicle. This measure sets that charge at \$25 for each fifteen minute increment or fraction thereof in excess of the first fifteen minutes, excluding travel time and wait time. The recovery charge is required to be fair and reasonable and subject to approval by the owner or insurer. Towing companies must document the time it took to hook up the vehicle.

Your Committee believes that the vast majority of tows should take less than fifteen minutes to hookup. Some vehicles, particularly trucks or difficult to tow vehicles, may take a longer time. Your Committee cautions the towing companies that this measure should not be used as a reward for working slower.

Testimony on this measure by the rental car companies indicated a problem with their vehicles being towed without their knowledge until days or weeks later. Your Committee agrees that the towing companies should take reasonable and prompt steps to immediately notify the owner of the towed vehicle that the vehicle has been towed.

Your Committee has amended this measure by requiring that towing companies notify the owner within twenty-four hours after the tow by telephone or facsimile of the tow, use all available means to ascertain the telephone number of the owner, and document the attempts to notify.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 681, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 681, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 185 (Joint) Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture on S.B. No. 915**

The purpose of this measure is to authorize the issuance of general obligation bonds to finance statewide improvements to dock and harbor facilities.

The North West Cruiseship Association testified in support of the measure. The Board of Land and Natural Resources testified in opposition to the measure, and comments were submitted by an individual.

Your Committees find that waterside access needs to be improved at state harbors frequented by the major cruise lines, including those in Lahaina and Kailua-Kona. In addition, repairs are needed to many of the State's harbor facilities that have deteriorated due to a lack of funding. This measure will facilitate the repair and maintenance of the State's harbors for the benefit of its recreational and commercial users.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs and Government Operations and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 915 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 2 (English, Kanno).

**SCRep. 186 Transportation, Military Affairs, and Government Operations on S.B. No. 997**

The purpose of this measure is to gradually increase the minimum age requirement for individuals riding in the bed of pickup trucks.

Your Committee received testimony in support of this measure from the Police Department of the City and County of Honolulu, the Maui County Police Department, Keiki Injury Prevention Coalition, and State Farm Insurance. The Office of the Public Defender testified with concerns regarding this measure, and the Department of Transportation submitted testimony taking no position on this measure.

Your Committee finds that passengers riding in the bed of pickup trucks are extremely vulnerable when a collision occurs. During a crash, the vehicle comes to a abrupt halt, but the passengers continue moving forward at the same speed. Therefore, passengers in the bed of a truck are likely to strike the cab or be ejected completely in the event of an accident.

In addition, passengers riding in the bed of trucks are vulnerable even when there is no accident. A sudden stop, swerve, turn, or merely loss of balance can cause the passenger to fall out of the truck.

Faced with these inherent dangers, your Committee agrees that the minimum age requirement for riding in a pickup bed should be increased. While adults are mature enough to make their own decisions, your Committee finds that minors may decide to ride in a truck bed (or be forced to by a parent) without considering all of the possible consequences.

Your Committee amended this measure to clarify that the minimum age requirement applies to a person riding in a truck bed; standing in the bed of a moving truck remains prohibited for persons of all ages.

Your Committee also made numerous technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 997, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 997, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 187 (Joint) Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture on S.B. No. 1591**

The purpose of this measure is to provide operational and capital improvement funding to facilitate the redevelopment of the Kalaeloa Community Development District.

The Hawaii Community Development Authority (HCDA) and Department of Hawaiian Home Lands testified in support of the measure.

Pursuant to Act 184, Session Laws of Hawaii 2002, the HCDA is responsible for the redevelopment of the former Barbers Point Naval Air Station now known as the Kalaeloa Community Development District. This measure appropriates general funds for staffing and related expenses of the Authority, and authorizes the issuance of \$7 million in general obligation bonds to finance the planning, design, and construction of improvements in the development district. Additionally, this measure prohibits state and county agencies and private entities that owe lease rents or other monetary obligations to the HCDA from using Kalaeloa lands or facilities until their obligations are satisfied.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs and Government Operations and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1591 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 2 (English, Kanno).

**SCRep. 188 (Joint) Transportation, Military Affairs, and Government Operations and Health on S.B. No. 1657**

The purpose of this measure is to establish a parking for persons with disabilities special fund (fund), into which would be deposited a portion of the state vehicle registration fee and legislative appropriations.

Testimony in support of this measure was received from the Honolulu Police Department (HPD), and three individuals.

This measure also makes an appropriation into the fund. Moneys in the fund would be used for administration of the statewide program for parking for disabled persons, payments to the counties for the costs of issuing permits to qualified persons, and other purposes necessary for the program.

The statewide program for parking for disabled persons is currently staffed by volunteers. According to the HPD, it spends more than \$80,000 each year to coordinate the volunteers for the program. This measure would assist all counties in defraying their costs for the program.

Your Committees recognize the importance of providing parking for disabled persons who have limited motility. Dedicated parking stalls enable them to drive, shop, and run errands without artificial impediments such as a lack of parking.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs and Government Operations and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1657 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Kanno, Hogue, Whalen).

**SCRep. 189 (Joint) Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs on S.B. No. 711**

The purpose of this measure is to require the Department of Transportation to use federal alternative standards whenever feasible for any new construction, reconstruction, resurfacing, restoration, or rehabilitation of any scenic highway in the state highway system, and to establish a scenic highways advisory commission.

Testimony in support of this measure was received from the Department of Transportation (DOT), Verizon Hawaii, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Maui Electric Company, and two individuals. Testimony in opposition was received from the Consumer Lawyers of Hawaii.

In 1991, Congress passed the Intermodal Surface Transportation Efficiency Act to recognized the importance of good design that is sensitive to its surrounding environment, especially in historic and scenic areas. Aesthetic, scenic, historic, cultural, and natural resources of an area are important factors that create a sense of place and provide communities with an identity. In 1995, Congress

strengthened this position in the National Highway System Act to give the states the flexibility to develop and apply criteria they deem appropriate for federal-aid projects not on the national highway system.

Your Committees find that there is a federal policy framework that encourages creativity and sensitivity, while achieving safety and efficiency. This policy framework recommends early identification of critical project issues and encourages thorough consideration of community concerns and input prior to major decisions that can severely limit all other options.

It is the intent of your Committees to encourage the highest quality design to ensure that road and bridge projects adequately meet the State's transportation needs, exist in harmony with their surroundings, and add value to the communities they serve.

Your Committees further find that the state Department of Transportation may be reluctant to use alternative standards in the repair or reconstruction of scenic highways because of the potential risk of liability. This measure limits the State's liability in these types of cases involving accidents on scenic highways, which have been repaired using alternative federal standards, unless the injury resulted from gross negligence or wilful misconduct on the part of the State, or a court has found the State to have been more than twenty-five per cent at fault in that accident.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs and Government Operations and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 711 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 12. Noes, none. Excused, 1 (Kanno).

**SCRep. 190 (Joint) Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs on S.B. No. 1149**

The purpose of this measure is to allow any federal, state, or county election held other than on the date of a regularly scheduled primary or general election to be held by mail.

Testimony in support of this measure was received from the Office of Elections, The League of Women Voters of Hawaii, and American Civil Liberties Union of Hawaii.

This measure is intended to reduce confusion, costs, and inconvenience of holding an election that may be required from time to time, usually unexpectedly. An example is the recent special election to fill the seat of a U.S. Representative. This election could have been conducted by mail, had this option been available, resulting in the saving of public funds.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs and Government Operations and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1149 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 12. Noes, none. Excused, 1 (Kanno).

**SCRep. 191 Judiciary and Hawaiian Affairs on S.B. No. 638**

The purpose of this measure is to provide for the election and election procedures of members to the Hawaiian Homes Commission (HHC) by Hawaiian voters.

Testimony in support of this measure was received from the Department of Hawaiian Home Lands (DHHL) and one individual.

This measure affirms the right of native Hawaiians and Hawaiian Home Lands lessees to self-determination. The Governor appoints the members of the HHC under existing law. By allowing an election of members to the HHC, which under this measure is similarly limited to native Hawaiians and lessees, the HHC would truly represent native Hawaiians.

Your Committee notes that under this measure the nine HHC members would be registered voters in their respective islands and would be apportioned as follows: two from the island of Hawaii, with one residing in East Hawaii in the districts of Puna, South Hilo, North Hilo, or Hamakua, and one residing in West Hawaii in one of the districts of North Kohala, South Kohala, North Kona, South Kona, and Kau; one from the island of Maui; one from the island of Molokai; one from the island of Kauai; and four from the island of Oahu. A tenth ex-officio member is the Director of the DHHL.

Jurisdiction over the HHC elections under this measure would be with the DHHL and, while DHHL lacks experience in conducting elections, your Committee is confident in the expertise and resources of the DHHL to rise to the occasion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 638 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 192 Judiciary and Hawaiian Affairs on S.B. No. 1142**

The purpose of this measure is to authorize voter registration at the person's residence precinct polling place on election day by completing an application, swearing an oath, and providing two forms of proof of residency.

Your Committee received testimony in support of this measure from the Chief Election Officer, Office of Elections, the Hawaii State Commission on the Status of Women, the Honolulu County Committee on the Status of Women, Life of the Land, the ACLU, and a concerned citizen.

Your Committee finds that nationally, Hawaii ranks last in voter participation. Hawaii's citizens are required to register at least thirty days prior to an election. Many citizens do not become interested in an election until shortly before election day. If they have not met the registration deadline, however, they are foreclosed from voting in that election.

Your Committee notes that adequate safeguards are in place to prevent voter fraud at polling places, and other states have implemented same day registration with successful results. Your Committee believes same day registration will result in increased voter participation in Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1142 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 193      Judiciary and Hawaiian Affairs on S.B. No. 1147**

The purpose of this measure is to require vote recounts if the total vote differential is one-eighth of one percent or less in statewide elections, and one-fourth of one percent or less in state or county office elections. The measure also moves the date of the primary election to the second Saturday in August.

Your Committee received testimony supporting this measure from the League of Women Voters of Hawaii and the ACLU. The Chief Election Officer, Officer of Elections provided comments.

Your Committee finds that the validation and confirmation of election results are a total process starting from voter registration and ending with certification of election results. Hawaii demands accuracy, transparency, security, accountability, and replicability from its election system, and enforces compliance with independent audits and tests. Vendors providing services to Hawaii have characterized the State's election administrative requirements as "security overkill."

Your Committee further finds that election results are released only after election day audits and post-election day audits have been conducted. Audits include:

- (1) Pre-election tests of all vote-counting machines that are used in the elections to ensure that the vote counting hardware and software are operating correctly;
- (2) Election night poll book audits of all precincts and districts statewide by a semi-autonomous team of election officials;
- (3) Manual audits of selected contests and precincts by a semi-autonomous team of election officials;
- (4) Office of Elections and/or official observer initiated machine audits of ballots to verify and substantiate results provided by the precinct counters; and
- (5) Official observer initiated tests of the vote accumulation program, that can occur at any time during the election day, to verify that tabulation is accurate and correct.

Your Committee notes that all election day operations are scrutinized by official observers. These official observers are representatives of the various political parties, interest groups, and interested individuals from within the community.

Your Committee further finds that notwithstanding the Office of Elections' security procedures, close race recounts ensures fair elections and fosters public confidence. The Elections Task Force convened by the 2001 legislature recommended the recount threshold which balances public confidence in elections against the expense and delay incurred. Your Committee further finds that in order to accommodate the time required to conduct a recount, the date of the primary election is moved to the second Saturday in August from the last Saturday in September. This earlier primary election date does not affect the filing deadline for candidate's nomination papers which remains at sixty days prior to the primary election.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1147 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 194      Judiciary and Hawaiian Affairs on S.B. No. 1154**

The purpose of this measure is to require the Office of Hawaiian Affairs (OHA) to reimburse the State for contributions made by the State to the Hawaii employer-union health benefits trust fund.

Testimony in support of this measure was received from OHA and the Association of Hawaiian Civic Clubs.

This is a housekeeping measure. Section 10-12, Hawaii Revised Statutes, provides that officers and employees of OHA are entitled to be included in any benefit program generally applicable to officers and employees of the State.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1154 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 195      Judiciary and Hawaiian Affairs on S.B. No. 1156**

The purpose of this measure is to require the Office of Hawaiian Affairs (OHA) to establish and maintain a registry of all Hawaiians wherever they reside.

Testimony in support of this measure was received from OHA, the Association of Hawaiian Civic Clubs, and an individual.

OHA is charged with the statutory responsibility under section 10-3, Hawaii Revised Statutes, for acting for the benefit of Hawaiians, regardless of blood quantum and without regard to where they live. In order to allow OHA to effectively execute its duties, this measure is essential to identify who is being served.

According to OHA, it has established procedures for a registry, including adequate proof by documentation of ancestry and issuing an identification card of Hawaiian descent.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1156 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 196      Judiciary and Hawaiian Affairs on S.B. No. 1157**

The purpose of this measure is to require that the salary of the administrator of the Office of Hawaiian Affairs (OHA) be set by the board at not less than the salary of department heads or executive officers as established by law.

Testimony in support of this measure was received from the OHA and an individual.

Existing law provides that the salary be not more than that of department heads. Your Committee finds that the responsibility and duties of the administrator of OHA are comparable to department heads of the State. Therefore, your Committee believes that the administrator should be compensated no less than department heads. This measure allows the possibility for the administrator to be paid more than department heads. However, in view of the size of the OHA budget, the complexities of the issues and litigation concerning OHA, and the ramifications of OHA decisions, your Committee believes it is not unreasonable to compensate the administrator more than department heads.

Your Committee also believes that the position must be at a salary level sufficient to attract high quality applicants with knowledge and experience in administration, management, budgets, state and federal legislative processes, state and county governments, land issues, sovereignty issues, education, and negotiation.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1157 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 197      Judiciary and Hawaiian Affairs on S.B. No. 1264**

The purpose of this measure is to appropriate \$560,928.23 from general funds, \$850,000 from state highway funds, \$27,500 from Department of Accounting and General Services program funds, and \$20,000 from Department of Health program funds to pay claims against the State for overpayment of taxes, refunds, reimbursements, judgments, settlements, or other liabilities.

Your Committee received testimony supporting this measure from the Superintendent of Education. The Attorney General, Department of the Attorney General supported the bill and proposed amendments.



Your Committee finds that the sums appropriated in this bill will be used to satisfy claims against the State. Timely passage will serve to minimize interest on those amounts for which interest is accruing.

Your Committee questions, however, a \$70,591.07 discrepancy in two federal court cases. The Arakaki v. State of Hawaii case preceded to judgment and in that case, attorney fees awarded by Judge Gilmore were less than in the Smith v. State of Hawaii, Campaign Spending Commission case that settled. The Attorney General's Office committed to providing justification explaining the disparity. Based on this disparity, and until justification is received, your Committee amended the bill by:

- (1) Reducing the appropriation amount in Smith v. State of Hawaii, Campaign Spending Commission, et al. from \$126,085.15 to \$63,042.58;
- (2) Adding an additional appropriation from the general fund in the amount of \$70,000 to pay the settlement amount in Morrison v. State of Hawaii, et al.;
- (3) Amending the subtotals and totals for section one appropriations to reflect the reduction and addition;
- (4) Specifying that the source of the \$20,000 appropriation to pay the settlement claim from Aguinaldo v. State of Hawaii, et al. is the Developmental Disabilities program (HTH 501);
- (5) Adding a new section five that sets forth a \$4,133.25 judgment in the case of Maalaea Slip 69, Inc. dba Rascal Charters v. Department of Land and Natural Resources from an unspecified department program; and
- (6) Renumbering the remaining bill sections.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1264, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1264, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 198            Judiciary and Hawaiian Affairs on S.B. No. 1413**

The purpose of this measure is to extend the date at which the unexpended or unencumbered funds appropriated by the Legislature or remaining in the infrastructure development fund for the Kikala-Keokea area of the island of Hawaii is scheduled to lapse.

Testimony in support of this measure was received from the Board of Land and Natural Resources (DLNR) and Office of Hawaiian Affairs.

The lapse date is changed from June 30, 2004, to December 31, 2004, to allow the DLNR more time to complete infrastructure improvements. Without this measure, the DLNR could not expend any funds after June 30, 2004.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1413 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 199            Judiciary and Hawaiian Affairs on S.B. No. 1437**

The purpose of this measure is to appropriate unspecified sums to the Office of Elections to meet the five percent matching fund requirement of the federal Help America Vote Act of 2002.

Your Committee received testimony in support of this measure from the Chief Election Officer, Office of Elections, the League of Women Voters of Hawaii, and the ACLU.

Your Committee finds that the federal Help America Vote Act of 2002 proposes to provide an estimated initial \$5,000,000 to Hawaii to improve administration of elections and replace punch cards and lever machines. Hawaii could receive an estimated additional \$15,000,000 to be used to meet requirements of law, train poll workers, provide voter education, and improve the administration of elections. In order for Hawaii to receive these federal funds, Hawaii must submit a self-certified detailed election improvement plan, and provide five percent of Hawaii's estimated share of the federal funds in matching funds.

Your Committee believes the federal Help America Vote Act is an excellent opportunity for the State to update its voting system and implement other voter reforms at a very reasonable State investment cost.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1437 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 200      Judiciary and Hawaiian Affairs on S.B. No. 1465**

The purpose of this measure is to appropriate \$35,500 in fiscal year 2003-2004 to the Attorney General for Hawaii's contribution to the costs of the National Conference of Commissioners on Uniform State Laws, and for registration and travel expenses for a deputy Attorney General to attend the 2003 annual meeting of the National Conference of Commissioners on Uniform State Laws.

Your Committee received testimony supporting this measure from the Chair, Commission to Promote Uniform Legislation.

Your Committee finds that the National Conference of Commissioners on Uniform State Laws (NCCUSL) was created to determine which areas of the law should be uniformly enacted in all states. The impetus behind NCCUSL's creation arose out of concerns of state governments for improvement of laws and better interstate relations. The work of the NCCUSL include the Uniform Commercial Code, the Uniform Partnership Act, the Uniform Limited Partnership Act, the Uniform Interstate Family Support Act, the Uniform Child Custody Jurisdiction Act, the Uniform Anatomical Gift Act, and the Model State Administrative Procedure Act.

Your Committee further finds that NCCUSL, as a state service organization, depends on state appropriations for its continued operation. All states are asked to contribute a specific amount based on that state's population. Hawaii's contribution is \$15,400. In addition, the NCCUSL convenes once a year for a period of eight to twelve days, usually in July or August. Travel and registration expenses are needed to send Hawaii's representative to the meeting.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1465 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 201      Judiciary and Hawaiian Affairs on S.B. No. 1500**

The purpose of this measure is to appropriate \$300,000 in fiscal year 2003-2004 to the Office of Elections for the purpose of establishing a voter registration and education program.

Your committee received testimony supporting this measure from the Chief Election Officer, Officer of Elections, and the League of Women Voters.

Your Committee finds that the 2000 election statistics show Hawaii ranked last in the nation in voter turnout. Just one-half of Hawaii's citizens of voting age participated in the presidential election. Few state resources are allocated to coordinate and implement voter registration and education programs.

Your Committee further finds that a state-funded community-based program could focus on increasing voter registration, educating voters on candidates and question on the ballot, informing voters about their polling locations and methods of voting, and encouraging voters to participate in elections.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1500 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 202      Energy and Environment on S.B. No. 1504**

The purpose of this measure is to adopt the legislative proposal made by the Hawaii State Student Conference to increase state funding to eradicate the *Miconia Calvescens* plant.

The Coordinating Group on Alien Pest Species, The Nature Conservancy of Hawaii, and Hawaii Forest Industry Association submitted testimony in support of this measure. The Board of Land and Natural Resources submitted testimony in support of the overall concept of this measure and the Board of Agriculture provided comments on this measure.

Your Committee finds that *Miconia Calvescens* is a noxious alien weed that threatens cultivated agricultural lands, commercial tree farms, watersheds, and native forests. Its invasive nature is well documented, as is the damage it causes by establishing a monoculture in place of desired plant species. Although it can spread rapidly, *Miconia* can be controlled. The success of government and private eradication efforts to date is encouraging but more must be done. Unless *Miconia* eradication continues, this invasive weed will recover, reestablish itself, and menace the State's lands.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1504 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Hooser, Kanno).

**SCRep. 203 Water, Land, and Agriculture on S.B. No. 1418**

The purpose of this measure is to protect the State and counties from liability on improved and unimproved public lands when the requirements of this measure are met.

Testimony in support of this measure was submitted by the State Attorney General, the Kauai County Attorney, the Sierra Club, a member of the Na Ala Hele Advisory Committee, and Downhill Hawaii. Testimony in support of this measure with proposed amendments was submitted by the Board of Land and Natural Resources. Testimony in opposition to the measure was submitted by the Consumer Lawyers of Hawaii.

The measure also establishes a risk assessment working group attached to the Department of Land and Natural Resources to assist the Department in the design and placement of warning signs and other devices.

Your Committee finds that the State and counties need protection from liability arising from the inherent risks posed by improved and unimproved public lands under their jurisdictions. Your Committee also finds that it is necessary to strike an equitable balance between the personal responsibility of people engaged in recreational pursuits and the duty of the government to take reasonable measures to protect citizens from harm by providing adequate warning.

Accordingly, your Committee has amended the measure to effectuate the amendments suggested by the Board of Land and Natural Resources by:

- (1) Adding improved lands of the counties into the definitions of "lands", "improved lands", and "unimproved lands";
- (2) Removing the definitions of "public lands" and "public trails and access" as they are unnecessary;
- (3) Establishing the provisions of the measure as a new part in chapter 663, Hawaii Revised Statutes, so that the amended definitions only pertain to the new part;
- (4) Establishing the risk assessment working group in chapter 171, Hawaii Revised Statutes, rather than in general law; and
- (5) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1418, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1418, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (English).

**SCRep. 204 Water, Land, and Agriculture on S.B. No. 1255**

The purpose of this measure is to clarify the Department of Agriculture's responsibilities and methods of maintaining agricultural safety and security.

Testament in support of this measure was submitted by the Department of Agriculture (Department), with amendments.

The further purposes of the measure include consolidating the existing Coffee Inspection and Marketing Order Revolving Funds into one general Certification Services Revolving Fund, removing the specific responsibility for the meat grading service from the Animal Industry Division and placing it generally under the Department, allowing the Department to provide certification services for good agricultural, handling, processing, and manufacturing practices, and transferring the responsibility for the seed certification program from the Plant Industry Division to the Quality Assurance Division.

Your Committee finds that consolidating the funds will provide the Department with more flexibility in the use of temporary staff, cross training, and a reimbursable reserve of funds to cover start up costs for new activities. Placing the meat grading service generally under the Department fits with a federal-state cooperative agreement that was drawn up for a division staff member to provide the service. Also, by allowing the Department to provide a variety of certification services, Hawaii's agricultural product users, both domestic and foreign, are provided with product assurance of food safety.

Your Committee has amended the measure by making technical, nonsubstantive amendments for the purposes of clarity, style, and to accurately reflect existing statutory language.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1255, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1255, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 205 (Joint) Economic Development and Water, Land, and Agriculture on S.B. No. 65**

The purpose of this measure is to appropriate funds to the University of Hawaii's College of Tropical Agriculture and Human Resources to develop and manage agribusiness incubators throughout the State.

Testimony in support of this measure was submitted by Hawaii Island Economic Development Board, Hawaii Farm Bureau, Hawaii Agriculture Research Center, and the Pineapple Growers Association. Testimony in support of the measure's intent was submitted by the Board of Agriculture and the College of Tropical Agriculture and Human Resources.

Your Committees find that a timely investment in the future of Hawaii's agriculture industry would help remove some variables of risk, allowing new, young farmers to get involved in the industry.

Although passing the measure with a technical, nonsubstantive amendment, your Committees had some concerns with the measure. Questions were raised as to whether the \$500,000 being appropriated would be an annual, recurring cost. The Dean of the College of Tropical Agriculture and Human Resources noted that it would be a recurrent cost, but that the college is hoping for external funding, which is why the position of a grant writer is included in the measure. Your Committees also asked about the difference between existing extension agents and the new program. The college's dean stated that because of twenty-five per cent funding cuts to the college, and the resulting loss of about eighty positions, the college had to create new methods of meeting its traditional roles and the traditional needs of its stakeholders, while starting new initiatives. The cuts made by the University of Hawaii caused your Committees to question whether the measure's funding would actually make it to the college if the university does not see the college as a priority.

Your Committees hope that the University of Hawaii administration will continue to be supportive of agriculture and ensure that the funding will go to the right place. This incubator is a method of starting new agricultural businesses, which can then get aid from the U.S. Department of Commerce to become more effective. The agriculture industry must learn how to find markets and then discover how and what to grow to meet that market's needs. Accordingly, the college must follow the changing needs of the industry and move from focusing almost solely on the production side of agriculture to include the business side.

As affirmed by the records of votes of the members of your Committees on Economic Development and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 65, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 65, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Ihara, Kanno, Kawamoto).

**SCRep. 206 (Majority) Tourism on S.B. No. 248**

The purpose of this measure is to repeal the limit on the amount of revenues that can be deposited into the convention center enterprise special fund.

Testimony in support of this measure was received from the Hawaii Tourism Authority (HTA) and The Hawaii Hotel Association. Testimony in opposition was received from the Department of Budget and Finance. Comments were received from the Tax Foundation of Hawaii.

Act 253, Session Laws of Hawaii (SLH) 2002, established the convention center enterprise special fund (special fund), codified as section 201B-8, Hawaii Revised Statutes, to receive a portion of revenues from the transient accommodations tax (TAT) and other sources. Act 253, SLH 2002, also provided that any amount in excess of \$31 million derived from the TAT be deposited into the general fund.

According to testimony of the HTA, \$31 million is insufficient for it to meet any major maintenance requirement for the Hawaii Convention Center (Center). Operating costs of the Center is estimated at \$12.5 million on revenues of \$9 million, and debt service is \$26.5 million. With a \$31 million limit on deposits into the special fund, this leaves less than five per cent for maintenance, which is inadequate to meet major maintenance requirements for the \$200 million Center. Your Committee is concerned about adequate maintenance of the Center, but is not willing to totally remove the deposit cap into the special fund.

Your Committee agrees with the HTA and has amended this measure by reinstating the limit on deposits to the special fund and raising the limit to \$34 million. The HTA indicated that it could work with this amount.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 248, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.B. No. 248, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 207 (Majority) Tourism on S.B. No. 1040**

The purpose of this short form measure, as received, is to amend the Hawaii Revised Statutes relating to transient accommodations tax. As amended, this measure provides that the transient accommodations tax revenues for the Hawaii statewide trail and access

program be deposited into the special land and development fund from which expenditures for the trail and access program can be made.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the action to report out S.B. No. 1040 as amended herein, and recommends that it pass Second Reading and be recommitted to the Committees on Tourism and Ways and Means in the form attached hereto as S.B. No. 1040, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 208 Human Services on S.B. No. 78**

The purpose of this measure is to authorize the Attorney General to seek civil penalties for abuse of a dependent adult and authorizes dependent adults or their guardians or estates to bring an action for treble damages against a person who commits the abuse.

Testimony in support of this measure was submitted by the Policy Advisory Board for Elder Affairs, Executive Office on Aging; University of Hawaii Elder Law Program; Department of the Prosecuting Attorney, City and County of Honolulu; Las Vegas Metropolitan Police Department; ILWU Local 142; Advocates for Nursing Home Justice; Kokua Council; Christian Science Committee on Publication for Hawaii; and four concerned citizens. The Department of Human Services submitted comments on this measure.

Your Committee finds that, with the aging of Hawaii's population, there is a growing need to address the problem of abuse and neglect of elders. The prevention, detection, and reporting of elder abuse are critical in addressing this issue. It has been estimated that as much as eighty-four per cent of elder abuse and crimes against elders are never reported; as a consequence, elder abuse is rarely prosecuted.

Your Committee further finds that other states, including Arizona, California, Florida, Massachusetts, Oregon, and Washington, have enacted elder abuse legislation that provide for enhanced civil remedies and penalties for elder abuse. These statutes generally provide for enhanced remedies, attorneys' fees, or the imposition of civil penalties, both to encourage elders to report and effectively prosecute their claims and to deter future abusive behavior.

Your Committee facilitated a discussion to resolve the major concerns raised at the hearing on this measure. The discussion group included the Department of Human Services, the Attorney General's Office, representatives from the Hawaii Coalition of Care Home Administrators, the Hawaii Business League, and Davis Levin Livingston & Grande for the Advocates for Nursing Home Justice. Your Committee rewrote this measure based on the testimony and comments submitted and input from the discussion group. This measure, as amended, now:

- (1) Authorizes the Attorney General to bring a civil action on behalf of the State against any person who commits abuse of a dependent elder;
- (2) Provides that, upon prevailing, the Attorney General is entitled to receive specified civil penalties and costs of the investigation;
- (3) Allows the Attorney General to intervene in any private civil action involving the abuse or neglect of a dependent elder that is of "general public importance" and, upon prevailing, entitles the State to the same relief as if the Attorney General had instituted the action;
- (4) Provides that a prevailing party in a private civil action involving the abuse or neglect of a dependent elder is entitled to actual damages, including noneconomic damages, attorneys' fees, and costs of the action, including the costs for guardian, guardian ad litem, and experts, if any, necessary to the litigation;
- (5) Provides for enhanced civil remedies of up to threefold actual damages in cases of dependent elder abuse or neglect by a caregiver; and
- (6) Defines "dependent elder," "caregiver," and "neglect."

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 78, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 78, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Tsutsui).

**SCRep. 209 Human Services on S.B. No. 884**

The purpose of this measure is to make appropriations to the Department of Human Services (DHS) for residential alternative community programs, the Hawaii prepaid Medicaid management information system, and chore services.

Testimony in support of this measure was received from DHS, The Queen's Medical Center, Catholic Charities Hawaii – Elderly Services, Kokua Council, Case Management Council, Case Management, Inc., Eldercare Resources, Inc., nine individuals, and a petition signed by seventeen individuals.

The cost of providing long-term care in an institution can be prohibitive; as a result, the Department of Human Services' Adult and Community Care Services Branch seeks alternative community-based treatment milieus that provide individuals with appropriate levels of care at a cost savings of about fifty per cent per person per year. The Residential Alternative Community Care Program (RACCP) under the Department of Human Services provides qualified individuals with placements in community-based residential facilities, including adult foster homes, adult residential care homes, and assisted-living facilities, as a less costly alternative to institutional care. These individuals are Medicaid-eligible adults who require nursing-facility level care and are not able to benefit from in-home services because they have no caregiver or residence. RACCP provides a broad array of services, including personal care, homemaker services, transportation, respite, and day health services.

The DHS is the designated the single state agency to administer funds for the federal Medicaid program, including Medicaid home and community-based waiver services programs such as RACCP. The federal Centers for Medicare and Medicaid (formerly known as the Health Care Financing and Administration) now requires the State to process all Medicaid payments through a federally approved claims system. To address the federal requirement, the Department of Human Services, in November 2002, implemented the Hawaii prepaid Medicaid management information system for the purpose of processing Medicaid waiver claims, at an annual cost of \$500,000.

The DHS administers the Chore Services Program (program) that provides essential housekeeping services to enable eligible disabled clients to remain living in the community. Clients employ their own service providers who are paid minimum wage. The program is funded on a matching basis with federal moneys. Increases in the minimum wage in 2001 and 2002 have resulted in unanticipated program costs without a concomitant increase in funding levels. As a result, the program has been closed to new admissions since August 2001, forcing eligible disabled clients to utilize more costly care options, including utilizing medical and hospital services or institutionalization. Your Committee believes that it is imperative for the State to provide its share of matching dollars to enable the program to continue and to serve new applicants.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 884 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Inouye, Tsutsui).

**SCRep. 210 Human Services on S.B. No. 959**

The purpose of this measure is to require mandatory physical and medical forensic examinations of children placed into protective custody under chapter 350, Hawaii Revised Statutes, and to appropriate funds for such forensic examinations.

Testimony in support of this measure was submitted by the Na Keiki Law Center, a program of Volunteer Legal Services Hawaii. Testimony in support of the intent of this measure was submitted by the Department of Human Services.

Your Committee finds that requiring forensic medical examinations of children in cases of suspected child abuse would allow the State to identify their potential medical and physical needs early in the process, thus allowing these children to receive the treatment they require.

The Department of Human Services submitted verbal testimony that the projected cost of providing forensic medical examinations would be \$4,238,000 each year of the biennium; however, the State is being asked only for \$150,000 the first year and \$200,000 the second year of the biennium. This represents only a portion of total program costs, as a two-year grant has been received that would cover the major portion of program costs for two years.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 959 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 211 Human Services on S.B. No. 968**

The purpose of this measure is to appropriate funds as a grant-in-subsidy for Family Centers to facilitate the development of strong families and communities in the State.

Testimony in support of this measure was submitted by Parents and Children Together, Heeia Elementary School, Moloka'i General Hospital, Urban Real Estate Company, Kualoa-Heeia Ecumenical Youth Project, and twenty concerned citizens.

Your Committee finds that Family Centers are embedded in their communities, build on strengths and assets, and provide an open door to all community residents. The Family Centers leverage resources and facilitate the strengthening of individuals, families, and the community through partnership and collaboration. Your Committee further finds that funding for Family Centers is critically needed to model family-centered services, grow new centers, and support the successful work of our current family centers.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 968 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Tsutsui).

**SCRep. 212 Human Services on S.B. No. 974**

The purpose of this measure is to appropriate funds for the Preschool Open Doors program of the Department of Human Services, which provides financial assistance to low-income and gap group families for preschool tuition.

Testimony in support of this measure was submitted by the Good Beginnings Alliance and the immediate past President of its Board of Directors. Testimony in support of the intent of this measure was submitted by the Department of Human Services and the Department of Education.

A People's Pulse poll commissioned by the Hawaii Business Roundtable, Enterprise Honolulu, and Pacific Resource Partnership found that seventy-six per cent of Hawaii residents surveyed agreed that the State should ensure all parents can afford to send their children to preschool. According to the "From Neurons to Neighborhoods" report (report), a quality preschool program can help low-income and gap group children to "make up" some of the educational disparities associated with social or economic circumstances that become apparent even before children enter kindergarten. The report found that low-income and gap group children who attended preschool were better-prepared for, and therefore did better in, school. The Good Beginnings Alliance reported that, for every \$1.00 invested in early childhood education programs, the State could save up to \$4.00 in future remedial costs, including costs of providing any special education and other specialized services required by the child.

Your Committee finds that the Preschool Open Doors program addresses the twin goals of ensuring access to quality early childhood education and care and promoting school readiness. The Preschool Open Doors program of the Department of Human Services provides financial assistance, on a sliding scale, for preschool for children from families whose incomes are at or below one hundred eight-five percent of the federal poverty level. For example, a family of four could have a gross monthly income of up to \$4,806 and still qualify for tuition assistance. Your Committee finds that, but for Preschool Open Doors, many of these families would not be able to afford to send their children to preschool.

The Department of Human Services reported that the Preschool Open Doors program will provide preschool tuition assistance for 930 children at a cost of \$4.3 million in fiscal year 2002-2003. For fiscal year 2003-2004, the Department proposes to utilize federal funds transferred from the Temporary Assistance to Needy Families program to provide child care and preschool tuition assistance to low-income parents who are working or attending school full-time; however, the Department's proposal has yet to receive federal approval. The Department is therefore requesting \$5 million from the State, that would allow the Preschool Open Doors program to serve an additional 500 children during FY 2003-2004.

Your Committee finds that Hawaii's children need and deserve access to licensed preschool programs which provide quality care and promote school readiness. Accordingly, your Committee is reporting this measure out to facilitate further discussion of this important issue.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 974 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 213 Human Services on S.B. No. 1023**

The purpose of this measure is to increase the State's supplemental share of adult residential care home payments and makes an appropriation for this purpose.

Testimony in support of this measure was submitted by the Hawaii Coalition of Care Home Administrators, the United Group of Home Operators, and an individual.

Testimony in opposition to this measure was submitted by the Department of Human Services.

Your Committee finds that the rate of payments for care homes has, over the years, increased in varying degrees, therefore, making it increasingly difficult financially and, thus, difficult for care providers to continue the operations of care homes. Therefore, your Committee determines that an increase in the level of payments for domiciliary care would enable adult residential care home providers to cope with the cost increases associated with the provision of care and services to adult residential care home residents.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1023 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Tsutsui).

**SCRep. 214 Human Services on S.B. No. 1052**

The purpose of this measure is to appropriate funds for a grant-in-aid to Maui Economic Opportunity, Inc., for the replacement of nineteen buses.

Testimony in support of this measure was submitted by Mayor Alan M. Arakawa of Maui; the Maui County Council; Maui Economic Opportunity, Inc.; the Maui Arts and Cultural Center; the Joint Advocacy Committee on Senior Affairs (JACOSA); Hospice Maui; Maui United Way; the Salvation Army, Kahului Corps Community Center; Hale Mahaolu; Hale Makua; the Maui Senior Citizens' Planning and Coordination Council; Maui Adult Day Care Centers; Hui No Ke Ola Pono, Maui's Native Hawaiian Health Care System; Imua Rehab; Ka Lima O Maui; Hui Malama Learning Center; and a concerned citizen.

Your Committee finds that Maui Economic Opportunity's nationally award-winning transportation program is Maui's only "mass transit" bus service, providing much-needed transportation for 20,000 low-income, elders, persons with disabilities, medically needy residents, and children and youth on the islands of Maui, Lanai, and Molokai last year alone. The transportation program has an annual budget of \$4 million from federal, State, county and private sources; however, because of Maui Economic Opportunity's successful efforts to secure funding from these various sources, only \$750,000 in State funds over the next biennium is requested.

Your Committee further finds that the scheduled maintenance, repair and replacement of nineteen buses between 2003 and 2005 would allow Maui Economic Opportunity to continue to safely provide this important transportation service throughout Maui County.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1052 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 215 Human Services on S.B. No. 1064**

The purpose of this measure is to appropriate funds for a grant-in-aid to Maui Economic Opportunity, Inc., for evening medical transport services for hemodialysis patients in Maui County.

Testimony in support of this measure was submitted by Maui Mayor Alan M. Arakawa; the Maui County Council; Maui Economic Opportunity, Inc.; the Maui United Way; the Joint Advocacy Committee on Senior Affairs (JACOSA); the Salvation Army, Kahului Corps Community Center; Hale Mahaolu; Hale Makua; the Maui Senior Citizens Planning and Coordination Council; Maui Adult Day Care Centers; Hui Malama Learning Center; Hui No Ke Ola Pono, Maui's Native Hawaiian Health Care System; Ka Lima O Maui; and one concerned citizen.

Your Committee finds that, for the past three years, Maui Economic Opportunity, Inc. (MEO) has provided vital medical transport services for hemodialysis patients, and currently services about one-third of the end stage renal disease population on the island of Maui. MEO provides specialized transportation services similar to Honolulu's Handi-Van service, using specially-equipped buses and highly trained driver-technicians to transport kidney dialysis patients from their homes to the dialysis center and back. Because of high demand at the St. Francis Dialysis Center, many dialysis patients have no choice but to accept off-hour (evening and weekend) appointments to receive life-saving dialysis treatment. Each hemodialysis procedure takes about four to six hours, three times per week.

The annual budget for this program is \$125,000, which allows MEO to provide specialized medical transport services to between 12 and 25 clients, totaling about 4,056 medical trips per year. The specialized medical transport program is funded only through the fiscal year ending June 30, 2003.

Your Committee is reporting this measure out to facilitate further discussion and possible consideration of alternative funding approaches that would provide a stable source of funding for life-saving medical transport services, such as off-hour specialized medical transport services for hemodialysis patients provided by Maui Economic Opportunity, Inc.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1064 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 216 Human Services on S.B. No. 1240**

The purpose of this measure is to set Medicaid payments at a level that more fairly compensates providers of medical services, by allowing providers to be compensated at a level that more closely approaches the actual costs of providing quality health services.

Testimony in support of this measure was submitted by the Hawaii Medical Service Association; the Healthcare Association of Hawaii; the Hawaii Long-Term Care Association; and a concerned citizen. Testimony opposing this measure was submitted by the Department of Human Services (DHS).



Your Committee finds that the insufficient reimbursement payments provided to hospitals and physicians by government payers like Medicaid and Medicare have become a serious concern with potential public health implications. Health care facilities and providers are experiencing depressed revenues and rising costs, in part due to decreases in Medicare and Medicaid funding, reduced health care payments resulting from managed care, and the rising costs of high technology medical equipment and prescription drugs, among other things. According to the Healthcare Association of Hawaii, health care facilities in Hawaii incurred more than \$91 million in bad debt and charity care costs in 2002 alone.

Your Committee further finds that, in the past, health care facilities could cover the costs of providing quality care to Medicaid and Medicare recipients through "cost shifting". Health care facilities would receive payments from certain patient groups, that more than covered the costs of providing services to them. The surplus of these payments could then be "shifted" to groups that did not pay enough to cover actual costs, thereby covering all costs. Cost-shifting has become increasingly difficult, however, due to recent changes in the healthcare environment.

Increasing costs, unavailability of cost-shifting, and the low level of reimbursement payments under Medicaid and QUEST programs may limit the ability of hospitals, physicians, and other health care facilities and providers to continue to provide services to low-income individuals covered under the QUEST or Medicaid programs. As a result, your Committee finds that it is important for the State to take some action at this time, in order to maintain access to quality health care for those Hawaii residents covered by Medicaid and QUEST programs.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying in the purpose section the current status of the DHS's proposal to amend the State Medicaid Plan by reducing the inflationary adjustment, discontinuing the return on equity program, and modifying the grandfathered capital component;
- (2) Correcting factual inaccuracies and clarifying the Department of Human Services policy on including an inflationary adjustment factor in the formula to calculate QUEST capitated reimbursement rates to providers during the term of a three-year contract;
- (3) Correcting and amending the description in Section 2 of the proposed amendments to the State Medicaid Plan the DHS is directed to withdraw for clarity and consistency;
- (4) In Section 5, adding the specific federal and state appropriation amounts, as submitted by the DHS at the public hearing held on this measure on February 5, 2003;
- (5) Deleting Sections 6, 7, and 8, as the DHS testified that funding for these items is already included in the administration budget; and
- (6) Making other technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1240, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1240, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Inouye, Tsutsui).

**SCRep. 217      Human Services on S.B. No. 1352**

The purpose of this measure is to make permanent the statutory authority for the licensing of community-based case management agencies and the certification of community care foster family homes enacted in Act 273, Session Laws of Hawaii 2001.

Testimony in support of this measure was submitted by the Department of Human Services; the Office of the Attorney General; Catholic Charities Elderly Services; the Case Management Council; Case Management, Inc.; and two concerned citizens. Testimony in support of the intent of this measure was submitted by the Hawaii Disability Rights Center.

Your Committee recognizes the need to provide safe environments for adults in community care foster family homes. Your Committee finds that requiring community-based case management programs to be licensed and community care foster family homes to be certified by the Department of Human Services helps ensure that providers and foster family home operators meet certain specified standards and that the health and safety of adults in community care foster family homes is adequately protected.

Your Committee further finds that conducting criminal history record checks on the service providers is another way to help ensure the safety of dependent adults living in community care foster family homes. According to the Office of the Attorney General, the \$65,000 appropriation to the Criminal History Record Improvement Fund is necessary for the processing of national record checks through the Federal Bureau of Investigation.

Your Committee has amended this measure by:

- (1) Adding a purpose section describing the requirements of Act 273, Session Laws of Hawaii 2001;

- (2) Deleting the proposed amendments relating to establishment of a permanent licensing and certification program for home and community-based services under the Department of Human Services; and
- (3) Extending the licensing and certification demonstration projects for an additional two years.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1352, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1352, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Inouye, Tsutsui).

**SCRep. 218 Human Services on S.B. No. 1353**

The purpose of this measure is to provide the Medicaid program with sufficient funds to reimburse its health care providers for fiscal year 2002-2003.

Testimony in support of this measure was submitted by the Department of Human Services and the Health Care Association of Hawaii.

Your Committee finds that the expenditures for the State's Medicaid program have increased far above the budgeted levels for fiscal year 2002-2003. This increase is attributable to an unanticipated increase in the number of people served after September 11, 2001, and increases in the cost of prescription drugs.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1353 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Tsutsui).

**SCRep. 219 Human Services on S.B. No. 1423**

The purpose of this measure is to establish a Commission on Fatherhood within the Office of the Governor, to provide for a statewide program, on a permanent and continuing basis, to promote healthy family relationships between parents and children that are father-friendly and inclusive.

The measure also requires the Office of the Governor to provide staff and administrative support to the Commission.

Testimony in support of this measure was submitted by the Hawaii Coalition for Dads; Parents and Children Together; and the Healthy Mothers, Healthy Babies Coalition. Testimony in support of the intent of this measure was submitted by the Judiciary. The Office of Information Practices submitted comments on this measure.

Your Committee finds that government on all levels can and should take immediate action to encourage the active participation by fathers of all ages in raising their children and to develop and implement comprehensive strategies to strengthen the role of fathers in their children's lives. Additional investment in fatherhood would broaden the population served; provided that there is support of and coordination between existing programs, and that these new initiatives are not funded at the expense of another vital human service program.

Your Committee further finds that, through the establishment of this Commission, Hawaii will join a growing national fatherhood movement and position itself to leverage federal support for fatherhood initiatives, as proposed by President Bush.

Your Committee has amended this measure by:

- (1) Deleting the Judiciary representative from the Commission, in response to testimony from the Judiciary declining participation, as the Commission will be a policy-making body, which is strictly a legislative/executive function;
- (2) Clarifying that the Commission meetings shall be subject to the requirements of the Sunshine Law, Chapter 92, Hawaii Revised Statutes; and
- (3) Making other technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1423, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Inouye).

**SCRep. 220 (Majority) Human Services on S.B. No. 1579**

The purpose of this measure is to ensure that the State of Hawaii's contribution to the Medicaid program is not decreased as a result of an increase in the federal medical assistance percentage.

Testimony in support of this measure was submitted by the Healthcare Association of Hawaii and the Long-Term Care Association of Hawaii. Testimony in opposition to this measure was submitted by the Department of Human Services.

Your Committee finds that Medicaid is a jointly funded, federal and state program that provides health care and long-term care to low-income patients. The federal government matches state spending for the services Medicaid covers. The federal matching rate, known as the federal medical assistance percentage, or FMAP, varies by state based on per capita income and currently ranges from 50% to 77%.

Your Committee further finds that Medicaid payments to health care providers currently do not cover the actual costs of providing care, despite increases in the FMAP from 50% to 58.77%, resulting in about \$55 million more in federal Medicaid funds for Hawaii each year. This is in part because, at the same time that the FMAP has increased, the State has reduced the level of its funding for the Medicaid program, so that total Medicaid funding has remained relatively unchanged.

Accordingly, your Committee amended this measure to require that the level of State funding be maintained when federal funding, in the form of the federal medical assistance percentage, is increased. It is the intent of this Committee that the Department of Human Services consider using all or a portion of the additional federal moneys received to increase Medicaid reimbursement payments to health care providers to a level that more closely approaches the actual cost of providing care.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1579, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Trimble). Excused, 2 (Fukunaga, Tsutsui).

**SCRep. 221 Human Services on S.B. No. 1580**

The purpose of this measure is to appropriate funds to the Department of Human Services (DHS) for various programs, as follows:

- (1) To provide required state funds to match federal funds for non-recurring adoption expenses and to provide funds for a contract with a nonprofit legal services provider for legal assistance to adoptive families;
- (2) As a grant-in-aid to a nonprofit legal services provider to assist individuals on a case-by-case basis to obtain supplemental security income benefits for at least one hundred applicants; and
- (3) As a grant-in-aid to a nonprofit legal services provider to assist the DHS to maximize federal benefits available to Hawaii residents who are dually eligible for benefits under Medicare and Medicaid.

Testimony in support of this measure was received from the DHS and Legal Aid Society of Hawaii (Legal Aid).

Your Committee finds that over the recent years, Legal Aid has worked in partnership with the State to implement a variety of projects which benefit their clients and the economy of the whole State. Legal Aid's work last year produced \$6.00 in out-of-state revenues for every dollar received from the State in support of Legal Aid's work. In addition, your Committee further finds that the state budget saved approximately \$1.65 for every dollar appropriated to the Legal Aid.

This measure would expand Legal Aid's work to maximize federal dollars under the Medicare and Medicaid programs and other social service programs funded in part by federal money.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1580 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Inouye, Tsutsui).

**SCRep. 222 Human Services on S.B. No. 1584**

The purpose of this measure is to statutorily establish the Pre-Plus early childhood education program within the Department of Human Services, and to provide funding for the 2003-2004 fiscal year to continue the program.

Testimony in support of this measure was submitted by the Good Beginnings Alliance. Testimony in support of the intent of this measure was submitted by the Department of Human Services.

Your Committee finds that there are approximately 47,000 children in Hawaii between three and five years of age, who could benefit from preschool programs. The current enrollment capacity of center-based programs for this age group is about 19,699 statewide. According to the Good Beginnings Alliance, center-based early education programs are operating at about ninety-two per cent of their enrollment capacity. Strong demand and limited supply keeps the cost of many preschool programs high. Families with

fixed or lower incomes, in particular, may find the cost of quality early education programs to be prohibitive, and as a result, young children may be denied the benefits of early childhood education.

Recognizing the importance of quality early childhood education programs to a child's development, the Legislature, in Act 259, Session Laws of Hawaii 2001, established the Pre-Plus program to expand access to affordable, convenient, quality early childhood education programs by children from lower-income households. The Pre-Plus program utilizes public-private partnerships to create center-based preschool programs on public school campuses in communities statewide. Thirteen Pre-Plus facilities are currently under construction at thirteen elementary school campuses statewide, and ten more Pre-Plus facilities are in the planning and design stage.

Your Committee finds that the Pre-Plus program is currently budgeted under the Office of the Lieutenant Governor; however, one budgeted program staff position, with the informal responsibility to oversee the program, was transferred to the Department of Human Services in November 2002. The Department is willing to accept the oversight of the Pre-Plus program; provided that there is proper support for program development. Accordingly, your Committee has revised this measure by:

- (1) Clarifying that the Pre-Plus program is intended to serve children between the ages of two and five years of age;
- (2) Providing budget authorization of \$60,000 for one federally-funded program support position within the Department of Human Services, to provide program support for the Pre-Plus program; and
- (3) Making a technical nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1584, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1584, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Inouye, Tsutsui).

**SCRep. 223 Human Services on S.B. No. 1613**

The purpose of this measure is to appropriate moneys to fund one full-time registered nurse case manager position and one full-time clerical support staff for the Nursing Home Without Walls program serving clients on Molokai and Lanai.

Testimony in support of this measure was submitted by the Department of Human Services.

Your Committee finds that the Nursing Home Without Walls (NHWW) program will be the only long-term care resource for Molokai and Lanai once Molokai General Hospital closes its long-term care facility on June 30, 2003. Your Committee also finds that the Department of Human Services has a registered nurse contract from June 2002 through June 2003 to provide case management services for the NHWW program on Molokai and Lanai. Furthermore, only a limited amount of funds are available for the Department of Human Services to provide contracted registered nurse case management services; therefore, further appropriations will be necessary to appropriately fund and staff the NHWW program.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1613 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Tsutsui).

**SCRep. 224 Commerce, Consumer Protection and Housing on S.B. No. 574**

The purpose of this measure is to clarify the Captive Insurance Administrator's duties, and establish and fund insurance examiner positions within the Captive Insurance Branch (Branch) of the Insurance Division.

The Hawaii Captive Insurance Council testified in support of this measure. The Department of Commerce and Consumer Affairs commented on the measure.

This measure clarifies that the Captive Insurance Administrator is under the direct supervision of the Insurance Commissioner, establishes three insurance examiner positions within the Branch, and appropriates funds for the positions. Your Committee finds that this measure will enable the Branch to more effectively regulate the growing captive insurance industry in the State.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 574 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 225 Commerce, Consumer Protection and Housing on S.B. No. 875**

The purpose of this measure is enable persons recruited from foreign countries as prospective spouses by international matchmaking organizations to obtain criminal record and marital history information about their prospective partners who are Hawaii residents.

The Hawaii State Commission on the Status of Women testified in support of this measure. The Attorney General submitted comments on the measure.

Your Committee finds that many foreign women who utilize international matchmaking services come from the poorest regions of Asia. In order to escape their impoverished conditions, they make themselves available as potential mates for men who subscribe to international matchmaking services. With little information provided about their future partners, these women are at risk for abuse if they unknowingly enter into a relationship with someone with history of violence or domestic abuse. This measure will facilitate a more open matchmaking process by providing access to criminal and marital history information to matchmaking recruits and by requiring that matchmaking organizations inform recruits of the availability of this information.

Your Committee notes that the Attorney General raised concerns about this measure as it relates to criminal history record checks that should be further considered by the Committee on Judiciary and Hawaiian Affairs.

Your Committee has amended this measure by making technical, nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 875, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 875, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 226 (Joint) Commerce, Consumer Protection and Housing and Science, Arts, and Technology on S.B. No. 1055**

The purpose of this measure is to require the insurance commissioner to develop and maintain a motor vehicle insurance database to receive electronic transmissions from insurers regarding motor vehicle insurance transactions, that is accessible by law enforcement for purposes of enforcing the motor vehicle insurance requirement.

The Honolulu Police Department (HPD), Accurate Information Systems, Inc., and two individuals supported the measure. The Insurance Division and the Department of Customer Services, City and County of Honolulu, supported the measure with amendments. State Farm Insurance Companies and the Hawaii Insurers Council opposed the measure.

Your Committees find that there continues to be a problem with motorists driving uninsured. In the five-year period between 1998 and 2000, the HPD issued almost 109,000 citations for insurance violations. Additionally, there continues to be a problem with the verification of insurance coverage. The HPD testified that police investigating a collision at the scene are sometimes presented with an insurance card, that is later determined to be invalid.

This measure requires the establishment of an electronic insurance database that permits the identification of insured and uninsured motor vehicles. Your Committees find that the database will allow law enforcement and the courts to instantaneously determine whether a vehicle involved in a traffic incident has insurance coverage. Additionally, the existence of such a system may discourage motorists from driving without insurance and increase compliance with the insurance laws.

Your Committees have amended this measure to:

- (1) Require the City and County of Honolulu's Motor Vehicle and Licensing Division (DMV), rather than the State's Insurance Division, to establish and operate the insurance database;
- (2) Require the insurance database to be interactive with the DMV's motor vehicle registration computer file which is currently used statewide for the registration of motor vehicles and for motor vehicle inquiries by law enforcement officers and the Judiciary;
- (3) Require the input of only the subject vehicle's vehicle identification number (VIN), and not other information such as policy numbers and vehicle descriptions, into the database; and
- (4) Appropriate \$1 in general revenues.

In addition, your Committees made technical amendments to the measure for clarity and to delete irrelevant language.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Science, Art and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1055, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1055, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (Fukunaga, Sakamoto, Hemmings).

**SCRep. 227 Commerce, Consumer Protection and Housing on S.B. No. 1315**

The purpose of this measure is to clarify the hiring authority of the Insurance Fraud Investigations Branch (Branch) of the Insurance Division, expand the authority of the Branch's investigator assistants and auditors, broaden the Branch's fraud program's purpose to include an educational component, and clarify the Branch's funding source.

The Department of Commerce and Consumer Affairs testified in support of this measure.

This measure:

- (1) Authorizes the Branch to hire auditors, accountants, paralegals, and other professionals;
- (2) Authorizes the Branch's investigator assistants and auditors to serve process and apply for and execute search warrants;
- (3) Requires the Branch's statewide program to include the promotion of public and industry-wide insurance fraud education; and
- (4) Clarifies that the Branch's funding source is the Compliance Resolution Fund, rather than the Motor Vehicle Insurance Administration Revolving Fund, the latter fund having been merged into the former pursuant to Act 163, Session Laws of Hawaii 1999, and Act 39, Session Laws of Hawaii 2002.

This measure will aid the Insurance Division's efforts in combating insurance fraud by enabling the Branch to hire technical experts and other professionals, allowing the utilization of staff resources in a more efficient manner, and increasing public and industry awareness about fraudulent insurance activities.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1315 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 228 Commerce, Consumer Protection and Housing on S.B. No. 1316**

The purpose of this measure is to extend for another year the Insurance Commissioner's authority to examine, supervise, rehabilitate, and liquidate insolvent dental insurers.

The Department of Commerce and Consumer Affairs testified in support of this measure.

Act 132, Session Laws of Hawaii 2001, Regular Session (Act 132) made dental service corporations and dental service organizations subject to the Insurance Commissioner's enforcement, examination, supervision, rehabilitation, and liquidation powers. Prior to the Act, not all dental plans were subject to regulation by the Insurance Commissioner (Commissioner), and the granting of such authority was necessary to allow the Commissioner to protect consumers from the imminent failure of one particular dental insurer.

Under Act 132, the Commissioner's authority was established temporarily for a one-year period to allow the Commissioner to respond to the dental insurer's insolvency, and was scheduled to sunset on July 1, 2002. The Act was extended an additional year under Act 219, Session Laws of Hawaii 2002, to allow the Commissioner, who served as Liquidator in the insurer's liquidation proceedings, to see the proceedings through to their conclusion.

This measure proposes to extend Act 132 for another year until July 1, 2004, raising the issue of whether regulation of dental insurers should be established on a permanent basis. Your Committee notes that at the time of Act 132's enactment, concerns were expressed about establishing the Commissioner's oversight authority for a period beyond that necessary to deal with the one insolvent insurer. Your Committee finds that these concerns have yet to be resolved and encourages continuing discussions on this issue as the measure proceeds through the legislative process.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1316 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 229 Commerce, Consumer Protection and Housing on S.B. No. 1322**

The purpose of this measure is to exempt gross premiums received by health insurers from the premium tax.

The Department of Commerce and Consumer Affairs, Royal State National Insurance Company, Limited, Health Insurance Association of Hawaii, and Kaiser Permanente testified in support of the measure. The Tax Foundation of Hawaii commented on the measure.

Health insurers organized under chapter 431, Hawaii Revised Statutes (HRS), are subject to a premium tax rate of 4.265 per cent on gross premiums received, while mutual benefit societies and health maintenance organizations, organized respectively under chapters 432 and 432D, HRS, are exempted from the tax requirement.

This measure establishes a premium tax exemption for health insurers. Your Committee finds that this exemption will help to level the playing field among health insurance providers in the State and encourage more health insurers to enter the Hawaii market.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1322 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 230 (Joint/Majority) Judiciary and Hawaiian Affairs and Education on S.B. No. 12**

The purpose of this measure is to allow the Department of Education to appoint or retain by contract attorneys to provide legal services to the Department.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association. The Department of Education supported the measure and suggested amendments. The Department of the Attorney General and Hawaii Moms and Dads 4Kids opposed the bill.

Your Committee finds that the Department of Education is confronted with legal issues and challenges to the public school system or its employees on an almost daily basis. Timely legal advice or representation is required. Allowing the Department to retain its own counsel in addition to utilizing the Department of the Attorney General may address their needs. Your Committee amended the bill at the Department's suggestion, however, by requiring the Department to provide a costs and benefits report to the legislature twenty days prior to the convening of the regular session of 2007.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 12, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 12, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, 1 (Hogue). Excused, none.

**SCRep. 231 Judiciary and Hawaiian Affairs on S.B. No. 381**

The purpose of this measure is to make an appropriation for the payment of monetary damages to claimants whose claims have been adjudicated by the Hawaiian home lands trust individual claims review panel (panel).

Testimony in support of this measure was received from the Office of Hawaiian Affairs, Department of Hawaiian Home Lands, Ka Lahui Hawaii, Association of Hawaiian Civic Clubs, Davis Levin Livingston Grande, and twenty-three individuals.

Chapter 674, Hawaii Revised Statutes (HRS), establishes a process under which individual beneficiaries under the Hawaiian home lands trust may resolve claims for actual damages arising out of or resulting from a breach of trust, which occurred between August 21, 1959, and June 30, 1988, and was caused by an act or omission of an employee of the State in the management and disposition of trust resources. Your Committee finds that payments are unreasonably overdue.

Your Committee listened intently to the heartfelt pain of heirs to now deceased beneficiaries who were awarded damages by the panel but never lived to see compensation. This measure would provide that compensation, along with a recognition of their grief.

Your Committee has amended this measure by increasing the appropriation amount to \$17,970,822.74 to compensate an additional fifty-three claimants.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 381, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 381, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 232 (Joint) Judiciary and Hawaiian Affairs and Education on S.B. No. 474**

The purpose of this measure is to designate the Office of the Auditor as authorized representatives of the Departments of Education and Health for student and other record access in connection with any audit, evaluation, or enforcement of any federal or state supported educational program.

Your Committee received testimony in support of this measure from the State Auditor. The Department of Education supported the intent of this measure and suggested amendments. The Department of the Attorney General and the Department of Health opposed this measure.

Your Committee finds that the Auditor's Office has been tasked to investigate the State's compliance with the *Felix* consent decree. On occasion, the Department of Education and the Department of Health have denied access to their records upon advice of the Department of the Attorney General (AG). The denial was based on the AG's determination that the Auditor is not included in either the Family Education Rights and Privacy Act (FERPA), or Medicaid statutes as an individual or group that is allowed record access.

Your Committee further finds that section 401.134 of the Medicaid statute allows information to be released to employees of the agency administering the Medicaid program, and under FERPA, the "state educational authority" has open access to student files. Your Committee adds that the Auditor's scope of inquiry is limited to investigating service and provider compliance, and is not an investigation or evaluation of students.

Your Committee amended the bill as proposed by the Department of Education, to include a requirement that the Office of the Auditor development and train its employees in courtesy and confidentiality protocols.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 474, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 474, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 233      Judiciary and Hawaiian Affairs on S.B. No. 1150**

The purpose of this measure is to provide for the biennium budget of the Office of Hawaiian Affairs (OHA).

Testimony in support of this measure was received from OHA, Association of Hawaiian Civic Clubs, and Friends of Mokuula, Inc. Testimony in opposition as received from one individual.

Your Committee finds that while that use of funds from the public land trust for the betterment of native Hawaiians remains a paramount concern to the people of Hawaii, the beneficiaries of those public land trust revenues represent less than a majority of Hawaiians. The betterment of the conditions of Hawaiians, as generally defined in section 10-2, Hawaii Revised Statutes, is also a vital public purpose and for the Office of Hawaiian Affairs to carry out its mandated purpose, an appropriation of general funds is necessary.

Your Committee further finds that it is consistent with the constitutional and statutory mandate given to the Office of Hawaiian Affairs that the Legislature provide funding for programs and the cost of administering such programs to the Office of Hawaiian Affairs. The general fund appropriations called for herein is intended to be supplemented with trust funds administered by the Office of Hawaiian Affairs.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1150 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 234      Judiciary and Hawaiian Affairs on S.B. No. 1151**

The purpose of this measure is to create new definitions of "public land trust" and "revenue" for purposes of ceded land revenues, and to clarify the purpose of the Office of Hawaiian Affairs (OHA).

Testimony in support of this measure was received from OHA, University of Hawaii at Manoa, Association of Hawaiian Civic Clubs, Friends of Mokuula, Inc., Kanu `o ka `Aina Charter School, and five individuals. Testimony in opposition was received from one individual.

Your Committee finds that the State's obligation to native Hawaiians is firmly established in our constitution. This measure furthers the State's constitutional obligation by giving effect to the right of native Hawaiians to benefit from the public land trust. Your Committee further finds that the injustice and wrongfulness of historical events surrounding the annexation of Hawaii and the marginalization of its indigenous people remain deeply felt by native Hawaiians, the original sovereign people of the State, as well as other members of the public.

Act 304, Session Laws of Hawaii (SLH) 1990, relating to clarification of ceded land revenues, was a legislative effort to define the extent and scope of the State's obligation to transfer revenues derived from the public land trust to OHA in accordance with the constitutional and statutory mandate to dedicate twenty per cent of all revenue derived from the public land trust, as described above, for the betterment of the conditions of native Hawaiians.

However, the definitions of "public land trust" and "revenue", enacted by Act 304, SLH 1990, were effectively repealed by the decision of the Hawaii Supreme Court in *Office of Hawaiian Affairs vs. State of Hawaii*, 96 Haw. 388, 31 P.3d. 901 (2001), in a case involving ceded land revenues derived from the Honolulu International Airport because of a non-severability clause. Your Committee finds that those exact definitions must be reenacted into statute.



The clarification of the statutory purpose of OHA is a conforming amendment to delete material to avoid redundancy with the enactment of the new definitions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1151 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 235            Judiciary and Hawaiian Affairs on S.B. No. 1158**

The purpose of this measure is to specify the amount of interim revenue from the income and proceeds from the pro rata portion of the public land trust, to be paid to the Office of Hawaiian Affairs (OHA).

Testimony in support of this measure was received from OHA, Association of Hawaiian Civic Clubs, Friends of Mokuula, Inc., Hale Ku`ai Cooperative, and one individual. Testimony in opposition was received from one individual.

This measure is intended to provide immediate partial payment to OHA of revenues from public trust lands. The issue of how much revenue and from what sources is not yet determined. However, your Committee finds that OHA deserves to be paid at least a minimum undisputed amount in the meantime.

Your Committee has amended this measure by replacing its contents with appropriations in various amounts to OHA from various special funds having a connection to ceded lands. The amounts and the language for the appropriations from the various special funds were recommended by the Attorney General.

The amended measure contains appropriations representing all of OHA's portion of ceded land receipts for fiscal year 2001-2002, the portion of receipts of the current fiscal year for the Housing and Community Development Authority's Hawaii community development revolving fund, and the current fiscal year for the four Department of Land and Natural Resources special funds.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1158, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1158, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 236            (Joint) Judiciary and Hawaiian Affairs and Education on S.B. No. 1410**

The purpose of this measure is to appropriate \$470,765 out of the Tuition and Fees Special Fund to the University's systemwide support budget program to pay claims against the University, its officers, or employees.

Your Committee received testimony in support of this measure from the University of Hawaii. Testimony opposing the measure was received from Hawaii Moms and Dads 4Kids.

Your Committee finds that the appropriation is necessary to pay the various claims against the University.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1410 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 237            Health on S.B. No. 322**

The purpose of this measure is to appropriate funds for the Developmental Disabilities Service Branch of the Department of Health (Branch).

Hawaii Government Employees Association – AFSCME, submitted testimony in support of this measure. The Hawaii Services for the Disabled submitted testimony in support of the intent of this measure. The Department of Health submitted testimony supporting the intent of this measure but expressed concern that the appropriation may be premature, considering the possible funding source from the recently established neurotrauma special fund under chapter 321-4, Hawaii Revised Statutes.

Your Committee finds that the Branch provides critical services to persons with developmental disabilities, including maintaining support systems for persons with disabilities, and protecting their safety, health, and well being by certifying and monitoring adult foster homes and developmental disabilities domiciliary homes. Your Committee believes that this measure will assist the Branch in providing services to neurotrauma survivors and other persons with developmental disabilities.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 322 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Inouye).

**SCRep. 238 Health on S.B. No. 714**

The purpose of this measure is to make an appropriation for emergency advanced life support ambulance service for residents of Hawaiian Ocean View Estates on the island of Hawaii.

Testimony supporting this measure was received from the Department of Health, a member of the Hawaii County Council, Hawaii County Fire Department, Ocean View Volunteer Fire Department, American Heart Association of Hawaii, and four individuals.

Your Committee finds that Hawaiian Ocean View Estates, due to its isolated location, travel time, and geographic distance from appropriate medical services, does not receive adequate emergency medical services. This area experiences unacceptably long and potentially life-threatening delays in response times. One of the primary objectives of state government is to secure the public health and welfare. Your Committee recognizes the existing threat to the health and welfare of residents of Hawaiian Ocean View Estates and believes that the appropriation provided by this measure is necessary to alleviate that threat.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 714 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 239 Health on S.B. No. 1238**

The purpose of this measure is to allow an individual to set forth advance mental health-care directives, including the appointment of agents, that are to be recognized and respected under the law if the individual becomes incapacitated due to mental illness. The chapter proposed by this measure replaces chapter 327F, Hawaii Revised Statutes, titled Medical Treatment Decisions for Psychotic Disorders.

Testimony supporting this measure was received from the Department of Health, Hawaii Psychological Association, Mental Health Association in Hawaii, National Alliance for the Mentally Ill – Oahu, Hawaii Psychiatric Medical Association, Hawaii Disability Rights Center, and four individuals.

Your Committee recognizes the tremendous burdens experienced by individuals afflicted with a mental illness. Although the State, with its limited resources, provides numerous programs and medical services to aid those with a mental illness, your Committee acknowledges that an individual should have the authority to determine the scope and type of care and services that they will receive, especially when incapacitated. Current law, specifically chapter 327F, Hawaii Revised Statutes, does not authorize consumer choice in important areas of treatment preferences or proxy decision making. Your Committee finds that this measure improves on current law, reflects national standards, and assures individuals rightful control over the care they receive.

Your Committee has amended this measure by:

- (1) Conforming the advance mental health-care directive optional form provided by section -14 to the requirements of the proposed chapter; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1238, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Inouye).

**SCRep. 240 (Joint) Health and Judiciary and Hawaiian Affairs on S.B. No. 1279**

The purpose of this measure is to require a deposit of moneys into the tobacco enforcement special fund (fund) from the allocated portion of the stamp fee designated to pay for the cost of enforcing the cigarette tax stamp and fines thereto.

Testimony in support of this measure was received from the Attorney General (AG).

According to testimony of the AG, this measure consolidates the tax stamp fees collected for the enforcement of tobacco taxes with moneys received from enforcement of the tobacco Master Settlement Agreement (MSA). This measure also expands the purpose of the tobacco enforcement special fund to include enforcement of the cigarette stamp tax enforcement and tobacco reporting requirements, exempts the special fund from the payment of administration expenses and central services fees, and repeals the cigarette

tax stamp enforcement special fund. Consolidation of the cigarette tax stamp enforcement special fund into the tobacco enforcement special fund would provide moneys to fund the tobacco enforcement unit of the AG.

Your Committees have amended this measure by:

- (1) Adding that the amendments made to section 36-27, Hawaii Revised Statutes, relating to charges on special funds for central service expenses, are not repealed upon reenactment of that section on July 31, 2003; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1279, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1279, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Ihara).

**SCRep. 241 Health on S.B. No. 1360**

The purpose of this measure is to delete the requirement of a terminal condition diagnosis as the sole circumstance when “comfort care only” (do not resuscitate protocol) may be initiated by in-the-field emergency response personnel to persons whose heart or breathing have stopped.

Testimony supporting this measure was received from the Department of Health, Director of the University of Hawaii Elder Law Program, and one individual.

Your Committee finds that current law only recognizes “comfort care only” instructions (CCO) in emergency situations when the CCO includes a physician’s declaration that the patient has a terminal condition. Without a terminal diagnosis, individuals cannot secure an identifying CCO bracelet or necklace to ensure their wishes are followed. This requirement does not allow for a patient to exercise self-determination. However, CCO’s without diagnosis of a terminal condition are recognized in other venues, including patients in a hospital and an elder residing in a health-care facility. Emergency service personnel respond to patients without knowing their entire medical and personal history. Your Committee believes that this measure provides individuals the rightful control over the scope of emergency care they receive.

Your Committee has amended this measure by making technical, nonsubstantive amendments to reflect proper drafting style and to accurately reflect existing language of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1360, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1360, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 242 (Joint) Health and Judiciary and Hawaiian Affairs on S.B. No. 1367**

The purpose of this measure is to require the Hawaii Health Systems Corporation (HHSC) to develop procedures for obtaining verifiable information regarding the criminal history of persons who are employed or seeking employment in any of the HHSC’s health facilities.

Testimony in support of this measure was received from the State Attorney General, HHSC, and a Maui County Council member.

This measure is intended to protect patients at HHSC health facilities from possible harm from employees having criminal records. An employee could be terminated or an applicant could not be hired if the person has a conviction for an offense for which incarceration is a sentencing option, and the HHSC finds that the person has not been rehabilitated to warrant the public trust and therefore poses a risk to the health, safety, security, or well being of the HHSC’s patients. Due process provisions are included in this measure.

Your Committees are disturbed that this measure includes employed persons who could be terminated under the same circumstances as applicants. While your Committees recognize that law always takes precedence over contract provisions, the concern is that, according to the testimony, public employee unions were not consulted on this measure. Your Committees find that this measure expands the permissible scope of traditional grounds for employee termination and is not covered by the present collective bargaining contract for HHSC employees.

Your Committees have amended this measure by:

- (1) Deleting references to current employees and termination;
- (2) Adding that the Hawaii Criminal Justice Data Center may charge a reasonable fee for the checks;

- (3) Adding a definition of "criminal history record check" on the recommendation of the Attorney General;
- (4) Adding that an applicant must provide a consent to be fingerprinted and for a criminal history record check to be conducted;
- (5) Adding language to properly complete the appropriation provisions in Section 2; and
- (6) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Health and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1367, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1367, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Ihara).

**SCRep. 243      Health on S.B. No. 1482**

The purpose of this measure is to make an appropriation for a grant-in-aid to Saint Francis Healthcare System of Hawaii (SFHSH), for the Maui Renal Dialysis Center.

Testimony supporting this measure was received from the Department of Health, SFHSH, and one individual.

Your Committee finds that SFHSH has been serving Hawaii residents and visitors requiring dialysis treatments since 1965. Their services for Maui began in 1975 and has grown from a small three-station unit to a twenty-station facility today. Demand for services has increased over the years and SFHSH is planning construction of a new replacement facility with thirty patient stations that has the potential for expansion to forty-eight stations in the future. Your Committee finds the SFHSH provides a valuable medical service and the grant-in-aid provided by this measure will help expand its services to meet the growing needs of the public.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1482 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 244      Health on S.B. No. 1509**

The purpose of this measure is to provide a grant-in-aid to Kahuku Hospital to enable it to continue providing medical services that include emergency room operations and inpatient and outpatient care for the underinsured.

Testimony supporting this measure was received from Kahuku Hospital, Estate of James Campbell, Hawaiian Marine Enterprises, and two individuals.

Your Committee finds that Kahuku Hospital is one of six critical access hospitals in the State that serves a rural population of approximately 20,000 residents of North Shore, Oahu, and the 1,000,000 tourists that visit the area annually. Throughout the years, Kahuku Hospital has endured severe budget constraints while serving a growing population. The challenges are further exacerbated by the rise in the number of uninsured individuals, the increase in medical malpractice insurance premiums, and the increase in wages to keep pace with the job market. Despite these challenges, Kahuku Hospital has served the North Shore area diligently with high quality medical services. However, Kahuku Hospital faces serious financial challenges in the upcoming fiscal years. Your Committee believes that the grant-in-aid provided in this measure is imperative for Kahuku Hospital to maintain its level of services to the community.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1509 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 245      Health on S.B. No. 1675**

The purpose of this measure is to update and streamline the certificate of need process for the purpose of efficiency and to ensure it remains a useful monitoring and planning tool in assuring that health care facilities provide needed, quality, and affordable services without being overly burdensome to new providers.

Testimony supporting this measure was received from the Hawaii Disability Rights Center, Healthcare Association of Hawaii, Hawaii Pacific Health, and Queen's Development Corporation.

Your Committee finds that the State Health Planning and Development Agency (SHPDA) and the certificate of need process and requirements set forth in part V of chapter 323D, Hawaii Revised Statutes, have played a key role in ensuring that health care facilities

address the specific medical needs of Hawaii's residents and visitors. However, certain improvements are necessary to make them more efficient. Your Committee finds that this measure makes necessary and appropriate changes to the certificate of need process and SHPDA without compromising the quality of medical services provided in the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1675 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 246 Energy and Environment on S.B. No. 552**

The purpose of this measure is to encourage landowners to allow land and water access to personnel and volunteers of invasive species control or eradication programs by limiting the landowner's liability toward persons entering their property for these resource management purposes.

The Board of Land and Natural Resources, the Department of Agriculture, Coordinating Group on Alien Pest Species, Na Leo Pohai, The Nature Conservancy of Hawaii, and the Sierra Club submitted testimony supporting this measure. The Consumer Lawyers of Hawaii submitted testimony opposing this measure.

Your Committee finds that this measure reduces liability for owners of private land and endorses efforts to facilitate the control and eradication of invasive plant and animal species in watershed areas. Landowners who are unwilling to allow Coqui frog or Miconia removal on their property create higher costs to the State of continuing control efforts and may prevent any chance of eradication.

Your Committee has amended this measure by making technical, nonsubstantive changes to reflect existing statutory language.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 552, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 552, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 247 (Majority) Energy and Environment on S.B. No. 1517**

The purpose of this measure is to increase the conveyance tax and raise the allocation of conveyance tax revenues to the Rental Housing Trust Fund and the Natural Area Reserve Fund from the existing twenty-five per cent per fund allocation to thirty-five per cent per fund.

Testimony in support of this measure was submitted by KAHEA: The Hawaiian-Environmental Alliance, Hawaii's Thousand Friends, The Nature Conservancy of Hawaii, Na Leo Pohai, Maui Invasive Species Committee, Conservation Council for Hawaii, the Sierra Club, `Ilio`ulaokalani Coalition, the Hawaii Audubon Society, and four individuals. The Board of Land and Natural Resources provided testimony in support of the intent of this measure. Hawaii Association of Realtors submitted testimony opposing this measure. The Department of Taxation and Tax Foundation of Hawaii submitted comments on this measure.

The measure also requires that funds in the Natural Area Reserve fund also be used for the management of natural area reserves and an early detection and rapid response program for invasive species.

Your Committee finds that there is a direct relationship between the development and urbanization of land and the need to protect natural areas and watersheds. The legislature has already determined that the conveyance tax is an appropriate means to fund the conservation of natural resources on private land by dedicating 25 per cent of the current tax to the natural area partnership program and forest stewardship program. However, such dedicated funding has not been provided for the Natural Area Reserve System on state land.

Your Committee has amended this measure by limiting the conveyance tax allocation increase to transfers or conveyances of realty with a value of \$400,000 or greater. Your Committee notes that the conveyance tax allocation increase shall apply to the total taxable amount at or above \$400,000 and not limited to amounts up to \$400,000.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1517, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1517, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Kanno). Excused, 2 (Hooser, Hemmings).

**SCRep. 248 (Joint) Energy and Environment and Judiciary and Hawaiian Affairs on S.B. No. 1593**

The purpose of this measure is to require government agencies to address environmental justice concerns as part of their mission, develop environmental justice strategies, and evaluate the effects of proposed actions on the health and environment of native Hawaiian and low-income communities.

The Department of Health and the Office of Environmental Quality Control submitted testimony supporting the intent of this measure. Life of the Land submitted oral testimony supporting this measure.

Specifically, this measure creates an interagency working group to assist government agencies in discharging their environmental justice responsibilities; creates an advisory committee of nongovernmental groups to advise the working group; requires human health and environmental research, data collection, and analysis; and requires agencies to consider environmental justice principles in determining whether an action will have a significant effect on the environment.

Your Committees find there is a need for fair and equitable treatment of all persons as it evaluates and addresses the risks and consequences associated with environmental pollution.

Your Committees recognize that there are technical, nonsubstantive errors contained in this measure and request that the Committee on Ways and Means make appropriate corrections to this measure.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1593 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 249 Energy and Environment on S.B. No. 1609**

The purpose of this measure is to require the Public Utilities Commission (Commission) to establish a renewable energy credits trading program to ensure compliance with the State's renewable portfolio standards and to require the Department of Business, Economic Development, and Tourism to investigate the feasibility of Hawaii becoming a member of the Chicago Climate Exchange to generate needed revenue for the State.

The Sierra Club and Life of the Land submitted testimony in support of this measure. The Department of Business, Economic Development, and Tourism, and Hawaii Renewable Energy Alliance submitted testimony in support of the intent of this measure. Comments on this measure were submitted by the Hawaiian Electric Company, Inc. and its subsidiaries, the Public Utilities Commission, and the Department of Commerce and Consumer Affairs.

Your Committee finds that the Chicago Climate Exchange, also known as "CCX", is a voluntary attempt to create market incentives for participants to cut emissions by reducing and trading greenhouse gas emissions. Funded by grants from the Chicago-based Joyce Foundation and administered by Northwestern University's Kellogg Graduate School of Management, the goal of the exchange is to implement a voluntary pilot program for trading greenhouse gases in North America, to be later expanded to include international sources. Founding members of the exchange include American Electric Power, the City of Chicago, DuPont, the Ford Motor Company, International Paper, and Motorola, Inc.

Your Committee also finds that the establishment and operation of a renewable energy credits trading program will help facilitate the State's renewable portfolio standards law. Specifically, establishing a credit trading program and participating in the Chicago Climate Exchange offers utilities a mechanism for trading renewable energy credits for renewable energy generated in excess of renewable portfolio standards requirements, and trading renewable energy credits needed to meet renewable portfolio standards requirements. Effectively, trading renewable energy credits is a market-driven solution to help wean the State off of imported fossil fuels.

Your Committee has amended this measure by:

- (1) Deleting the January 1, 2004, deadline by which the Commission must adopt program rules;
- (2) Creating an advisory group to assist the Department of Business, Economic Development, and Tourism and the Commission in exploring and establishing a renewable energy trading credits program for the State; and
- (3) Delaying the implementation date of a renewable energy credits trading program to July 1, 2005.

Your Committee finds that these amendments are to provide the Public Utilities Commission and the Department of Business, Economic Development, and Tourism sufficient time and assistance in developing an effective renewable energy trading credits program.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1609, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1609, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Hooser, Kanno).

**SCRep. 250 Energy and Environment on S.B. No. 1614**

The purpose of this measure is to require that the Public Utilities Commission adopt a standard power purchase contract for the purchase of electricity by public utilities from nonfossil fuel producers and to allow an aggrieved nonfossil fuel producer to seek judicial redress if the Commission fails to develop and adopt a standard form of power purchase contract.

The Sierra Club, Life of the Land, Maui Group Sierra Club, and two individuals submitted testimony in support of this measure. Testimony in opposition to this measure was submitted by the Public Utilities Commission, Hawaiian Electric Company and its subsidiaries, and Covanta Energy Group. The Department of Business, Economic Development, and Tourism supports the intent of this measure and the Department of Commerce and Consumer Affairs provided comments on this measure.

Your Committee finds that the lack of a standard power purchase agreement has been often cited as an impediment by renewable energy producers who are trying to do business in the State and reduce Hawaii's dependence on imported fossil fuels. Without an idea of what a potential power purchase agreement with the Public Utilities Commission would require or may negotiate, it is a challenge for small renewable producers to do business in the State.

Your Committee has amended this measure in the following manner:

- (1) Requiring adoption of "one or more standard forms" of power purchase contracts rather than just a single standard form;
- (2) Requiring that the standard forms be as specific as possible but accommodate a variety of renewable energy resources and other variables; and
- (3) Deleting the subsection providing for "citizen suits" against the Public Utilities Commission.

Your Committee requests that the Public Utilities Commission place the adopted standard form of power purchase contracts online for public accessibility.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1614, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1614, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Hooser, Kanno).

**SCRep. 251 Human Services on S.B. No. 786**

The purpose of this measure is to establish a non-refundable tax credit for the qualified adoption expenses incurred in efforts to adopt a child.

Testimony in support of this measure was submitted by the Department of Taxation; the Hawaii Family Forum; and two concerned citizens. Testimony in support of the intent of this measure was submitted by Hawaii International Child, Inc. The Department of Human Services and the Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that this measure establishes a non-refundable tax credit that is similar to the federal tax credit established under section 23, Internal Revenue Code of 1986, as amended, which allows taxpayers to adopt a child to claim a non-refundable tax credit. The Department of Taxation testified in support of this measure, provided that the amount of the tax credit be limited to \$5,000. According to the Department of Taxation, the projected revenue loss to the State of providing a \$5,000 tax credit, would be \$330,000.

Accordingly, your Committee has amended this measure by setting the amount of the tax credit at \$5,000, rather than \$10,000.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 786, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 786, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Tsutsui).

**SCRep. 252 Transportation, Military Affairs, and Government Operations on S.B. No. 91**

The purpose of this measure is to authorize the Department of Transportation (DOT) to remove highway obstructions that interfere with traffic or endanger public safety, and to provide limited immunity to DOT employees and agents from claims of damage to personal property.

Your Committee received testimony in support of this measure from the DOT, the Police Department of the City and County of Honolulu, and Verizon Hawaii. The Consumer Lawyers of Hawaii submitted testimony opposing the portions of the measure that provide the DOT with civil immunity.

Your Committee finds that due to serious traffic congestion in Hawaii, particularly in urban areas, obstructions on the highways must be removed as fast as possible. Therefore, your Committee supports this measure, which will facilitate a multi-agency program to improve clearance of highway obstructions ranging from stalled vehicles to major accidents.

Your Committee also supports providing DOT employees and agents limited immunity from claims for damage to personal property. Your Committee finds that DOT employees and agents work diligently and carefully in the public interest, and that the DOT and the State should not be unduly penalized. At the same time, this measure allows lawsuits for personal injuries caused by the removal of an obstruction pursuant to this measure. Your Committee finds this to be an appropriate balance between the public interest and the right of an injured person to seek redress.

Your Committee amended this measure by expanding the civil immunity provided to DOT personnel by including alleged claims of damage to personal property, and clarifying that immunity does not extend to claims for personal injury.

Your Committee also amended this measure to create an exemption so that DOT authority to remove obstructions does not apply to facilities and equipment belonging to a public utility. Public utility equipment is highly specialized, and your Committee agrees that employees of the utility should handle their own equipment to prevent disruption of service and to protect the public.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 91, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 91, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Menor).

**SCRep. 253      Transportation, Military Affairs, and Government Operations on S.B. No. 317**

The purpose of this measure as referred to your Committee was to formally reestablish the Fiftieth Anniversary Commemoration of the Korean War Commission (Commission) and to appropriate funds for the Commission to complete its work.

Your Committee received testimony in support of this measure from the Department of Defense, the Office of Veterans Services, forty-six members of the Maui Chapter of the Korean War Veterans Association, ninety-nine members of the Hawaii Chapter of the Korean War Veterans Association, one hundred two members of the 5<sup>th</sup> Regimental Combat Team, the Aloha Chapter of Chosen Few, and one hundred thirty-eight proud veterans.

Your Committee finds that military veterans who risked their lives to preserve freedom and democracy deserve our utmost honor and respect, and that we should never forget that freedom is not free. Many of those who fought in combat on behalf of the United States paid dearly with their lives.

Your Committee further finds that this year marks the 50<sup>th</sup> anniversary of the end of the Korean War, and that the Commission has many final events planned to honor veterans of that War. Your Committee fully supports a final appropriation of funds so that the Commission can complete its work this year.

Your Committee has amended this measure to delete the provisions reestablishing the Commission. Through Act 181, Session Laws of Hawaii 2002, the Legislature formally reestablished the Commission, and therefore the deleted provisions are unnecessary. Your Committee also amended the purpose section of the measure accordingly.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 317, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 317, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 254      Transportation, Military Affairs, and Government Operations on S.B. No. 335**

The purpose of this measure is to appropriate funds as a grant-in-aid to the City and County of Honolulu to clean and remediate the Salt Lake Waterway.

Your Committee received testimony in support of this measure from the Department of Health and a concerned resident of Salt Lake.

Your Committee finds that the waterways in the Salt Lake area, aside from being malodorous, present a health hazard for local residents and those coming in contact with the water, which is often full of rubbish, debris, and sediment.

Although several efforts have been undertaken in the past several years to clean the Salt Lake Waterways, your Committee finds that a concerted, systematic effort is required to ensure that the waterways are returned to a healthy state and remain that way.

Therefore, your Committee supports a joint effort sponsored by the State, the City and County of Honolulu, and the federal government to provide funds for that purpose.

To ensure that the City and County of Honolulu participates fully in this effort, your Committee has amended this measure to require the City and County of Honolulu to match every dollar that is appropriated by the State as a grant-in-aid for cleaning the Salt



Lake Waterway. Your Committee feels that this solution is equitable, and urges all parties to seek federal funding to assist in the effort.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 335, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 335, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 255      Transportation, Military Affairs, and Government Operations on S.B. No. 344**

The purpose of this measure is to provide funding to increase the number of emergency public shelters available by retrofitting public buildings with the installation of hurricane protective measures.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, the Department of Education, the Department of Defense, the Oahu Civil Defense Agency, the Hawaii County Civil Defense Agency, the Hawaii State Chapter of the American Red Cross, and a concerned citizen. The Hawaii Association of Realtors submitted testimony in opposition to one of the sources of funding proposed by this measure (Hawaii Hurricane Relief Fund).

Your Committee finds that the Hawaiian Islands are vulnerable to natural disasters such as hurricanes or tsunamis. In the event of such a disaster, the State needs to be able to provide emergency shelter to persons forced from their homes.

Your Committee further finds that this measure could provide sufficient funding to increase the number of emergency shelter spaces in the State to 40,000, primarily by retrofitting public school facilities.

While your Committee agrees with the need to provide funding for additional public shelter spaces, your Committee was reluctant to use any portion of the Hawaii Hurricane Relief Fund or the general revenues of the State.

Therefore, your Committee has amended this measure to authorize the issuance of general obligation (GO) bonds to finance the project. Your Committee finds GO bonds to be an appropriate source of funds for the capital improvement projects called for by this measure.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 344, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 344, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 256      Transportation, Military Affairs, and Government Operations on S.B. No. 735**

The purposes of this measure are:

- (1) To automatically repeal all administrative rules on July 1, 2006, unless the impacted agency can justify the need for the rule to the Legislature prior to that date; and
- (2) To direct the Small Business Regulatory Review Board (Board) to conduct an analysis of all regulatory programs to assist the Legislature in determining whether the program should be repealed or continued.

Your Committee received testimony in support of the intent of this measure from the Board. Testimony in opposition to this measure was submitted by the Department of Budget and Finance, the Department of Human Services, the Department of the Attorney General, the Hawaii State Ethics Commission, the Office of Information Practices, Hawaii's Thousand Friends, and the Hawaii Chapter of the Sierra Club. The Department of Business, Economic Development and Tourism and the League of Women Voters of Hawaii provided comments.

Your Committee is concerned about the increasing number of administrative rules being adopted in Hawaii, and that those rules are not reviewed often enough to ensure their necessity. Therefore, your Committee supports the intent of this measure, which will force each state agency to review carefully all administrative rules under its jurisdiction.

At the same time your Committee agrees that the wholesale repeal of all administrative rules in three years may be overbroad, and may result in the unintentional repeal of a necessary rule.

Therefore, your Committee amended this measure to blank out the date on which all administrative rules will be automatically repealed, and recommends that this measure be reviewed further by the Legislature. Your Committee also made a technical, nonsubstantive amendment for accuracy.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 735, as amended herein,

and recommends that it pass Second Reading in the form attached hereto as S.B. No. 735, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aduja, Kanno).

**SCRep. 257      Transportation, Military Affairs, and Government Operations on S.B. No. 737**

The purpose of this measure is to automatically repeal, without public notice or public hearing, all administrative rules that were adopted pursuant to a statute or ordinance that has been subsequently repealed.

Your Committee received comments orally from the Department of Business, Economic Development and Tourism. The Hawaii Chapter of the Sierra Club provided testimony in opposition to the measure.

Your Committee finds that it is common practice for the Legislature, when enacting a law, to give statutory authority to a public agency to adopt rules that will have the force and effect of law.

However, when statutes are repealed, administrative rules adopted pursuant to the repealed statute are not automatically repealed, and therefore there are many administrative rules in existence with no current statutory authorization. Your Committee finds that agencies are reluctant to repeal such administrative rules due to the high costs associated with compliance with the Administrative Procedure Act (APA). Therefore, your Committee supports this measure, which will repeal outdated administrative rules automatically, without regard to the APA.

Your Committee amended the measure to require each public agency, including the Judiciary, to review all administrative rules under its jurisdiction, and to report to the appropriate legislative body regarding which rules are automatically repealed pursuant to this measure. Without such a reporting requirement, the public will have no way of knowing which rules are current and which have been repealed.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 737, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 737, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aduja, Kanno).

**SCRep. 258      Transportation, Military Affairs, and Government Operations on S.B. No. 835**

The purpose of this measure is to require the waiver of unpaid taxes and fees for a vehicle owned by a person age seventy or over, when the owner transfers the vehicle to a person receiving medical assistance or to a tax-exempt organization.

A concerned citizen testified orally in support of this measure. Your Committee received comments on this measure from the Department of Customer Services of the City and County of Honolulu.

Your Committee finds that this measure will address an increasingly common problem in the State. According to one testifier, apparently as our residents grow older, their motor vehicles may sit unregistered and unused for various reasons, such as death of a spouse, illness, or merely because the person stops driving.

Even while the vehicle sits unused, however, it continues to incur registration fees and taxes, which quickly mount. Then, when the owner attempts to transfer the vehicle, the unpaid taxes and fees must first be paid.

Your Committee finds that in such cases, if the owner attempts to transfer the vehicle to a person receiving medical assistance, as defined in section 346-1, Hawaii Revised Statutes, or to a tax exempt organization, there should be a provision in the law requiring the unpaid taxes and fees to be waived to prevent unnecessary hardship.

Your Committee amended this measure to clarify the language.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 835, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 835, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 259      Transportation, Military Affairs, and Government Operations on S.B. No. 873**

The purpose of this measure is to include transporting an unrestrained animal in the bed of a pickup truck within the criminal offense of cruelty to animals.

Your Committee received testimony in support of this measure from the Hawaiian Humane Society and the Kauai Humane Society. The Office of the Public Defender provided comments on this measure.

Your Committee finds that persons often drive their pickup trucks and carry their dogs (or other animals) in the bed unrestrained. While Rover enjoys the freedom to roam around the bed of the truck and the rush of wind against his fur, a canine's inherent exuberance can lead the dog to jump or fall out of the moving truck.

Your Committee agrees that an owner who allows such action should be held accountable under the statute criminalizing cruelty to animals. Many pets are lost each year to such tragedies, and traffic hazards result when pets roam free on the roads.

Your Committee has amended this measure to clarify that only pickup trucks on public property are subject to the offense. In addition, your Committee replaced the term "restrained" with "properly contained or cross-tied." As amended, your Committee finds that this measure will be easier to enforce and will save the lives of many vulnerable animals.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 873, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 873, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 260      Transportation, Military Affairs, and Government Operations on S.B. No. 1050**

The purpose of this measure is to require the State of Hawaii to pay, in advance, the costs of funeral and burial services and repatriation of the remains of a Filipino American World War II veteran.

Your Committee received testimony in support of this measure from the Department of Defense, the Office of Veterans' Services, the Oahu Filipino Community Council, the Hawaii Chapter of WWII Fil-Am Veterans, and four proud Filipino American veterans. The Department of Accounting and General Services provided comments on this measure.

Your Committee finds that military veterans who risked their lives to preserve freedom and democracy deserve our utmost honor and respect, and Filipino American veterans who served our country during World War II are no exception.

Your Committee further finds that most American military veterans are offered burial in a state or national veterans cemetery when they pass away, or at the very least the state or nation offers to pay the expenses of burial and funeral.

Sadly, this is not the case for many Filipino American veterans of World War II, and your Committee believes this injustice must be corrected immediately. Therefore, your Committee fully supports this measure, as it has during the past two legislative sessions.

Your Committee amended this measure to place a cap of \$2,500 on the amount that the State must pay for each veteran receiving funds under this measure. Your Committee finds that this cap will strike an appropriate balance between our ethical obligation to support veterans, and the State's dire financial situation.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1050, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1050, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 261      Transportation, Military Affairs, and Government Operations on S.B. No. 1201**

The purpose of this measure is to require a license to operate in this State as a motor vehicle distributor or manufacturer.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs (DCCA), Motor Vehicle Industry Licensing Board, Big Island Toyota, Inc., Midpac Auto Center, Hawaii Automobile Dealers Association, Orchid Isle Auto Center, and five franchised new car dealers. Comments were received from Ford Motor Company.

This measure applies to motor vehicle distributors the same procedures, protections, rights, and remedies extended to motor vehicle dealers. The problems addressed are the purported coercion of dealers by distributors and manufacturers with regard to business practices, and other acts that inhibit the business of dealers.

Your Committee notes the testimony of the DCCA that motor vehicle manufacturers, factory branches, factory representatives, distributors, distributor branches, and distributor representatives were previously licensed under chapter 437, Hawaii Revised Statutes, but were removed from the law in 1996. Since that time, a number of motor vehicle franchise laws have been enacted on the state and federal levels, such that at the present time there are specific motor vehicle franchise laws in forty-nine other states. Therefore, Hawaii is apparently the only state without such a law.

Your Committee also notes the testimony of Ford Motor Company that it needs more time to come to consensus with the Hawaii Automobile Dealers Association with regard to the language of this measure. Further discussion and consideration is necessary before this measure is enacted.

Accordingly, your Committee has amended this measure by changing the effective date to July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1201, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1201, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 262 Labor on S.B. No. 49**

The purpose of this measure is to allow police radio dispatchers to retire after at least twenty-five years of credited service.

Testimony in support of the measure was received from the Honolulu Police Department and the Hawaii Government Employees Association.

Testimony in opposition of the measure was received from the Department of Budget and Finance. The Employees' Retirement System submitted comments on the measure and is in the process of working with its actuary to develop a cost estimate if the measure is enacted.

Your Committee finds that existing law does not allow police radio dispatchers with at least twenty-five years of credited service and who are not at least fifty-five of age (for contributory members), or sixty-two years of age (for noncontributory members), to retire without an actuarial age penalty as it does for other law enforcement and public safety positions, including police officers, firefighters, water safety officers, and investigators.

Your Committee also finds that police radio dispatchers perform their duties under highly stressful and continually demanding circumstances. The provision of further benefits, as provided to other public safety and law enforcement officers, is necessary to allow for the retention and recruitment of qualified police radio dispatchers and supervisors.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 49 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

**SCRep. 263 Labor on S.B. No. 435**

The purpose of this measure is to require the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) to establish a flexible health benefits option plan to enable retirees to select levels of health benefits coverage under separate option categories.

Testimony in support of this measure was submitted by the Retirees Unit of the Hawaii Government Employees Association and the Hawaii State Teachers Association.

Testimony in opposition to this measure was submitted by a private citizen.

Your Committee finds that to meet the needs of retirees, the EUTF should establish a flexible health benefits option plan to allow the selection of benefits coverage tailored to the retired employee-beneficiary's needs. Additionally, your Committee determines that EUTF coverage should also be extended to allow employee-beneficiaries to enroll their spouses who are not public employees or retired employee-beneficiaries.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 435 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 264 Labor on S.B. No. 762**

The purpose of this measure is to remove the cap on the employer's monthly contribution for health benefits plans for retirees.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the Retirees Unit of the Hawaii Government Employees Association, the United Public Workers of Hawaii, the Hawaii State Teachers Association, and the Hawaii State Retired Teachers Association.

Your Committee finds that although under existing law, the employer's monthly contribution for health benefits plans for retirees is scheduled to be adjusted annually, beginning July 1, 2004, the cost for health benefits has already increased, if not exceeded the amounts specified in section 87A-33(b), Hawaii Revised Statutes.

Your Committee determines that in order to avoid the imposition of a financial burden upon the retirees and to fulfill an obligation to the retirees in recognition of their years of dedicated public service, timely action must be taken to ensure that retirees maintain similar health benefits, to that which were provided to them prior to the establishment of the Employer-Union Health Benefits Trust Fund.

Accordingly, your Committee has amended the measure as follows:

- (1) By requiring the monthly employer contribution to be adjusted annually, beginning July 1, 2002; and
- (2) By calculating the percentage increase or decrease in medicare part B premium rate by dividing the medicare part B premium in effect at the beginning of the new plan year by the rate in effect at the beginning of the previous plan year.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 762, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 762, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 265 Labor on S.B. No. 763**

The purpose of this measure is to require the State to pay to the Employer-Union Health Benefits Trust Fund a contribution equal to an amount of not less than the medical part B premium for voluntary medical insurance under Medicare for retirees.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the Retirees Unit of the Hawaii Government Employees Association, the United Public Workers, the Hawaii State Teachers Association, the Hawaii State Retired Teachers Association, the Oahu Retired Teachers Association, and a private citizen.

Your Committee finds that once public employees reach the age of sixty-five, they are required to enroll in the Medicare Part B medical insurance plan in order to maintain insurance coverage with the State providing supplemental coverage only. Your Committee also finds that, under the existing law, the State is required to pay to the Employer-Union Health Benefits Trust Fund (EUTF) a contribution in the amount of \$50 per month, or an amount otherwise determined by the EUTF board, for voluntary medical insurance coverage under Medicare for retirees.

However, your Committee finds that the cost of the Medicare Part B medical insurance plan has continually increased and has already exceeded this \$50 amount. Additionally, your Committee finds that a six-month lag exists in the reimbursement of retirees for any cost differential resulting from an increase in the Medicare Part B medical insurance plan premium. Therefore, in order to adequately compensate retirees, your Committee believes that the EUTF should reimburse retirees for at least the full amount of the Medicare Part B premium and ensure that any differential due to a rate increase is also reimbursed in a timely manner.

Accordingly, your Committee has amended the measure to require the EUTF to reimburse the retiree for any cost differential due to a rate increase in the Medicare Part B medical insurance plan within thirty days of the rate change.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 763, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 763, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 266 Labor on S.B. No. 765**

The purpose of this measure is to enhance public school principals' and vice principals' retirement benefits.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association.

Testimony in support of the intent of this measure was submitted by the Department of Education.

Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Comments on the measure were submitted by the Employees' Retirement System who will work with its actuary to determine the annual cost impact of the measure to the State and on the Employees' Retirement System's unfunded liability.

The measure proposes to enhance public school principals' and vice principals' retirement benefits by:

- (1) Allowing them to retire after twenty-five years of service; and

- (2) Increasing their pension accrual rate from either two per cent (class A contributory) or one and one-quarter per cent (class C noncontributory), to two and one-half per cent per credited year of service; provided that certain qualifications are met.

Your Committee finds that the public school system is encountering difficulty in recruiting and retaining qualified administrators. Your Committee believes that in order to attract and retain highly qualified administrators, it is necessary to provide incentives in the form of reduced requirements for retirement eligibility. However, your Committee is reluctant to increase the pension accrual rate of principals and vice principals at this time.

Therefore, your Committee determines that the measure should be amended to strictly address the issue of retirement eligibility and has amended this measure as follows:

- (1) By replacing the language in the measure to provide that if the member has at least twenty-five years of credited service, of which the last ten or more years prior to retirement is credited service as a public school principal or vice principal, then upon retirement and irrespective of age, that member's service retirement allowance shall not be reduced for actuarial purposes; and
- (2) By amending section 88-281, Hawaii Revised Statutes, to include a new subsection which allows a noncontributory member with at least twenty-five years of credited service, of which the last ten were credited as a public school principal or vice principal, to be eligible to receive a retirement benefit unreduced for age upon retirement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 765, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 765, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 267 Labor on S.B. No. 1126**

The purpose of this measure is to place police radio dispatchers in the same class A beneficiary group as police officers, firefighters, and other health and safety personnel in order to receive enhanced retirement benefits.

Testimony in support of this measure was submitted by the Police Department of the County of Maui and the Hawaii Government Employees Association.

Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Comments regarding this measure were submitted by the Employees' Retirement System which will be working with its actuary to determine the cost impact of the measure on the annual cost to the counties and the Employees' Retirement System's unfunded liability.

Your Committee finds that police officers, firefighters, and other health and safety personnel receive a retirement allowance of two and one-half per cent of the employee's average final compensation for each year of service and are allowed to retire after twenty-five years of service, regardless of age, without incurring an actuarially-reduced pension.

Your Committee also finds that police radio dispatchers perform their duties under highly demanding and stressful situations, different, yet equivalent to the demands placed upon police officers. Your Committee also finds that police radio dispatchers provide an invaluable service to the community and should be afforded the benefit of an enhanced retirement benefit in recognition of their dedicated service to the public.

However, your Committee determines that the increase in employee contributions to the Employees' Retirement System may pose an increased financial burden upon some police radio dispatchers that was not contemplated at the time of employment. Therefore, your Committee believes that police radio dispatchers in service prior to January 1, 2004, should be provided the option of changing their retirement benefit class, but that future hires should be designated as class A members.

Your Committee has amended this measure as follows:

- (1) By amending section 88-47, Hawaii Revised Statutes, to include police radio dispatchers who are hired after December 31, 2003, in the same class A beneficiary group as police officers, firefighters, and other health and safety personnel; and
- (2) By providing police radio dispatchers, hired prior to January 1, 2004, who are either regular class A or class C members with the option of converting to the class A beneficiary group that includes police officers, firefighters, and other health and safety personnel.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1126, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

**SCRep. 268 Water, Land, and Agriculture on S.B. No. 554**

The purpose of this measure is to allow the Department of Agriculture to import as many as four, live, sterile Brown Tree snakes for research and for training detector dogs.

Testimony in support of this measure was submitted by the Board of Agriculture, the Hawaii Agriculture Research Center, the Nature Conservancy of Hawaii, and the Hawaii Pest Control Association.

Your Committee finds that when the Department of Agriculture can only import one snake at a time, that one snake has often died soon after arrival in Hawaii. Thus, by increasing the number of allowable imports to as many as four snakes, the department will constantly have a snake available for research and training purposes.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 554 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 269      Water, Land, and Agriculture on S.B. No. 1256**

The purpose of this measure is to extend the Board of Agriculture's deadline to submit the Agricultural Water Use Development Plan to the Legislature from twenty days prior to the convening of the 2002 Regular Session, to twenty days prior to the convening of the 2004 Regular Session.

Testimony in support of this measure was submitted by the Board of Agriculture, Maui County Farm Bureau, Hawaii Agriculture Research Center, and Pineapple Growers Association of Hawaii.

Your Committee finds that in 1998, when the Department of Agriculture was directed to develop the Agricultural Water Use Development Plan, no funds were appropriated for its development. The Legislature appropriated \$300,000 for fiscal year 2002-2003 to match a federal grant from the U.S. Department of the Interior, Bureau of Reclamation. A combination of state funds and the federal grant are now being used to begin the plan. Adequate funding will allow the completion of this plan by 2004.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1256 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 270      Water, Land, and Agriculture on S.B. No. 1416**

The purpose of this measure is to amend the legislative disapproval process for land exchanges by making the legislative disapproval occur after the Board of Land and Natural Resources' preliminary approval of the land exchange, but before the final execution of the exchange deeds.

Testimony in support was submitted by the Department of Land and Natural Resources.

Your Committee finds that as the law is currently written, the Legislature exercises its oversight after execution of the exchange deed or at the very end of the disposition process. By that time, a significant amount of time and funds will already have been invested into the exchange. This could pose an unacceptable level of risk to private landowners who have to spend their own time and effort toward completing the exchange, which could result in public funds having to be used to acquire the lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1416 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Whalen).

**SCRep. 271      Tourism on S.B. No. 1460**

The purpose of this measure is to require the Hawaii Tourism Authority (HTA) to include in its contracts certain provisions to ensure accountability and efficient use of public funds.

Testimony in opposition to this measure was received from the HTA.

Although the HTA objected to this measure, its oral testimony admitted to its effort to include all of the provisions in its larger contracts, ranging from \$3,500,000 to about \$6,000,000. The HTA's concern was that requiring the inclusion of the provisions in a contract might defeat the consummation of a contract, particularly with sophisticated "New York" lawyers representing the other side.

Your Committee notes that there was no strenuous objection to any of the specified provisions in the measure. A moderate objection was raised with regard to requiring the contractor to obtain prior permission from the HTA to subcontract, because a big contractor such as the National Football League might subcontract for the performance of a part of the contract.

The executive director of the HTA characterized his objection as "philosophical" because contract matters should be left to the discretion of the executive director or the administrator of the contract. The concern was that requiring the provisions in a contract, particularly a complex contract, might defeat contract negotiations if the other side does not agree to include the provisions. The point was that flexibility in negotiating a contract is necessary.

Your Committee is concerned that while the current executive director may be forthright in striving to include the provisions in the larger contracts, there is no assurance that the practice would continue with the next executive director. Therefore, your Committee finds that enacting the requirements into statute is the best means of ensuring the accountability and efficient use of public funds in future contracts.

The testimony of the executive director of the HTA was that the two variables for a threshold at which a contract would be required to include the provisions are amount and complexity of the contract.

Your Committee has considered the comments of the HTA and has amended this measure as follows:

- (1) Requiring provisions to be included in each contract that exceeds \$3,000,000 or a contract of a level of complexity (as determined by the executive director) that a reasonably prudent person would expect the contract to contain those provisions;
- (2) Allowing the HTA flexibility to suspend one or all of the provisions if it would jeopardize consummation of a contract and requiring a memorandum signed by the executive director with an explanation to that effect; and
- (3) Requiring inclusion in the annual report of any suspension of the provision.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1460, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1460, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 272 Commerce, Consumer Protection and Housing on S.B. No. 913**

The purpose of this measure is to make appropriations relating to the development and implementation of the loss mitigation grant program.

Testimony in support of this measure was received from the Hurricane Mitigation Task Force and four individuals.

Act 179, Session Laws of Hawaii (SLH) 2002, codified as Article 22 of the Insurance Code, established the loss mitigation grant program for the insurance commissioner to make loss mitigation grants to install wind resistive devices. Section 431:22-102, Hawaii Revised Statutes (HRS), created the loss mitigation grant fund for this purpose.

This measure appropriates funds into the loss mitigation grant fund, as authorized in section 431P-16, HRS, and appropriates funds out of the loss mitigation grant fund to the insurance commissioner to develop and implement the loss mitigation grant program. Although Act 179, SLH 2002, originally contained an appropriation for this purpose, it was line item vetoed.

This measure is intended as start-up moneys to implement the loss mitigation grant program which would allow homeowners to install wind resistive devices on their homes. The grants are an incentive for homeowners to harden their homes against hurricane.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 913 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Whalen).

**SCRep. 273 Commerce, Consumer Protection and Housing on S.B. No. 614**

The purpose of this measure is to create and fund a health insurance fraud investigations unit within the Insurance Division and establish immunity from civil liability for reporting health insurance fraud.

State Farm Insurance Companies and the Hawaii Medical Service Association testified in support of this measure. The Department of Commerce and Consumer Affairs and the Hawaii Medical Association supported the measure's general intent. The Consumer Lawyers of Hawaii submitted comments on the measure.

Insurance fraud is presently prohibited under the motor vehicle insurance laws and is subject to investigation by an insurance fraud investigations unit. This measure creates a similar unit for the investigation and prosecution of health insurance fraud. In addition, this



measure provides for immunity from civil liability for persons who report health insurance fraud, except where the person has acted with malice or committed perjury.

Your Committee has amended this measure by:

- (1) Expanding the definition of "malice" to include acting with reckless disregard with respect to the falsity of information being reported;
- (2) Deleting references to section 431:10C-307.7, Hawaii Revised Statutes with respect to the definition of "insurance fraud", and providing that the term means to knowingly present, or cause or permit to be presented, with the intent to defraud, any false information on a claim; and
- (3) Making technical, nonsubstantive amendments for clarification.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 614, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 614, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 274 (Majority) Economic Development on S.B. No. 1627**

The purpose of this measure is to appropriate funds to encourage and support community-based physical improvements resulting from comprehensive regional community-based economic development planning initiatives.

Testimony supporting this measure was submitted by the Office of Hawaiian Affairs, County of Hawaii, Hilo-Hamakua Community Development Corporation, Hawaii Alliance for Community-Based Economic Development, Empower Oahu, Empower North Shore Oahu, and the Waipahu Community Association. The Department of Business, Economic Development, and Tourism submitted testimony in support of the intent of this measure.

Your Committee finds that community-based economic development planning initiatives under the Department of Business, Economic Development, and Tourism assist community organizations with economic development ventures and help build the skill level and capacity of an organization. Additionally, the impact of these initiatives has provided grassroots organizations the ability to empower the most "economically depressed" communities throughout Hawaii.

Your Committee has amended this measure by inserting \$200,000 for each fiscal year of the appropriation.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1627, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1627, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Trimble). Excused, 1 (Kanno).

**SCRep. 275 Economic Development on S.B. No. 560**

The purpose of this measure is to appropriate funds to the University of Hawaii to support the current services and expand the programs of the Hawaii Small Business Development Center Network (SBDC).

Testimony supporting this measure was received from the Department of Business, Economic Development, and Tourism, SBDC, Maui Economic Development Board, Inc., Kona-Kohala Chamber of Commerce, Strategic Visions International, Hawaii Venture Capital Association, Maui High Performance Computing Center, Inaba Architecture, Precision Payroll & Bookkeeping Service, CJ Creations Optique, Hawaii Taro Company, Inc., Ohana Orchids, Inc., Kapala'ahu, Origin – The Language Agency, Volcano Orchid Farms, Business Plans Hawaii, and four individuals.

Your Committee finds that small businesses in Hawaii comprise ninety-seven per cent of businesses in the State and are the primary contributors to the economy, generators of new jobs, and innovators in industry. The SBDC is a partnership program between the University of Hawaii at Hilo and the U.S. Small Business Administration. Through its programs, SBDC has assisted numerous individuals in starting, sustaining, and growing their small businesses. Your Committee believes that SBDC's efforts have fortified Hawaii's economic foundation and finds that the appropriation made by this measure is necessary for SBDC to continue and expand its programs.

Your Committee notes that SBDC has experienced substantial reductions of \$475,000 in operating revenue during the past biennium. The appropriation is intended to offset these reductions, and to expand the number of small businesses served from 1,000 to 2,000 throughout Hawaii.

Your Committee has amended this measure by requiring SBDC to report to the 2004 Legislature on the services it provides, volume and categories of businesses served, and any other information relevant to assessing the performance of SBDC.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 560, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 560, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 276 Economic Development on S.B. No. 82**

The purpose of this measure is to designate businesses within the boundaries of the closed Barbers Point Naval Air Station that are designated "qualified businesses" eligible for enterprise zone tax and economic benefits as provided in chapter 209E, Hawaii Revised Statutes.

Testimony supporting this measure was received from the Hawaii Motorsports Center and one individual. Opposing testimony was received from the Department of Taxation, Department of Business Economic Development, and Tourism (DBEDT), and Hawaii Community Development Authority (HCDA).

Your Committee finds that the area specified in this measure references the area known as Kalaeloa. Since the closure of the Barbers Point Naval Air Station, Kalaeloa has endured the severe economic repercussions of a sudden and massive exodus of residents, consumers, and businesses. Your Committee believes all reasonable efforts should be made to revitalize the area.

Your Committee has amended this measure by confining "qualified business" status to businesses existing in the specified Kalaeloa area on July 1, 2003. As amended, this measure provides immediate relief to existing businesses and would not apply to new businesses entering the area.

In addition, your Committee notes the testimony of DBEDT and HCDA which indicate that the Administration is developing a comprehensive plan to economically revitalize Kalaeloa. Therefore, your Committee has amended this measure to require DBEDT and HCDA to report to the 2004 Legislature on the final plan.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 82, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 277 Judiciary and Hawaiian Affairs on S.B. No. 361**

The purpose of this measure is to allow the Department of Public Safety to contract with a private nonprofit corporation for the purpose of managing and implementing expanding Weed and Seed programs.

Your Committee received testimony in support of this measure from the Honolulu Police Department, the Downtown Neighborhood Board, Waikiki Citizens Patrol, Benefit Capital Financial Services, Inc., Hale Kipa, Inc., Meadow Gold Dairies, the Kakaako Improvement Association, Pacific Gateway Center, and the Kalihi-Palama-Chinatown Economic Development Initiative. The Department of Public Safety and the Department of Business, Economic Development and Tourism Housing and Community Development Corporation of Hawaii supported the intent of the bill. The Executive Director of the Weed and Seed Hawaii Strategy provided background information.

Your Committee finds that Operation Weed and Seed is a national strategy organized by the Department of Justice and managed by the United States Attorney's Office. The Department of Justice will fund up to \$175,000, or three sites per county. Hawaii's three designated sites are: Chinatown/Palama/Kalihi, designated in 1998; Waipahu, designated in 2000, and Ewa/Ewa Beach, designated in 2002. Since the inception of the program in the Chinatown/Palama/Kalihi site, crime has been reduced by seventy percent.

Your Committee further finds that the purpose of the Weed and Seed program is to prevent, control, and reduce violent crime, drug abuse, and gang activity in targeted high-crime neighborhoods across the country. The two-pronged approach includes weeding or removing criminals who participate in violent crime and drug abuse from the community, and seeding or providing health and human services and economic revitalization to the site. Communities are responsible for identifying their problem priorities and recommending strategies to deal with the problems.

Your Committee believes that the Weed and Seed program is a valuable investment in our communities' ability to regain control of their neighborhoods. Your Committee amended the bill by:

- (1) Replacing sections two and three of the bill with language establishing a temporary interdepartmental council to be administratively attached to the Lieutenant Governor's office and made up of seven members appointed by the Governor from various government agencies and the Judiciary;
- (2) Adding an appropriation of \$700,000 in fiscal years 2003-2004 and 2004-2005 to fund Weed and Seed programs and to fund grant writing services within the Lieutenant Governor's office;
- (3) Amending the purpose section to conform to the added sections; and

- (4) Making the Act effective on July 1, 2003.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 361, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 361, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 278            Judiciary and Hawaiian Affairs on S.B. No. 618**

The purpose of this measure is to amend the Hawaii Revised Statutes (HRS) to:

- (1) Allow the Crime Victim Compensation Commission (CVCC) to transfer an award for a minor to a custodian for the benefit of the minor pursuant to the Uniform Transfers to Minors Act;
- (2) Exempt Crime Victim Compensation records from public access;
- (3) Allow the CVCC to provide compensation for mental health services to qualifying individuals;
- (4) Redesignate "pain and suffering" compensation to an "acknowledgment award";
- (5) Allow nonpayable victim restitution ordered pursuant to §§ 706-646 and 712A-18 to be deposited into the crime victim compensation special fund instead of escheating to the state general fund; and
- (6) Repeal the Department of Public Safety's reporting requirements and certain specific information from the CVCC's annual reporting requirements, and require the Judiciary to submit an annual to the governor and the Department of Public Safety.

Your Committee received testimony in support of this measure from the Crime Victim Compensation Commission, Mothers Against Drunk Driving, and the Department of the Prosecuting Attorney. The Office of Information Practices supports the intent of part of the bill with amendments. The Judiciary took no position on the measure.

Your Committee finds that the CVCC was created thirty-five years ago to reimburse expenses of victims who suffer physical or emotional injury or death as a result of a violent crime. The experience gained over the years through working with countless victims, relatives, dependents, and witnesses, provides the CVCC with insight as to how the Crime Victim Compensation laws might better compensate and protect victims, and better ways of administering Crime Victim Special Funds. This measure sets forth the CVCC's recommendations with the amendments proposed by the CVCC. The bill as amended:

- (1) Deletes the contents of section three that provided an excluded CVCC records from public disclosure;
- (2) Allows the CVCC to retain private counsel to pursue repayment of Crime Victim Special Funds from victims to whom compensation was paid and who subsequently receive money from civil law suits, court ordered restitution, or insurance proceeds by amending §§ 28-8.3, 351-13, and 351-64.5, HRS, in sections three, four, and nine of the bill;
- (3) Provides notice in § 523A-3.5, HRS, section 11 of the bill that restitution moneys shall be deposited into the crime victim compensation special fund; and
- (3) Makes conforming amendments to the purpose section.

Your Committee notes that the Office of Information Practices (OIP) issued OIP Op. Ltr. No. 03-02 at the request of the CVCC for an opinion concerning access to its records. The OIP concluded that the CVCC's records were excluded from the affirmative disclosure obligation based on § 92F-13(1) (unwarranted invasion of personal privacy) unless the information is already part of a public record, and § 92F-13(3) (frustration of a legitimate government function). Additionally, the OIP opined that CVCC records were excluded from disclosure to offenders pursuant to §§ 92F-22(2) and 92F-22(4).

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 618, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 618, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 279            (Joint) Judiciary and Hawaiian Affairs and Education on S.B. No. 636**

The purpose of this measure is to establish a Hawaiian language immersion program as a complete educational program or schooling experience provided to students in the medium of the Hawaiian language.

Testimony in support of this measure was received from the Department of Education (DOE), Na Leo Kako`o O Maui, Inc., and one hundred seventy-five individuals.

This measure is intended to permanently establish the Hawaiian language immersion program in the public schools. The DOE is authorized to create a separate office of Hawaiian language immersion instruction for the direction and control of the program.

In addition to the preservation of the Hawaiian language and culture, this measure is a vehicle for revitalization of the Hawaiian language and assisting the people of Hawaiian ancestry to regain and maintain their language.

Your Committees were impressed with every Hawaiian language immersion student who testified on this measure. Almost each one said that the program is more than language instruction. It actually helps Hawaiian students to learn, to like school, and to succeed in school. Therefore, your Committees find that this program has an inestimable and intangible value beyond just language instruction.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 636 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 280 (Joint) Judiciary and Hawaiian Affairs and Education on S.B. No. 640**

The purpose of this measure is to require tuition waivers for native Hawaiian students at the University of Hawaii (UH).

Testimony in support of this measure was received from the UH, Ka Lahui Hawaii, and eight individuals. Testimony in opposition was received from one individual.

Your Committees find that this measure is consistent with the Strategic Plan of the University of Hawaii that recognizes the need “to strengthen the crucial role that the University of Hawaii system performs for the indigenous people and general population of Hawaii by actively preserving and perpetuating Hawaiian culture, language, and values.” The UH acknowledges the severe underrepresentation of native Hawaiian students and is committed to increase the representation and success of native Hawaiian students on all campuses and supports financial aid for native Hawaiians to remedy past wrongs and discrimination, particularly with regard to their special status as indigenous people.

Your Committees further find that the tuition at the UH, though reasonable by standards of comparable institutions on the mainland, could be an impediment to native Hawaiian students who must often pay for the tuition without any financial support from family or otherwise.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 640 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 281 (Joint) Judiciary and Hawaiian Affairs and Human Services on S.B. No. 877**

The purpose of this measure is to require that female offenders are provided with substantially the same range and quality of programs offered to similarly situated male offenders.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, the Hawaii Youth Services Network, Hale `Opio Kaua`i, Inc., the Community Alliance on Prisons, Government Efficiency Teams, Inc., two employees from T.J. Mahoney & Associates, three University of Hawaii graduate students, five T.J. Mahoney residents, and a concerned citizen. The Office of Youth Services supported the intent of the bill. Testimony opposing the measure was received from the Department of Public Safety.

Your Committee finds that since 1972, Hawaii’s female offender population has risen almost six hundred percent. The majority are nonviolent offenders incarcerated on drug and property offenses. Sixty percent are mothers and many of these are the heads of their families.

Your Committee further finds that women inmates have different needs than male inmates stemming in part from being sexually or physically abused. Women also are often responsible for children. Research has proven that gender-responsive programming is an effective tool in addressing issues specific to women. Female offenders currently experience program disparities while incarcerated as compared to their male counterparts.

Your Committee amended section three of the bill to make the list of program models non-inclusive by inserting the words “but not be limited to.”

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 877, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 877, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (English, Ige, Inouye, Trimble).

**SCRep. 282      Judiciary and Hawaiian Affairs on S.B. No. 1140**

The purpose of this measure is to set forth the Judiciary operating and capital improvement appropriations for fiscal years 2003-2004 and 2004-2005.

Your Committee received testimony in support of this measure from the Judiciary and the Estate of James Campbell. Hawaii Moms and Dad 4Kids opposed the bill.

Your Committee finds that for the past decade, the Judiciary's growth in appropriations has primarily been associated with collective bargaining increases, most other gains were offset by reductions to the budget base. Demand for court services, however, has continued to outpace the resources provided. Therefore, the Judiciary's general fund budget request, as received, includes additional funding of approximately \$3.5 million in fiscal year 2004 and an additional \$1.4 million in fiscal year 2005, bringing the total for the second year to \$4.9 million. In addition to these amounts, \$5 million is requested in each year of the biennium for the Judiciary's Information Management System Project (JIMS). The largest single request is for funding to support the JIMS project which has been ongoing for a number of years and is finally at the point where a substantial financing commitment is required. The budget also addresses the issue of improving caseload management, especially at the appellate court level where funding and positions are requested for two Intermediate Court of Appeal judgeships that were statutorily authorized by the 2000 Legislature. Additionally, funding and positions are requested for two circuit court judgeships; one for the second and one for the third judicial circuits. The Judiciary also seeks to expand Drug Court activities in several circuits.

Your Committee further finds that the Judiciary's budget request includes resources to support the new Kauai Courthouse that will become operational in 2005. Also included are requests for technological upgrades, additional permanent technology division positions, and contract security personnel.

Your Committee further finds that the Judiciary's Capital Improvements Project budget includes funds for the Hilo Judiciary Complex and the Kapolei Judiciary Complex. New funding is being requested for the Children's Justice Center, ongoing architectural barrier removal, building upkeep, and remodeling and upgrading efforts for Judiciary buildings statewide.

Notwithstanding the budget requests submitted, the Chief Justice of the Hawaii Supreme Court, in his State of the Judiciary Address, pledged to review the Judiciary's current budget situation and propose areas for restricting moneys from the Judiciary's current budget as well as withdrawing some of the Judiciary's budget requests. Therefore, based on the priorities submitted by the Judiciary, your Committee amended the bill by:

- (1) Reducing the Court of Appeal operating budget in fiscal years 2004 and 2005 by \$11,915;
- (2) Reducing the First Judicial Circuit's operating budget in fiscal years 2004 and 2005 by \$430,177;
- (3) Reducing the Second Judicial Circuit's operating budget by \$151,013 and two positions in fiscal year 2004, and by \$176,015 and three positions in fiscal year 2005;
- (4) Reducing the Third Judicial Circuit's operating budget by \$228,280 and three positions in fiscal year 2004, and by \$207,685 and three positions in fiscal year 2005;
- (5) Reducing the Fifth Judicial Circuit's operating budget by \$84,973 and one position in fiscal year 2004, and by \$127,663 and five positions in fiscal year 2005; and
- (6) Reducing the Administration's operating budget by \$1,883,093 and six positions in fiscal year 2004, and by \$2,123,803 and seven positions in fiscal year 2005.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1140, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 283      Transportation, Military Affairs, and Government Operations on S.B. No. 1588**

The purpose of this measure is to establish a three-step graduated drivers licensing program for persons under the age of eighteen, and to require drivers under age eighteen to be accompanied by a licensed driver over age twenty-one when driving between 11:00 p.m. and 5:00 a.m.

Your Committee received testimony in support of this measure from the Police Department of the City and County of Honolulu, State Farm Insurance, the Hawaii Insurers Council, Keiki Injury Prevention Coalition, the American Automobile Association Hawaii, Mothers Against Drunk Driving - Hawaii (MADD), and three members of MADD's Youth in Action program. The National Transportation Safety Board submitted safety and accident statistics regarding young drivers.

Your Committee finds that drivers under the age of eighteen are overrepresented in motor vehicle collisions. Due to their lack of experience, lack of supervised training, and in some cases, lack of maturity, young drivers are particularly vulnerable to dangerous or inattentive driving habits.

Therefore, your Committee supports this measure, which will establish a three-stage graduated driver licensing program for persons under age eighteen. Before becoming eligible for a full drivers license, drivers under age eighteen must obtain a "provisional license" and comply with its requirements for at least six months.

Holders of a provisional license must be accompanied by a parent or guardian when driving between 11:00 p.m. and 5:00 a.m., must ensure that all passengers wear seat belts at all times, and may not transport any unrelated persons under age eighteen. A provisional license holder who has met all of these requirements for at least six months will be eligible for a two-year drivers license when they reach age seventeen, and a full license upon reaching age eighteen.

Your Committee finds that the graduated licensing program proposed by this measure strikes an appropriate balance between recognizing that our youth must be given adult responsibilities, such as driving, and ensuring that they have the tools necessary to protect themselves and the public.

Based on MADD's testimony, your Committee made several amendments to this measure. Most of the amendments are "housekeeping" amendments to make the measure internally consistent with the intent expressed above.

Substantively, your Committee amended this measure to require a judge to suspend or revoke a provisional license if a youth fails to meet the requirements of the license; as introduced, this measure would have given a judge discretion in that regard.

Also, your Committee amended this measure to clarify that a license suspension must be for at least six months, but not necessarily until the driver reaches age eighteen. Without this amendment, it would have been possible for a sixteen year old to suffer a license suspension of nearly two years.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1588, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1588, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 284 (Joint) Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture on S.B. No. 2**

The purpose of this measure is to require a purchasing agency to purchase only agricultural products that are grown, produced, raised, or manufactured in the State.

Testimony in support of this measure was received from the Board of Agriculture, State Procurement Office, ILWU Local 142, Hawaii Farm Bureau Federation, and Hawaii Agriculture Research Center.

Your Committees find that although current law provides a bid preference to Hawaii products, this measure strengthens the law which should result in more local products purchased by a purchasing agency. Your Committees note that this measure would not apply if the local supplier's price, after adjustment under current law for preference, still exceeds the price charged by a competing out-of-state supplier. Therefore, purchase of local products at the lowest possible price would still prevail.

Your Committees have amended this measure by changing "state procurement administrator" to "procurement policy board" in reference to rule making.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs and Government Operations and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 2 (English, Kanno).

**SCRep. 285 Transportation, Military Affairs, and Government Operations on S.B. No. 345**

The purpose of this measure is to require any person who sells more than three motor vehicles in a year to be licensed by the Motor Vehicle Licensing Board (Board) and to place additional sales site disclosure requirements on auto dealers.

Your Committee received testimony in support of this measure from the Board, the Hawaii Automobile Dealers Association, the Hawaii Independent Automobile Dealers Association and one of its board members individually, the Hawaii Insurers Council, and a concerned citizen.

Your Committee finds that licensure of auto dealers by the Board promotes accountability and helps to ensure that the vehicle being sold is legitimately registered and titled. This is especially important in Hawaii, which has one of the highest auto theft rates in the nation.

Your Committee further finds that the auto theft rate would decline if private unlicensed individuals were limited to selling three vehicles a year; this measure would target the persons who “fence” stolen vehicles.

In addition, this measure would promote fairness among auto dealers. Dealers licensed by the Board incur costs that are not borne by private parties, and thus licensed dealers are unable to sell autos as cheaply as unlicensed persons. Therefore, your Committee believes that this measure promotes several beneficial goals.

Your Committee has amended this measure based on the Board’s testimony. First, your Committee amended this measure to apply the Board’s licensure requirements to any individual selling three or more vehicles a year, regardless of whether the seller technically “owns” the vehicle. Your Committee finds that many sellers do not “own” title to the vehicle being sold, and therefore this amendment fills a loophole.

Your Committee also amended this measure to remove the provisions that place additional sales site disclosure requirements on dealers. The Board testified that it is aware of no situations in which licensed dealers fail to properly and adequately disclose their sales locations, and thus this amendment was unnecessary.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 345, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 345, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 286      Transportation, Military Affairs, and Government Operations on S.B. No. 462**

The purpose of this measure is to amend the criteria for firearms safety and training courses to ensure that individuals who seek to acquire a handgun complete a course specifically designed for handguns.

Your Committee received testimony in support of this measure from the Police Department of the City and County of Honolulu. Testimony in opposition to this measure was submitted by the Hawaii Rifle Association, Lessons in Firearms Education, an instructor certified by the National Rifle Association, and a concerned citizen.

Your Committee finds that since the State authorizes individuals to carry and use guns, we have an obligation to ensure that gun toters are properly trained in safety techniques, for their own safety and for the public safety. Every testifier both for and against this measure agreed on this point.

There was much disagreement at the public hearing, however, about whether a specific handgun training course is necessary, or whether a rifle training course was adequate to instruct individuals to safely use a handgun. Existing law does not differentiate between handgun training and rifle or shotgun training.

After carefully weighing the testimony, your Committee finds that handguns and rifles are different sizes, have different weights, are used in different positions, and are handled differently.

Your Committee is therefore persuaded that there is sufficient difference between handguns and rifles to justify requiring applicants for a handgun permit to undergo a safety course specific to their weapon of choice. Your Committee finds that there are many similarities between handguns and rifles, but the public safety and welfare demands that the State do everything possible to ensure that gun users are properly trained.

Your Committee made several technical, nonsubstantive amendments to this measure for purposes of accuracy and clarity.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 462, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 462, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 287      Transportation, Military Affairs, and Government Operations on S.B. No. 464**

The purpose of this measure is to require the Department of Transportation (DOT) to develop an action plan for implementation of a fixed rail transit system on Oahu, and to begin acquiring land necessary for the system, through eminent domain or direct negotiation.

Your Committee received testimony in support of this measure from a concerned citizen. The Oahu Metropolitan Planning Organization (OMPO) and Citizens Advocating Responsible Education submitted comments. A concerned citizen submitted testimony in opposition to this measure. The Department of Transportation submitted testimony taking no position on this measure.

Despite the fact that every resident of Oahu agrees that the automobile traffic congestion here is unbearable, your Committee finds that our island still lacks any viable, broad-scale mass transit system.

Your Committee is aware that the City and County of Honolulu has accelerated plans to implement the Bus Rapid Transit system, but there is much disagreement in the transportation engineering community about whether such a system is practical for Oahu, and whether such a system will actually decrease traffic congestion.

On the other hand, your Committee finds that a fixed rail transit system, which will be located above ground, will be a fuel-efficient answer to our traffic woes. Fewer motor vehicles on our roadways should be our goal with any mass transit system.

Therefore, your Committee supports this measure, and urges the DOT to hasten its efforts to develop a fixed rail transit system.

Your Committee amended this measure to require the DOT to work with the Department of Transportation Services of the City and County of Honolulu, as well as OMPO, to develop the system. Your Committee agrees that all interested parties must work together in order to make any mass transit system a success.

Your Committee also amended this measure to require the DOT to explore the possibility of constructing a monorail if the full-scale fixed rail system is not feasible. Although monorails are typically shorter and smaller-scale than other types of fixed rail systems, your Committee notes that such a system may be appropriate for Oahu given its small geographic size.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 464, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 288      Transportation, Military Affairs, and Government Operations on S.B. No. 480**

The purpose of this measure is to add a \$100 fine, to be paid to the law enforcement agency that made the arrest, for the offense of operating a vehicle under the influence of an intoxicant and the offense of operating a vehicle after consuming a measurable amount of alcohol for persons under the age of twenty-one.

Testimony in support of this measure was received from the Honolulu Department of the Prosecuting Attorney, Honolulu Police Department, and Mothers Against Drunk Driving. Testimony in opposition was received from the Office of the Public Defender. Comments were received from the Department of Transportation.

The law enforcement agency receiving the proceeds of the fine would be required to use the funds to facilitate law enforcement of the provisions under which the fine was assessed, including acquisition of in-car video cameras, radar and laser speed detection devices, or alcohol breath testers, and the payment of court overtime.

This measure is intended to simultaneously be a deterrent and punishment to offenders, with the added benefit of assisting the counties by enhancing their revenue stream with a dedicated source of funding for their law enforcement agencies.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 480 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 289      (Joint) Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture on S.B. No. 528**

The purpose of this measure is to transfer certain Hawaii county lands to the State.

Testimony in support of this measure was received from the Mayor of the County of Hawaii (Mayor).

Act 97, Session Laws of Hawaii 1965 (Act 97), transferred the responsibility for functions that were deemed to be of statewide concern from the counties to the State. Among these functions were the planning, construction, improvement, and maintenance of public school facilities and grounds, and the transportation of school children. Prior to the passage of Act 97, the counties issued bonds to plan, construct, improve, and maintain public school facilities and grounds. Since these functions are now wholly the responsibility of the State, it is appropriate to begin transferring all remaining county lands and improvements under the Department of Education to the State.

Your Committees have amended this measure on the recommendation of the Mayor to add certain buildings and improvements constructed by the County of Hawaii on state land prior to an Executive Order in 1967, relating to the Department of Education. Your Committees agree that these transfers are appropriate.



As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs and Government Operations and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 528, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 528, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 3 (English, Kanno, Menor).

**SCRep. 290      Transportation, Military Affairs, and Government Operations on S.B. No. 579**

The purpose of this measure is to appropriate funds as a grant-in-aid for the Honolulu Police Department (HPD) to establish a 3-1-1 non-emergency reporting system, and to require that a surcharge be placed on each 3-1-1 phone line to cover the operational costs of the system.

Your Committee received testimony in support of this measure from the HPD and the Department of the Prosecuting Attorney of the City and County of Honolulu. Verizon Hawaii and Verizon Wireless submitted testimony in opposition to this measure.

Your Committee finds that HPD receives over one million calls annually through the enhanced 9-1-1 emergency telephone service requesting police, fire, or ambulance services. Approximately 700,000 to 800,000 of those calls are for police services, and of that number, nearly 70 per cent are requests for non-emergency police services.

Your Committee finds that the tremendous number of non-emergency calls through the 9-1-1 service overloads the system and affects the State's ability to respond quickly and efficiently to emergency situations.

Therefore, your Committee supports this measure, which will give callers an alternative number to call for non-emergencies, reserving 9-1-1 for callers that require a rapid response.

Your Committee amended this measure to remove the provisions that would have required a surcharge to be placed on each 3-1-1 phone line. HPD testified that many aspects of the 3-1-1 system will be funded through the HPD's regular annual budget, and your Committee finds that an initial grant-in-aid to provide start-up costs may be sufficient.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 579, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 291      (Joint) Transportation, Military Affairs, and Government Operations and Education on S.B. No. 655**

The purpose of this measure is to require the adoption of hurricane-resistant shelter criteria to regulate the planning, design, construction, and equipment of all new public school buildings built after June 30, 2004.

The Departments of Defense and Accounting and General Services submitted testimony in support of the intent of this measure.

This measure also applies the criteria for hurricane-resistant shelters established by the adjutant general in 1997 to the planning, design, construction, and equipment of all new public school buildings built before July 1, 2004, that are designated as hurricane emergency shelters.

Your Committees find that assuring the hurricane resistance of new and existing school buildings is an important priority of the State.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs and Government Operations and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 655 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 11. Noes, none. Excused, 1 (Kanno).

**SCRep. 292      Transportation, Military Affairs, and Government Operations on S.B. No. 1026**

The purpose of this measure is to change the penalty for driving a moped without a license to a fine of not more than \$1,000 or imprisonment of not more than thirty days, or both.

Testimony in support of this measure was received from the Department of Transportation and Honolulu Police Department. Comments were received from the Office of the Public Defender.

This measure is a follow-up on Act 37, Session Laws of Hawaii 2002, which added the requirement that a moped operator be licensed beginning July 1, 2003. Current law imposes the same penalty for driving a moped without a license as is imposed for driving a motor vehicle without a license.

However, your Committee finds that mopeds should be treated differently than motor vehicles with regard to driving without a license. Your Committee further finds that the penalties under this measure are appropriate to the crime.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1026 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 293      Transportation, Military Affairs, and Government Operations on S.B. No. 1048**

The purpose of this measure is to expand the exercise of the powers of the county police departments to extend beyond the boundaries of their respective counties.

Testimony in support of this measure was received from the Honolulu Police Department.

This measure is intended to assist all county police departments by allowing them to form multiagency task forces to combat criminal organizations, which operate throughout the State. This measure would also serve to allow a county police department to assist another county police department in such things as emergency situations such as hostage taking, civil disturbances, or explosives remediation. Current law would require the assisted county to deputize the assisting county's officer, which is a barrier to an integrated and coordinated police network serving the entire State.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1048 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 294      Transportation, Military Affairs, and Government Operations on S.B. No. 1105**

The purposes of this measure are:

- (1) To establish "habitually operating a vehicle under the influence of an intoxicant" as a separate felony offense;
- (2) To delete statutory language requiring law enforcement officers to inform a person suspected of impaired driving of the possible criminal and civil sanctions for refusal to take a sobriety test;
- (3) To permit the refusal to submit to a blood alcohol content (BAC) test to be used as evidence in the criminal trial for impaired driving;
- (4) To permit the use of juvenile adjudications to be counted as "prior offenses" for enhanced sentencing in impaired driving offenses; and
- (5) To include bicycles as vehicles covered by the impaired driving statutes.

Your Committee received testimony in support of this measure from the Department of Transportation, the Department of the Attorney General, the Police Department and the Department of the Prosecuting Attorney of the City and County of Honolulu, and Mothers Against Drunk Driving – Hawaii. The Office of the Public Defender submitted testimony in opposition to this measure. The Judiciary submitted comments.

Your Committee finds that the problem of drunk driving remains as serious as ever in the islands. Last year, over 2,100 drivers were stopped for suspicion of drunk driving. Your Committee finds that those who drink and drive must be treated like the criminals they are.

Therefore, your Committee supports this measure, which was drafted by the Honolulu Prosecutor's Office to strengthen our State's drunk driving laws. Your Committee supports each of the purposes of this measure, which will send a message that our State is intent on removing dangerous drivers, especially the habitual offenders, from the roads.

Your Committee amended this measure to reinstate a urine test as a permissible method of measuring a person's BAC. As received, the measure proposed to delete the utilization of urine tests as an acceptable means of determining a person's BAC under section 291E-11(a), Hawaii Revised Statutes. Your Committee also delayed the effective date until January 1, 2004, to give the Judiciary time to coordinate with all counties and law enforcement agencies regarding implementation of these amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1105, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 295      Transportation, Military Affairs, and Government Operations on S.B. No. 1121**

The purpose of this measure is to clarify procedures when a driver is detained for a traffic violation by a police officer.

Testimony in support of this measure was received from the Honolulu Police Department and Honolulu Prosecuting Attorney. Testimony in opposition was received from the Office of the Public Defender.

This measure provides criminal penalties for the driver of a motor vehicle or moped for refusing to provide identification when detained for a violation of chapter 286, Hawaii Revised Statutes (HRS), relating to highway safety, chapter 291, HRS, relating to traffic violations, and chapter 291C, HRS, relating to the Statewide Traffic Code.

Police officers are generally limited in traffic enforcement to issuing citations or summonses. When doing so, an officer must attempt to accurately identify the person. If the person refuses to provide any identification, the officer must rely on verbal information given by that person. Such information can be misleading, but there is no penalty for refusing to give proof of identity. This measure closes the loophole by providing for a fine of \$200 or imprisonment of not more than ten days, or both. Your Committee finds that the penalty is justified and reasonable.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1121 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 296      Transportation, Military Affairs, and Government Operations on S.B. No. 1136**

The purpose of this measure is to remove law enforcement mileage fees in relation to driver's license revocation hearings.

Testimony in support of this measure was received from the Judiciary and Honolulu Police Department (HPD).

This measure is a conforming amendment to the amendment enacted in Act 157, Session Laws of Hawaii 2001, which provided that the costs of issuing subpoenas for witnesses, including mileage fees, is to be borne by the party requesting the subpoena. The Act did not delete the reference to law enforcement mileage fees from the list of administrative costs covered under the \$30 statutory charge for fees and costs. This measure makes it clear that the party requesting the subpoena must pay for the law enforcement mileage fees as with any other witness mileage fees, in addition to the \$30 fee.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1136 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 297      Transportation, Military Affairs, and Government Operations on S.B. No. 1146**

The purpose of this measure is to decrease, from ten to five, the number of years that the county clerk's office must retain campaign spending reports.

Your Committee received testimony in support of this measure from the Campaign Spending Commission (Commission).

Your Committee finds that public access to recent campaign spending reports is a vitally important component of the democratic process that must be preserved. However, your Committee also realizes that the Commission is overrun with paper, partially due to the fact that it maintains all original campaign spending reports from the past ten years in hard copy in its office.

Due to the recent increase in electronic filing of campaign spending reports, your Committee believes that it will be much easier for the Commission to retain records electronically; one election period worth of reports can be stored on a single CD-Rom, which can replace several file cabinets. Your Committee believes that the reports should be stored electronically now, and that the county clerks' offices should not have to hold the reports for a full ten years.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1146 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 298      Transportation, Military Affairs, and Government Operations on S.B. No. 1216**

The purpose of this measure is to allow police to take breath, blood, or urine tests from persons involved in a motor vehicle accident who are not injured or refuse to be treated for an injury.

Testimony in support of this measure was received from the Department of Transportation, Honolulu Police Department, and Honolulu Department of the Prosecuting Attorney. Comments were received from the Office of the Public Defender.

This measure also:

- (1) Adds the offense of operating a vehicle after consuming a measurable amount of alcohol by persons under the age of twenty-one to the list of violations under which a law enforcement officer with probable cause may request a sample of blood or urine; and
- (2) Clarifies that the notice of administrative revocation does not serve as a temporary permit if at the time of the arrest the person refused to take a breath, blood, or urine test.

The intent of this measure is to cover the situation where suspected impaired drivers are not injured in a collision involving injury or death refuse to take a test. Current law in practical effect covers only situations where the driver is injured, because the driver is afforded medical treatment usually at a hospital where a definitive test can be administered. Thus, the uninjured impaired driver may elude conviction without having the benefit of a blood or urine test result, notwithstanding that the driver may have taken a breath test. Therefore, your Committee finds that this measure closes a loophole in the law.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1216 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 299      Transportation, Military Affairs, and Government Operations on S.B. No. 1401**

The purpose of this measure is to authorize the Department of Transportation (DOT) to collect a passenger facility charge (PFC) from departing airline passengers, and to create a PFC special fund.

Your Committee received testimony in support of this measure from the DOT and the Airlines Committee of Hawaii.

Your Committee finds that PFCs were authorized by federal law enacted in 1991. The purpose of a PFC is to provide public agencies an additional source of capital funding to provide for expansion and maintenance of the airport system.

Your Committee considered amending the law in years past to authorize the collection of a PFC from persons departing from Hawaii's airports. In the past, your Committee declined to do so, because interisland passengers would have also been subject to the PFC, and your Committee considered it an unfair economic burden on local residents.

Current PFC regulations allow for an exemption for interisland passengers, and therefore your Committee now fully supports this measure. PFCs are an important source of revenue collected by nearly every major airport in the United States, and your Committee finds that the State of Hawaii must take advantage of the federal law allowing PFCs.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1401 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 300      Transportation, Military Affairs, and Government Operations on S.B. No. 1448**

The purpose of this measure is to allow two or more county council members to appear together to testify before the Legislature or a state board without violating chapter 92, Hawaii Revised Statutes (HRS), the so-called "Sunshine Law."

Your Committee received testimony in support of this measure from the Hawaii County Council and the League of Women Voters of Hawaii. The Office of Information Practices submitted testimony taking no position on this measure.

Your Committee finds that in the past, the Attorney General has opined that it may be a violation of the Sunshine Law for more than two members of a county council to appear before a legislative body or state board to testify. Section 92-2.5, HRS, specifies the situations in which two more county council members may interact, and it is unclear whether testifying before a legislative body or board qualifies.

Therefore, your Committee supports this measure, which clearly specifies that two or more county council members may testify before the Legislature or a state board without violating the Sunshine Law. Of course, if the council members confer with each other regarding official county business while appearing to testify, your Committee believes that such a conference may still be a violation of the Sunshine Law. However, county council members should not have to forfeit their right to testify before the Legislature or a state board.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1448 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 301      Education on S.B. No. 10**

The purpose of this measure is to appropriate funds to the Department of Education to hire educational assistants and retired teachers as paraprofessional test coordinators to assist middle school and high school counselors.

The Hawaii State Teachers Association submitted testimony in support of the intent of this measure. The Department of Education submitted comments on this measure.

Your Committee finds that with the implementation of the Hawaii Content and Performance Standards and the No Child Left Behind Act, the Department of Education's requirements of testing children has dramatically increased to the point that the testing requirements restrict the contact time a school counselor has with students. Paraprofessional assistance would greatly lessen the clerical workload placed on counselors, allowing them the time they need to work effectively with students.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 10 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 302      Education on S.B. No. 13**

The purpose of this measure is to appropriate funds to hire an educational officer and clerk for the Department of Education's Professional Development and Educational Research Institute.

The Department of Education and Hawaii Government Employees Association testified in support of this measure.

Your Committee finds that there is a critical shortage of principals and twelve-month educational officers, fifty per cent of current school administrators are projected to retire within the next five years, and professional development activities for educational officers have been severely hampered by budget restrictions. This measure authorizes general fund appropriations for staff to assist with recruitment and professional development activities.

Your Committee recommends appropriation amounts of \$52,790, and \$63,347, for fiscal years 2003-2004 and 2004-2005, respectively.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 13 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Menor).

**SCRep. 303      Education on S.B. No. 15**

The purpose of this measure is to require the Department of Education to implement measures to ensure newly hired employees receive their paychecks in a timely manner and in accurate amounts.

Testimony in support of the intent of the measure was submitted by the Department of Education and the Department of Accounting and General Services.

The measure provides that if the Department of Education is unable to pay the total wages due to a newly hired employee by the second pay period after the employee's start date, the Department of Education may pay the newly hired employee partial wages in an amount not less than fifty per cent of the amount due for the second pay period and for each consecutive pay period thereafter in which the Department of Education maintains a paycheck deficit with the newly hired employee.

Your Committee finds that the public school system is faced with a critical shortage of teachers and school-level administrators that is projected to increase over the next few years. Your Committee further finds that providing accurate and timely paychecks to newly hired staff should be a basic yet essential part of the department's recruitment and retention activities.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 15 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 304 Education on S.B. No. 17**

The purpose of this measure is to advance the age for entry into kindergarten from age five by December 31 of the school year to age five before August 1 of the school year and to require any cost-savings realized during that school year to be used for early education programs.

Testimony in support of this measure was submitted by the Hawaii State Parent Teacher Student Association, a private child and family therapist, and a public school counselor. Testimony in support of the intent of this measure was submitted by the Department of Education (DOE) and the Department of Human Services (DHS). Testimony in opposition to this measure was submitted by the Hawaii Association for the Education of Young Children. The Department of Budget and Finance, the Hawaii State Teachers Association, and the Good Beginning Alliance submitted comments.

Your Committee finds that only two states, Hawaii and Maryland, allow entrance into kindergarten to children who achieve age five by December 31 of the school year. Your Committee further finds that this creates a kindergarten cohort where early born students are developmentally more advanced and ready to learn than their younger classmates. Thus, those who are younger often struggle and fall behind, needing remedial services as they advance into the first grade and possibly throughout their educational experience. Your Committee believes that gradually advancing the age for entry into kindergarten will not only provide a more inclusive educational experience for students, but will provide kindergarten teachers with a more homogeneous cohort of students who are more likely to learn and succeed.

Your Committee recognizes the concerns expressed about the need for early childhood education programs to assist those families whose children will no longer be eligible for kindergarten, and agrees that the State should assist in this regard. Your Committee further acknowledges that there are legitimate arguments for mandating kindergarten, especially given one estimate that 98 percent of Hawaii children attend either a public or private kindergarten. However, since several years will pass before the age requirement changes, the Committee will defer to the DOE for further information before making a decision regarding mandatory kindergarten.

After careful consideration and discussion amongst the committee members, your Committee has amended this measure by:

- (1) Deleting the statement at the end of Section 1 regarding the re-direction of cost-savings into early education programs;
- (2) Adding a definition of "pre-kindergarten" to Chapter 302A, Hawaii Revised Statutes (HRS);
- (3) Requiring that the DOE provide pre-kindergarten services, within available resources, for children who are not eligible for kindergarten due to the changing age requirements;
- (4) Allowing the DOE to offer pre-kindergarten services to families at public schools outside their school district;
- (5) Allowing the DOE to accept gifts to establish and maintain pre-kindergartens and offer available facilities for public or privately-operated pre-kindergartens;
- (6) Repealing the provisions of section 302A-1131, HRS, and re-inserting relevant provisions in section 302A-411, HRS;
- (7) Requesting the DOE conduct an analysis to identify projected cost-savings and adverse impacts on resources of advancing the age for entry into kindergarten and mandating kindergarten attendance;
- (8) Replacing the provision mandating that any cumulative savings from this Act be committed to and used by the DOE or the DHS for early education programs with a provision stating legislative intent that any cost-savings be reallocated by the DOE for pre-kindergarten programs, and requiring the superintendent to report cost-savings projections to the Legislature in 2005 and 2006; and
- (9) Making technical non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 17, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 17, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Menor).

**SCRep. 305 Education on S.B. No. 22**

The purpose of this measure is to create a class of master teachers to serve a mentors and staff developers within the public schools.

Testimony in support of the intent of this measure was submitted by the Department of Education. Testimony in opposition to this measure was submitted by the Hawaii Teachers Standards Board, the University of Hawaii College of Education, and the Hawaii State Teachers Association.

Your Committee finds that the Department of Education needs to have a continuum of incentives to retain exceptional teaching staff and to encourage them to serve as mentors to less experienced teachers. Your Committee further finds that this program will serve those purposes.

Your Committee has amended this measure by:

- (1) Replacing the first requirement of a "proven record of successful teaching" with a "Masters degree from an accredited university";
- (2) Replacing the Department of Education as the certifying entity with the Hawaii Teacher Standards Board; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 22, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 22, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 306      Education on S.B. No. 23**

The purpose of this measure is to appropriate funds for additional educational officer and support staff positions to enhance the Department of Education's ability to recruit and hire teachers and educational officers.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association Local 152. The Department of Education submitted testimony in support of the intent of this measure. The Hawaii Teachers Standards Board submitted testimony expressing concerns about this measure.

Your Committee finds that the Hawaii public school system is facing increased competition in filling the growing numbers of vacant teacher and school-level administrator positions. Your Committee further finds that additional staff should enhance the Department's ability to more aggressively recruit for and fill these vacant positions.

Your Committee has amended this measure by deleting all references to licensing of teachers by Department of Education staff, as this function is performed by the Hawaii Teacher Standards Board.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 23, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 23, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Hogue).

**SCRep. 307      Education on S.B. No. 24**

The purpose of this measure is to bifurcate the educational officer class to establish twelve-month salary schedules for high school principals and vice-principals and ten-month salary schedules for all other educational officers.

Testimony in support of the intent of this measure was submitted by the Department of Education. The Hawaii Government Employees Association Local 152 supported the intent of the measure, with amendments. The Governor's Office of Collective Bargaining submitted comments.

The measure also enables the Board of Education to award retention bonuses to principals and vice-principals who work in their respective capacity for at least five consecutive years.

Your Committee finds that the responsibilities of high school principals and administrators of multi-level schools essentially require that they work year round, yet they are only compensated based upon a ten-month schedule. Your Committee further finds that this is an issue of fairness and these ten-month administrators should be justly compensated for working beyond a ten-month schedule.

Your Committee has amended this measure by:

- (1) Delineating a ten-month salary schedule for elementary school principals and vice-principals and a twelve-month salary schedule for high school and kindergarten through grade twelve principals and vice principals;
- (2) Delineating a twelve-month salary schedule for all other educational officers;
- (3) Adding an appropriation for the additional two months salary for educational officers whose salary schedule shall be converted to a twelve-month term of service; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 24, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 24, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 308 Education on S.B. No. 60**

The purpose of this measure is to appropriate funds for twenty school assessment liaison positions within the Department of Education (DOE).

The DOE and Hawaii Government Employees Association supported this measure. The Hawaii State Teachers Association supported the measure's intent.

School assistant liaisons provide professional development and technical assistance to teachers and principals, and are a critical component of the DOE's efforts to meet annual progress benchmarks required by the No Child Left Behind Act of 2001. Currently, there are only twenty-three and a half full-time school assessment liaisons statewide to provide assistance to forty-three complexes. This measure will enable the DOE to place one school assessment liaison within each complex.

Your Committee recommends an appropriation of \$695,000 for each year of the fiscal biennium 2003-2005.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 60 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Menor).

**SCRep. 309 Education on S.B. No. 360**

The purpose of this measure is to establish a reusable resource center on state property through a public/private partnership for the purpose of collecting and distributing recyclable materials for use by public school staff.

Testimony in support of this measure was submitted by 29 public school teachers, librarians, and concerned citizens. Testimony in support of the intent of this measure was submitted by the Department of Education and the Department of Business, Economic Development, and Tourism.

Your Committee finds that the idea for a reusable resource center for the public schools is an environmentally friendly and innovative concept to provide instructional materials for public school teachers. Your Committee further agrees that a private partnership should be pursued for the establishment and operation of the center, given the State's current fiscal constraints and the estimated fiscal impact of \$280,000 to establish and operate the program over the next fiscal year.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 360 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Hogue).

**SCRep. 310 Education on S.B. No. 666**

The purpose of this measure is to appropriate additional resources so that the public school system can provide adequate supplies and equipment to its students and staff.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association. The Department of Education submitted testimony in support of the concept of the measure.

Your Committee finds that a quality learning environment is partially defined by an adequate source of instructional materials and aids for use by the teachers and the students. Your Committee further finds that providing an annual allocation as reimbursement to teachers for work-related supplies supports and recognizes the value of their profession within our community.

Your Committee has amended this measure by removing the dollar amount designated to each teacher for further consideration by the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 666, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 666, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.



**SCRep. 311 Education on S.B. No. 954**

The purpose of this measure is to appropriate funds to expand the Families for R.E.A.L. program (program) throughout the school districts of Honolulu, central Oahu, Kauai, and Hawaii, and for the Department of Education to conduct a longitudinal study of the program.

Good Beginnings Alliance submitted testimony in support of this measure and testimony in support of the intent of this measure was submitted by the Department of Education.

The program emphasizes empowering parents as their young children's first teachers, rather than waiting for and relying on public school instruction when the child is age five or six.

Your Committee finds that research overwhelmingly supports the concept of parents being the first and foremost teachers of their children. Funding of this program will enhance the ability of the family and the school to connect and partner on behalf of children before they enter the school system. Presently there are three sites that successfully serve 300 to 350 families per site per year. An additional four sites will help to expand the program to more families in the State.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 954 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 312 Education on S.B. No. 965**

The purpose of this measure is to authorize the issuance of general obligation bonds in the amount of \$5,000,000 for the construction of preschool facilities on public school lands, other public lands, or private lands.

The Good Beginning Alliance submitted testimony in support of this measure. The Department of Education submitted testimony opposing this measure.

Your Committee finds that facility growth along with augmented funding are necessary components to the State's early childhood system development. Currently only about 23,000 spaces for preschoolers are available with over 75,000 children in the birth to five age range in the State. It is important that the preschool system provide quality and availability of programs to ensure that Hawaii's children are safe, healthy, and ready to succeed.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 965 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 313 Education on S.B. No. 1086**

The purpose of this measure, as received by your Committee, is to allow limited accessibility to juvenile court records to public school officials which shall remain confidential school records and to require the courts to notify school officials when a minor has committed a felony or misdemeanor offense.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii Association of Independent Schools, and Department of Prosecuting Attorney of the City and County of Honolulu. Testimony in opposition to this measure was submitted by the Judiciary and the American Civil Liberties Union. The Department of the Attorney General and the Office of the Public Defender submitted testimony expressing concerns.

Your Committee finds that the family court's primary mission is to offer assistance and legal oversight to families, including protecting the interests of minor children, that are challenged by social problems or criminal acts within the family structure. Your Committee further finds that minors who fall under the jurisdiction of the court for offenses that if committed as adults would be crimes, most often have arrived there despite attempts by the family, their schools, and others who hoped to deter them from committing such acts. However, your Committee is gravely concerned about the potential adverse repercussions that widespread dissemination of information from family court records could have on a minor who may be responding positively to court-ordered programs that will prevent future criminal behavior. Thus, your Committee believes that while it is important for school officials to be made aware of acts committed by minors who are enrolled in school, to both assist the minor and protect students and school faculty, there are existing provisions of law that, with some modification, can achieve the purposes of this measure.

Upon further consideration of the testimony presented and concerns expressed, your Committee has amended this bill by deleting its substance and substituting therefor provisions to:

- (1) Clarify that "persons, institutions, and agencies" to which the court may release information includes public and private schools, within section 571-84, Hawaii Revised Statutes (HRS);

- (2) Require the court to notify public or private school officials, within seven days of adjudication, that court records have been opened when a minor over the age of 14 years has been adjudicated for a serious offense;
- (3) Require the court to notify public or private school officials, within seven days, when a petition has been filed against a minor for certain offenses that would be a crime if committed by an adult;
- (4) Delineate that the notice should include the name of the minor, the nature of the offense, whether the minor is in protective custody and for what period, and whether the alleged victim is a student or faculty member of the school at which the student was last or is enrolled;
- (5) Require the court to notify the public or private school official, within seven days, of the final disposition or adjudication of the minor's case, including whether the minor will remain under court jurisdiction;
- (6) Require that the public or private school officials receiving information from the court be registered with the court and allow only one such registered official per public or private school;
- (7) Delineate that all information and court records received by a public or private court official be deemed confidential and protected from disclosure except to the minor's parent or guardian, the principal and one individual teacher or counselor designated by the principal at which the minor was last or is presently enrolled;
- (8) Provide that confidential material must be maintained by the designated public or private school official, may only be transferred to another public or private official registered with the court, and shall be destroyed by such official when the student is no longer enrolled in the school;
- (9) Provide that anyone who intentionally discloses confidential information shall be guilty of a misdemeanor; and
- (10) Appropriate funds to the Department of Education for a public school liaison to the family court and to the Judiciary for a family court liaison to the public schools.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1086, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1086, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

**SCRep. 314      Education on S.B. No. 1329**

The purpose of this measure is to authorize issuance of general obligation bonds to qualify the Department of Education's statewide projects for financing under the qualified zone academy bond program.

The Department of Education submitted testimony in support of the intent of this measure.

Your Committee finds that the qualified zone academy bond program was created to help school systems collaborate with business partners to renovate state and school district properties to support educational initiatives that will ensure that students are prepared to be competitive in today's global economy. Existing business partners have committed their support to this endeavor and other businesses have expressed strong interest in supporting this effort.

Your Committee has amended this measure by changing the expending agency from the Department of Accounting and General Services to the Department of Education so that the funds may be used for equipment, instructional materials, and professional development as detailed in the qualified zone academy bond program, in addition to financing the renovation and repairs for qualified zone academies.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1329, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1329, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Hogue).

**SCRep. 315      Education on S.B. No. 1691**

The purpose of this measure is to make an unspecified appropriation of funds to educate public school students about the history of World War II (WWII), including events such as the internment of Japanese Americans and other related civil rights issues.

Testimony in support of this measure was submitted by the Hawaii Civil Rights Commission, various officers of the Japanese American Citizens League Honolulu Chapter, and three private citizens. The Department of Education submitted testimony in support of the intent of this measure.

Your Committee finds that today's students are three or more generations removed from the atrocities of WWII, yet many of its lessons are particularly relevant today as we face various global crises. Your Committee further finds it disturbing that many of Hawaii's students are not aware of the very personal impacts that WWII had on local families, especially Japanese Americans families who were removed from Hawaii and interned on the mainland. While our country has made progress in recognizing the injustices of the internment camps, our students need to be educated about the dynamics of both government and individual actions that could still cause harm within our multi-cultural and multi-ethnic community. To this end, your Committee agrees that because public education is rooted in developing an educated citizenry, our students must be taught to be vigilant in protecting the basic civil rights that are at the core of a healthy democracy.

Your Committee has amended this measure by inserting a full-time equivalent resource teacher position to coordinate the development and implementation of curriculum and instructional aids related to these issues and by inserting \$115,000 as the amount of the appropriation.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1691, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1691, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

**SCRep. 316 (Joint) Commerce, Consumer Protection and Housing and Human Services on S.B. No. 941**

The purpose of this measure is to make an appropriation to the Housing and Community Development Corporation of Hawaii (HCDCH) to hire more security guards for the Hale Poa'i Senior Housing facility.

Numerous persons, including seniors residing at Hale Poa'i, testified in support of this measure. Testimony in qualified support of this measure was received from the HCDCH.

According to testimony of the HCDCH, most seniors at Hale Poa'i feel that it is a safe place to live. However, they are concerned about crime in the surrounding neighborhood. To improve security at the facility, the HCDCH recently upgraded the entrance intercom system by replacing it with a new hands-free system installed at the main entrance and at the parking garage entrance, as well as other security measures.

Your Committees defer to the Committee on Ways and Means to determine the amount of this appropriation.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 941 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 3 (Hooser, Sakamoto, Whalen).

**SCRep. 317 Education on S.B. No. 18**

The purpose of this measure is to appropriate funds for two public relations specialists and one clerk typist in the Department of Education Public Affairs Office.

The Department of Education (DOE) testified in support of this measure.

Much of the recent reporting on the Hawaii public school system has focused on its problems and deficiencies, rather than its successes and strengths, leaving the public with a distorted impression of public education. Your Committee finds that Hawaii's public school students, teachers, and administrators have experienced success and distinguished themselves in many endeavors, yet news of these achievements has not been adequately brought to the public's attention. This measure would help the DOE to present a more accurate view of the public school system by funding positions to provide public relations services.

Your Committee recommends a total appropriation amount of \$192,610, and notes that the Public Affairs Office referenced in section 2 of the measure is now known as the Communications Office.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 18 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Menor).

**SCRep. 318 Education on S.B. No. 70**

The purpose of this measure is to appropriate funds for full-time faculty positions for the University of Hawaii, College of Education.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii, and the Hawaii Business Roundtable.

Your Committee finds that recent budget shortfalls at the University of Hawaii have resulted in a shortage of necessary faculty positions in the College of Education. Your Committee also finds that permanent funds are needed to replace temporary sources of funding for positions in special education in order to maintain current levels of productivity in special education. Furthermore, there is a shortage of school principals, necessitating additional faculty in the area of education administration; therefore, your Committee determines that funds should be appropriated to finance faculty positions at the College of Education.

However, your Committee believes that the additional faculty positions for the College of Education should be used for instructional positions and has amended the measure to reflect that intent.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 70, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 70, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

**SCRep. 319 Education on S.B. No. 75**

The purpose of this measure is to establish a state P-20 Council and appropriate funds for the council.

The Department of Education, University of Hawaii, Good Beginnings Alliance, Hawaii Business Roundtable, and The Chamber of Commerce of Hawaii testified in support of the measure.

The goal of the P-20 initiative is to achieve an integrated and unified system of education for Hawaii's students that provides a seamless transition from one level of learning to another, from early childhood through post-secondary education. This measure establishes and funds the State P-20 council, which is charged with providing leadership and resources in support of the P-20 initiative.

Your Committee has amended this measure by deleting the appropriation section.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 75, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 75, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 320 Education on S.B. No. 337**

The purpose of this measure is to assign responsibility to and establish complex area facility managers for each school complex, and convert 42 business assistant positions from temporary to permanent status.

Testimony in support of the intent of this measure was submitted by the Department of Education and the Hawaii Government Employees Association Local 152.

Your Committee finds that many of our school facilities are in need of renovation, repair, and maintenance to meet the needs of growing school populations, support expanded technology infrastructure, and address the aging condition of the buildings themselves. Your Committee further finds that prior to departmental restructuring in the 1990's, school districts had one district business specialist position that supported the fiscal management and facility needs of the schools within their districts. Your Committee believes that a similar position should be assigned to support the schools at the complex level.

Your Committee has amended this measure by:

- (1) Redesignating the complex area facility manager position to a complex area administrative services manager;
- (2) Redescribing the district business and fiscal officer positions currently established in section 302A-604.5, Hawaii Revised Statutes, as complex area administrative services manager positions;
- (3) Allowing the Department of Education to assign the responsibilities and duties, but including certain core functions related to facilities, budgeting, and financial management, and procurement and contracts administration; and
- (4) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 337, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 337, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 321 Education on S.B. No. 784**

The purpose of this measure is to propose an amendment to the Hawaii State Constitution to reconstitute the state Board of Education as a seventeen member nonpartisan elected board.

Testimony in support of the concept of this measure was submitted by the Hawaii State Teachers Association and the Hawaii Government Employees Association Local 152. Testimony in opposition to this measure was submitted by a concerned individual. The Board of Education submitted comments on this measure.

Your Committee finds that a reconstituted non-partisan elected state Board of Education will continue to provide an opportunity for our citizens to participate in the selection of those governing our public school system at the highest level. Your Committee further finds that an expansion of the Board of Education to a seventeen member body based upon duly apportioned representative districts will be a more transparent configuration that will also be more understandable to the resident voters within their respective electoral districts. Your Committee further believes that the seventeen-member configuration would more accurately reflect the school-complex based management reforms currently being implemented within our public school system, and which your Committee is supporting through other measures being considered during this legislative session.

Your Committee has amended this measure by inserting a provision requiring the Chief Election Officer, upon ratification of this amendment, to delineate the new board districts for the purposes of regular and special elections until the 2010 reapportionment plan is approved.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 784, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 784, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Hogue).

**SCRep. 322 Education on S.B. No. 929**

The purpose of this measure is to establish an after-school programs special fund into which fees collected for such programs will be deposited and from which costs of the after-school programs shall be paid.

Testimony in support of this measure was submitted by the Department of Education.

Your Committee finds that after-school care for elementary age public school students is an important program offered at the public schools for children whose parents are working during and after-school hours. Your Committee further finds that the Department of Education has been supporting this program partially through fees that are deposited to the credit of the general fund, and that these revenues should more directly be managed by the department.

Your Committee has amended this measure to clarify that only fees collected for after-school programs administered by the Department of Education and operated at public schools shall be deposited to the credit of the special fund.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 929, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 929, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Hogue).

**SCRep. 323 Education on S.B. No. 1072**

The purpose of this measure is to appropriate funds to establish 313 ISPED clerk typist positions to support the Department of Education's integrated special education (ISPED) information management system.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii Government Employees Association Local 152, the Hawaii State Teachers Association, and the Hawaii State Teachers Association Special Education Caucus.

Your Committee finds that the ISPED system is the result of the Felix Response Plan that the Department of Education adopted as part of the State's compliance with the Felix Consent Decree. Your Committee further finds that while the system's infrastructure and software have been installed and become operational, special education teachers now find that in addition to teaching and preparing lessons for their students, they are required to spend many hours inputting information into ISPED. Your Committee agrees that para-professional support positions, within an appropriate employment classification, are necessary to ensure that ISPED remains functional while removing the burden of data input functions from the special education teachers.

Your Committee has amended this measure by deleting the specifications of "three hundred thirteen ISPED clerk typists" and provided instead for "para-professional positions to support the ISPED system" to permit funding of the types of positions that are most appropriate to support the ISPED system.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1072, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1072, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Hogue).

**SCRep. 324      Education on S.B. No. 1346**

The purpose of this measure is to authorize the University of Hawaii to carry-over unexpended general fund appropriations from one fiscal year to the next fiscal year.

Testimony in support of this measure was submitted by the University of Hawaii.

Your Committee finds that over the last decade, the Legislature has approved measures providing increased financial flexibility to the university system, beginning with the authority to raise and expend tuition fees and more recently through a constitutional amendment granting the Board of Regents exclusive authority over the internal operations of the university system. Your Committee further finds that based upon this enhanced authority, the university should be provided some flexibility in the management of its general funds within a fiscal biennium.

Your Committee has amended this measure by:

- (1) Allowing the university to carry-over five percent of its general fund appropriation between fiscal years;
- (2) Requiring the university to submit its report to the Legislature at the same time it reports to the Director of Finance; and
- (3) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1346, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1346, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

**SCRep. 325      Education on S.B. No. 1409**

The purpose of this measure is to empower the Board of Regents of the University of Hawaii to authorize the issuance of revenue bonds for university capital improvement projects.

Testimony in support of this measure was submitted by the Department of Budget and Finance and the University of Hawaii.

Your Committee finds that over the last decade, the Legislature has approved measures providing increased financial flexibility to the university system, beginning with the authority to raise and expend tuition fees and more recently through a constitutional amendment granting the Board of Regents exclusive authority over the internal operations of the university system. Your Committee further finds that based upon this enhanced authority, the university should be provided some flexibility in the management of its funds, particularly where it will be committing its own revenues to pay for university projects.

Your Committee has amended this measure by inserting a provision in the new § -3 to require the university to seek legislative approval at the next regular session after a university project is authorized to ensure that the project is in the public interest, and by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1409, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1409, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

**SCRep. 326      Education on S.B. No. 1411**

The purpose of this measure is to establish the University of Hawaii risk management special fund.

Testimony in support of this measure was submitted by the University of Hawaii.

Your Committee finds that beginning in 2001, the University of Hawaii was instructed by the Legislature to pay for its own legal claims and settlements from its own revenue sources. Your Committee further finds that after evaluating the cost of various insurance policies, the University has determined that it would be more cost-effective to establish a risk management fund and assume the responsibility for managing its risk exposures.

Your Committee has amended this measure by:

- (1) Deleting the designation of the special fund as being part of the State treasury;
- (2) Clarifying that the risk management assessments to be deposited in the fund are those assessed against any funds of the University;
- (3) Deleting the provision that prohibits general funds from being transferred into the special fund;
- (4) Allowing the special fund revenues to be used for administration and operation of the risk management fund; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1411, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1411, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Kawamoto).

**SCRep. 327 (Joint) Human Services and Water, Land, and Agriculture on S.B. No. 927**

The purpose of this measure is to dedicate lands in perpetuity for a senior opportunities center at Lanakila, Oahu.

Testimony in support of this measure was submitted by Catholic Charities Elderly Services. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Your Committees find that senior citizens benefit from, and deserve access to, senior centers that provide an array of community-based services, including health, social, nutritional, educational, and recreational programs, counseling, and case management services for elders in communities statewide, without regard to ability to pay, thereby preventing premature institutionalization.

Your Committees further find that the Lanakila Multi-Purpose Senior Center (Center) is one of the oldest and largest senior centers on Oahu, providing services to over 3,000 seniors from around Oahu. The Center is an integral part of the community and affords seniors the opportunity to remain involved in community activities.

The Center is situated on a parcel of land set aside for a senior opportunities center by Executive Order No. 2386, issued June 19, 1966. Your Committees understand that the Department of Land and Natural Resource has received a request from the Department of Accounting and General Services to cancel Executive Order 2386 and issue a new executive order transferring control and management over that parcel of land to the City and County of Honolulu, without restrictions on future use. Your Committees strongly believe that such transfer should not occur without first informing the seniors who participate in Center programs and activities and the community at large, and allowing these stakeholders an opportunity to comment.

Your Committees have amended this measure by deleting extraneous language in section 2 and are passing this measure out to facilitate further discussion of this issue.

As affirmed by the records of votes of the members of your Committees on Human Services and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 927, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 927, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (English, Fukunaga, Tsutsui, Whalen).

**SCRep. 328 (Joint) Human Services, Health and Education on S.B. No. 945**

The purpose of this measure is to establish a designated stable source of funding for nonschool-hour programs for children and youth, and to appropriate funds for these programs.

Testimony in support of this measure was received from the Honolulu Police Department, Hawaii Youth Services Network, Coalition for a Drug-Free Hawaii, and American Box Car Racing International. Testimony in support of the intent of the measure was submitted by the Office of Youth Services, and the Departments of Budget and Finance and Education.

Your Committees find that the most likely time for a youth to be involved in a crime, either as a perpetrator or as a victim, illegal drug use, or sexual activity, is during the hours immediately following school. Studies show that the most effective way to keep students from engaging in these high-risk behaviors is by having them participate in activities during nonschool hours. Dedicated funding, as provided by this measure, will help to ensure the availability of quality programming for youth during the critical hours before and after school, on weekends and holidays, and during school breaks and other non-school hours, leading to lower rates of juvenile crime, illegal drug use, and teenage sexual activity.

As affirmed by the records of votes of the members of your Committees on Human Services and Health and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 945 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 7 (Fukunaga, Ige, Inouye, Kawamoto, Kokubun, Menor, Sakamoto).

**SCRep. 329 (Majority) Labor on S.B. No. 768**

The purpose of this measure is to reinstate the right to binding arbitration for collective bargaining Unit 2, supervisory employees in blue collar positions; Unit 3, nonsupervisory employees in white collar positions; Unit 4, supervisory employees in white collar positions; Unit 6, educational officers and other personnel of the department of education under the same pay schedule; Unit 8, personnel of the University of Hawaii and the community college system, other than faculty; and Unit 13, professional and scientific employees, who cannot be included in any other bargaining units.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association.

Testimony in opposition to this measure was submitted by the Office of Collective Bargaining.

Your Committee finds that under existing law, Units 2, 3, 4, 6, 8, and 13 are currently not subject to final and binding arbitration. Your Committee further finds that the utilization of the arbitration process to resolve labor disputes is a more modern and reasonable way of settling collective bargaining impasses as opposed to employees resorting to exercising their right to strike. Instead, arbitration poses no threat of the disruption of public services and allows disputes to be settled with finality through the use of an objective and neutral third party.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 768 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 330 (Majority) Labor on S.B. No. 858**

The purpose of this measure is to expand the temporary disability insurance program to provide benefits to employees who are unable to perform their employment duties because they leave work temporarily to care for their family members with a serious health condition.

Testimony in support of this measure was submitted by the ILWU Local 142 and the United Public Workers.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the City and County of Honolulu Department of Human Resources, the Chamber of Commerce of Hawaii, and the Society for Human Resource Management.

Your Committee finds that the economic security of employees is adversely impacted when they must take unpaid leave to attend to the demands of caring for a family member with a serious health condition. Your Committee believes that most employees cannot afford to be on leave without pay and, additionally, other social, health, and economic crisis often result from this interruption in income.

Your Committee determines that the expansion of the temporary disability insurance program to provide wage replacement for employees who leave work to temporarily care for family members with serious health conditions is necessary to help balance the demands of work and family.

Your Committee, however, has amended this measure for purposes of clarity as follows:

- (1) By amending the definition of "child" to refer to that of section 398-1, Hawaii Revised Statutes (HRS);
- (2) By adding a definition for the term "reciprocal beneficiary" to refer to that of section 572-3, HRS;
- (3) By moving the new language of section 392-21, HRS, to carve out a separate category of disability for employees who care for a family member with a serious health condition so that the exception of a disability resulting from an accident or disease connected with or resulting from employment as defined in section 386-3, HRS, or any other applicable workers' compensation law applies to that category; and
- (4) By making other technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 858, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 858, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 331 (Majority) Labor on S.B. No. 895**



The purpose of this measure is to allow employees to utilize sick leave to care for designated family members who have a serious health condition.

Testimony in support of this measure was submitted by the United Public Workers and the Hawaii Government Employees Association.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations and the Office of Collective Bargaining.

Your Committee finds that Hawaii's workforce has changed dramatically over the years in that women now make up the majority of workers. This change has had a dramatic effect on the quality of family life, especially in situations involving the need for the care of sick children, spouses, or aging parents. Your Committee also finds that in the case of a serious or extended illness or health condition of a family member which requires assistance, an employee may have already exhausted the vacation leave necessary to provide assistance.

Therefore, your Committee determines that employees should be allowed to use their sick leave benefits to care for a seriously ill family member without the additional financial burden of unpaid leave.

In addition, your Committee has amended this measure to include a definition for the term "reciprocal beneficiary" for purposes of clarity, and to make technical, nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 895, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 895, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 332 (Majority) Labor on S.B. No. 912**

The purpose of this measure is to reactivate the State Health Insurance Program (SHIP) to cover individuals who work and yet are not covered by any group medical insurance plan, Medicaid, a Medicaid waiver program, or Medicare.

This measure also allows SHIP to charge these individuals premiums in amounts in accordance to their earned income.

Testimony in support of this measure was submitted by the International Longshore and Warehouse Union.

Your Committee finds that the SHIP Act was introduced in response to the needs of the numerous laid off employees of sugar companies. Your Committee also finds that SHIP has been replaced by the QUEST program, a Medicaid waiver program; however, the QUEST program still leaves a gap group of persons who are not covered by any health insurance.

Your Committee determines that SHIP should be reactivated to provide health insurance coverage for the many workers who cannot afford to provide coverage for their families.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 912 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 333 Labor on S.B. No. 931**

The purpose of this measure is to entitle victims of domestic violence, sexual assault, and stalking to paid or unpaid employment leave.

Testimony in support of this measure was submitted by the Hawaii Civil Rights Commission, the Hawaii State Commission on the Status of Women, the Hawaii State Coalition Against Domestic Violence, The First Unitarian Church, the Hawaii Women Lawyers, the Community Alliance on Prisons, and a private citizen.

Testimony in support of the intent of this measure was submitted by the Department of Labor and Industrial Relations and the International Longshore and Warehouse Union.

Testimony in opposition to this measure was submitted by the Chamber of Commerce of Hawaii and the Society for Human Resource Management.

Your Committee finds that 25-50 per cent of domestic violence victims surveyed in three studies reported that they lost a job due, at least in part, to domestic violence, according to a 1998 report of the U.S. General Accounting Office. Almost 50 per cent of sexual assault survivors lose their jobs or are forced to quit in the aftermath of the crime. More than 25 per cent of stalking victims report losing time from work due to stalking and 7 per cent never return to work as a result of the stalking.

Your Committee also finds that emergency leave is critical for survivors to address the violence in their lives. Employees who have been victims of domestic violence or sexual abuse, including individuals participating in welfare-to-work programs, may need to take time during business hours to obtain orders for protection; seek medical or legal assistance, counseling, or other services; or look for shelter or housing in order to escape from violence.

Therefore, your Committee determines that victims of domestic violence, sexual abuse, and stalking should be allowed to take unpaid leave from employment to address issues that stem from such violence or abuse.

Your Committee has amended this measure to create a new part in Chapter 378, Hawaii Revised Statutes, relating to Victims Leave and made several technical, non-substantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 931, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 931, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 334 Labor on S.B. No. 1069**

The purpose of this measure is to provide additional benefits to unemployed workers through the extension of unemployment insurance benefits.

Testimony in support of this measure was submitted by the International Longshore and Warehouse Union.

Comments were submitted by the Department of Labor and Industrial Relations (DLIR) indicating that DLIR was not taking a position on this measure, but voicing concerns.

Your Committee finds that the events of September 11, 2001, resulted in an unprecedented number of individuals being laid-off from their jobs, experiencing work furloughs, or suffering from decreased work hours. This fallout, compounded with the fact that over the last several years Hawaii's economy has experienced a significant downturn, particularly in the visitor industry, and the unpredictability of global events, require the need for action to assist those individuals who are and will continue to be affected by the current economic climate.

Your Committee believes in the necessity of this measure as a precautionary mechanism, pending action by the federal government to provide an extended unemployment benefits program, and in anticipation of the further escalation of global events.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1069, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 335 (Majority) Labor on S.B. No. 1224**

The purpose of this measure is to eliminate the benefit offset for persons receiving unemployment compensation benefits.

The Hawaii State AFL-CIO and Hotel Employees and Restaurant Employees, Local 5, AFL-CIO, testified in support of this measure. The Department of Labor and Industrial Relations submitted comments on the measure.

In Hawaii, many people must work multiple jobs to support themselves and their families. Those who qualify for unemployment due to the loss of one job, but continue to have earnings from part-time employment have their benefits offset by weekly earnings in excess of \$50. Your Committee finds that this offset penalizes those who are laid off, but who continue to undertake gainful employment, and hinders their ability to provide their families with the basic necessities of life. Therefore, this measure abolishes the offset for benefit weeks beginning January 21, 2003, and thereafter.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1224 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 336 Labor on S.B. No. 1225**

The purpose of this measure is to provide temporary health care coverage for individuals who have become unemployed on or after September 11, 2001.

Testimony in support of this measure was submitted by the International Longshore and Warehouse Union.

Testimony in support of the intent of this measure was submitted by the Department of Human Services.

Your Committee finds that in the wake of the events of September 11, 2001, the devastation to the tourism industry has spread to all sectors of our economy. As a result, a significant number of our residents have become victim to employment furloughs, layoffs, reduced work hours, and terminations. Your Committee also finds that although efforts are made to assist these individuals through unemployment benefits, many are unable to maintain health care insurance coverage due to their financial situations.

Your Committee believes that the current state of global events continue to threaten the economic recovery of the State. Therefore, your Committee determines that by assisting those in need through the maintenance of health insurance, the economic impact of having a large population of medically uninsured persons will be lessened.

However, your Committee believes that the eligibility requirements of the measure should be clarified, since, from a purely financial standpoint, all individuals could theoretically be eligible for private individual health coverage.

Accordingly, your Committee has amended this measure for purposes of clarity by inserting the word "group" in SECTION 2, subparagraph (2), to require an individual to not be eligible for any group health insurance coverage from another source.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1225, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1225, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 337 Labor on S.B. No. 1439**

The purpose of this measure is to fund all collective bargaining cost items in the agreements negotiated with the exclusive bargaining representative of collective bargaining Unit 2, supervisory employees in blue collar positions; Unit 3, nonsupervisory employees in white collar positions; Unit 4, supervisory employees in white collar positions; Unit 6, educational officers and other personnel of the department of education under the same pay schedule; Unit 8, personnel of the University of Hawaii and the community college system, other than faculty; Unit 9, registered professional nurses; and Unit 13, professional and scientific employees, who cannot be included in any other bargaining units.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and under the same compensation plans as those officers and employees within collective bargaining Units 2, 3, 4, 6, 8, 9, and 13.

Testimony in support of this measure was submitted by the University of Hawaii and the Hawaii Government Employees Association.

Testimony in support of this measure, but with recommendations for amendments, was submitted by the Office of Collective Bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, and salary increases and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Units 2, 3, 4, 6, 8, 9, and 13 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1439 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 338 Labor on S.B. No. 1440**

The purpose of this measure is to fund all collective bargaining cost items in the arbitration award for collective bargaining Unit 5, teachers and other personnel of the Department of Education under the same salary schedule.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for teachers and other personnel of the Department of Education under the same salary schedule who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and the Hawaii State Teachers Association.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, and salary increases and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 5 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1440 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 339 Labor on S.B. No. 1441**

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining Unit 7, faculty of the University of Hawaii and the community college system.

This measure also funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for faculty of the University of Hawaii and the community college system who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and the University of Hawaii.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, and salary increases and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 7 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1441 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 340 Labor on S.B. No. 1442**

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining Unit 10, institutional, health, and correctional workers.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for institutional, health, and correctional workers who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, and salary increases and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 10 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1442 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 341 Labor on S.B. No. 1443**

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining Unit 11, firefighters.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for firefighters who are excluded from collective bargaining.

Testimony in support of this measure was submitted by Office of Collective Bargaining and the Hawaii Fire Fighters Association.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, and salary increases and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 11 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1443 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 342 Labor on S.B. No. 1445**

The purpose of this measure is to appropriate funds for the salary increases and other cost adjustments authorized by Chapter 89C, Hawaii Revised Statutes, for officers and employees excluded from collective bargaining from the Office of the Auditor, the Hawaii State Ethics Commission, the Office of the Legislative Reference Bureau, and the Office of the Ombudsman for the fiscal biennium 2003-2005.

Testimony in support of this measure was submitted by the Office of the Auditor, the Office of the Ombudsman, the Hawaii State Ethics Commission, and the Hawaii Government Employees Association, Managerial and Confidential Employees Chapter.

Your Committee believes that this measure should remain available for action throughout the legislative process as negotiations between the State and exclusive bargaining representative to which salary increases for excluded employees are tied, continue.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1445 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 343 (Majority) Labor on S.B. No. 1590**

The purpose of this measure is to allow for the payment of unemployment compensation benefits to striking workers, if prior to or during the work stoppage, the employer has rejected a bona fide offer from the workers' labor organization to submit the dispute to final and binding arbitration.

Unity House, Inc., testified in support of the measure. The Department of Labor and Industrial Relations and The Chamber of Commerce of Hawaii testified in opposition to the measure.

Currently, the law provides that striking unemployed workers are entitled to unemployment compensation benefits if the employer's production is unimpaired and the employer continues to operate the business at a normal level. Notwithstanding the work stoppage standard, this measure would authorize the payment of benefits if an employer has rejected a bona fide offer to submit the dispute to final and binding arbitration.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1590 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 344 Labor on S.B. No. 1699**

The purpose of this measure is to provide deputy sheriffs, hired prior to July 1, 2003, the option of converting their membership in the Employees' Retirement System (ERS) from class C to the same class A beneficiary group as police officers, firefighters, and other health and safety personnel; provided that all deputy sheriffs hired subsequent to June 30, 2003, are designated as class A members.

Testimony in support of this measure was submitted by the Department of Public Safety, the Hawaii Government Employees Association, and a deputy sheriff.

Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Comments on the measure were submitted by the ERS that indicated that its actuary will be working to determine the cost impact of this measure, and that such information will be provided to the Committee when it becomes available.

Your Committee finds that police officers, firefighters, and other health and safety personnel receive a retirement allowance of two and one-half per cent of the employee's average final compensation for each year of service and are allowed to retire after twenty-five years of service, regardless of age, without incurring an actuarially-reduced pension.

Your Committee determines that deputy sheriffs perform their duties under physically demanding, hazardous, and potentially life-threatening conditions. Your Committee also finds that these duties and working conditions are similar in function and degree of peril as that of other law enforcement and safety officers.

Accordingly, your Committee determines that the provision of further benefits, as provided to other public safety and law enforcement officers, is necessary to compensate and ensure the retention and recruitment of qualified deputy sheriffs.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1699 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 345 (Joint) Human Services and Judiciary and Hawaiian Affairs on S.B. No. 637**

The purpose of this measure is to repeal the Hawaii missing children's clearinghouse trust fund, and to transfer the fund balance to the Friends of the Missing Child Center Hawaii.

Testimony in support of this measure was received from the Hawaii Missing Children's Clearinghouse Trust Fund Advisory Board and one individual.

Your Committees find that the Hawaii missing children's clearinghouse trust fund, created in 1997 under section 28-122, Hawaii Revised Statutes (HRS), has not lived up to its potential to attract donations from private sources who are under the impression that the fund belongs to the Attorney General, because section 28-122(d), HRS, provides that the fund is "administered by the department of the attorney general unless specifically appropriated to the clearinghouse trust fund". Therefore, there has reportedly been a reluctance on the part of private donors to contribute to the fund. This measure would provide more incentive for the fund to receive private donations.

According to oral testimony, the Friends of the Missing Child Center Hawaii is on the verge of being incorporated as a nonprofit in Hawaii and for purposes of qualifying under the Internal Revenue Code. The organization is solely dedicated to locating, protecting, and recovering missing children.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 637 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (English, Ige, Inouye, Trimble).

**SCRep. 346 Transportation, Military Affairs, and Government Operations on S.B. No. 44**

The purpose of this measure is to provide a statutory procedure to require the Department of Transportation (DOT) to provide airport concessionaires economic relief if they qualify due to a significant downturn in business following the terrorist attacks of September 11, 2001 (9/11).

Your Committee received testimony in support of this measure from the Airport Concessions Committee, APCOA, DFS Galleria, Greeters of Hawaii, Ltd., and five employees of HMS Host. The Airlines Committee of Hawaii submitted testimony in opposition to this measure, and the Office of Information Practices submitted testimony in opposition to the arbitration confidentiality provisions of this measure. The DOT submitted written testimony expressing no opinion on this measure.

This measure is identical to a measure passed by both houses of the Legislature during the 2002 Regular Session, which was subsequently vetoed by Governor Cayetano.

Your Committee finds that the events of 9/11 devastated airport concessions. Following the attacks, air travel was stopped completely for several days by federal mandate. Once air travel resumed, the number of passengers decreased dramatically.

In addition, implementation of stricter security measures, which require a ticket to proceed beyond the security checkpoint, has taken away a huge pool of potential customers for concessionaires, whose businesses are located entirely beyond the security checkpoints. This month, the federal government has taken over security checkpoints at the nation's airports, and security restrictions show no sign of easing in the future.

Your Committee further finds that with war looming in the Middle East, the number of air travelers is likely to further drop in the coming year.

Against this backdrop, your Committee finds that it has been nearly impossible for airport concessionaires to survive. While the Legislature provided limited economic relief during the Third Special Session of 2001, and the Governor and DOT extended economic relief a bit further, the Administration has not indicated that it will extend relief any further. Without further relief, most airport concessionaires will suffer the consequences of breaching their contracts with the State, including being barred from doing business with the State for five years.

Your Committee finds this situation unfair, and believes that the Legislature should do its part to provide limited relief to concessionaires. To do nothing opens the possibility that no concessions will operate at the airport, which would have a negative impact on travelers using our State's airports.

Your Committee made numerous technical, nonsubstantive amendments to this measure for accuracy and clarity.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 44, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 44, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Menor).

**SCRep. 347      Transportation, Military Affairs, and Government Operations on S.B. No. 47**

The purpose of this measure is to exempt shipping cargo from wharfage fees at the port of Honolulu when the cargo is shipped through the port of Honolulu for final delivery at another port within the State.

Your Committee received testimony in support of this measure from Young Brothers, Ltd., Meadow Gold Dairies, the Hawaii Farm Bureau, and the Hawaii Food Industry Association. The Department of Transportation and Matson Navigation Company submitted testimony in opposition to this measure.

Your Committee finds that a significant portion of the shipping cargo destined for the various islands of the State is shipped into the port of Honolulu, where it may be held for a short period of time prior to being shipped to its final destination.

Your Committee further finds that such cargo is assessed a wharfage fee at the port of Honolulu. Conversely, cargo shipped into the islands on a through bill of lading is not assessed a wharfage fee at the port of Honolulu, even though the same facilities and infrastructure must be used in both cases.

Your Committee agrees that this situation is unfair, and therefore supports this equitable measure. This measure exempts all cargo from wharfage fees at the port of Honolulu, regardless of whether the cargo is shipped on a through bill of lading, when the cargo is shipped through the Honolulu port for final delivery to another port in the State.

Based on concerns raised during the hearing on this measure, your Committee has amended the measure to clarify the language so that there is no confusion regarding its intent and effect.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 47, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 47, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Menor).

**SCRep. 348      Transportation, Military Affairs, and Government Operations on S.B. No. 296**

The purpose of this measure is to require certain state officials to complete mandatory ethics courses administered by the Hawaii State Ethics Commission (Commission).

Your Committee received testimony in support of this measure from the Department of Education, the Office of Hawaiian Affairs, the Commission, Hawaii Pro Democracy Initiative, the League of Women Voters of Hawaii, and a concerned citizen.

Your Committee finds that our State's ethics and lobbying laws are complex and can be difficult to understand. Consequently, even public officials with the best intentions can find themselves inadvertently in violation.

Therefore, your Committee believes that it is extremely important for the top public officials in our State to undergo mandatory ethics training, both so that they can personally comply, and also so that they will be better able to carry out their duties in supervising subordinate officials and employees.

For that reason, your Committee has amended this measure to also subject the Governor and the Lieutenant Governor to mandatory ethics training. As the top Executive officials in the State, your Committee believes those offices should also be included, for the same reasons set forth above.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 296, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 296, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 349      Transportation, Military Affairs, and Government Operations on S.B. No. 308**

The purpose of this measure is to authorize each county Liquor Commission to take legal action against persons who purchase intoxicating liquor illegally.

Your Committee received testimony in support of this measure from the Retail Liquor Dealers, the Hawaii Food Industry Association, Okimoto Corporation, the Easley Corporation, and a concerned citizen. The Hawaii County Liquor Commission submitted testimony in opposition to this measure.

Your Committee finds that the prevalence of underage drinking is a tremendous problem in Hawaii, with attendant social costs. Our existing laws, which target those who sell intoxicating liquor to underage drinkers, have proven inadequate to deal with the severity of the problem.

This measure is primarily aimed at persons of legal drinking age who purchase alcohol for consumption by minors. Your Committee believes that these individuals must be subject to stronger criminal penalties under the law.

Your Committee recognizes that minors who illegally purchase intoxicating liquor, with a fake identification card or otherwise, will also be subject to the Liquor Commissions' increased authority under this measure.

Based on concerns raised that minors are exclusively subject to the jurisdiction of the family court, your Committee has amended this measure to provide alternative penalties to be imposed by the family court for violators under age eighteen. Your Committee also inserted a minimum fine of \$500 for repeat violators.

Finally, your Committee made a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 308, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 308, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

**SCRep. 350      Transportation, Military Affairs, and Government Operations on S.B. No. 316**

The purpose of this measure is to appropriate funds for the operational expenses of the Hawaii Civil Air Patrol (CAP).

Your Committee received testimony in support of this measure from the Hawaii Wing, CAP, the Oahu Chapter of the Air Force Association, and the Honolulu City and County Oahu Civil Defense Agency.

Your Committee finds that the Hawaii CAP is a vital component of our emergency response system in Hawaii. The CAP conducts search and rescue missions, medical emergency transport, tsunami watch patrols, and many other functions to help ensure the public safety in times of emergency.

The CAP has not received funding in many years, and as a result, has had to scale back its training programs and operations. Consequently, your Committee finds that the future of the CAP is in jeopardy.

In addition, some of the equipment used by the CAP is in dire need of repair and maintenance that may be extremely expensive or impossible if delayed much longer. Therefore, your Committee fully supports this measure, and has amended it to raise the appropriation amount to \$100,000. Several testifiers on behalf of the CAP informed your Committee that it will take much more than that to repair and maintain equipment, provide training, and resume emergency response functions effectively.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 316, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 316, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 351      Transportation, Military Affairs, and Government Operations on S.B. No. 314**

The purpose of this measure is to exempt counties from chapter 92, Hawaii Revised Statutes, the so-called "Sunshine law."

Your Committee received a letter in support of this measure signed by every member of the City Council of the City and County of Honolulu, and separate testimony in support from the Councilmember from the 6th District. Testimony in opposition to this measure was submitted by the Office of Information Practices (OIP), the American Civil Liberties Union of Hawaii, the League of Women Voters of Hawaii, and a concerned citizen.

Your Committee finds that application of the Sunshine law with respect to counties can be unduly burdensome. The law can be interpreted as prohibiting any interaction of two or more members of a city or county council, even at social events or cultural gatherings. Apparently, some past advisory opinions issued by the OIP have justified this onerous interpretation of the Sunshine law.

In addition, several Honolulu City Councilmembers testified that unlike the Hawaii State Legislature, the county councils are forced to accept testimony at every stage of the legislative process, which makes that process lengthy and unduly burdensome.



At the same time, your Committee recognizes that the Sunshine law is a vital component of the democratic process, which enables the public to voice its opinions on legislation and other matters, and to attend any hearing or meeting held by a public agency. Your Committee believes that the public's right to participate in the democratic process cannot be compromised in any way.

However, if the OIP is indeed interpreting the Sunshine law to prohibit county councilmembers from attending a social event together, then substance has unreasonably yielded to form.

Your Committee believes that an appropriate balance should be struck between the public's right to participate in the democratic process, and the county council's need to efficiently set policy for the county. Unfortunately, there appears to be much confusion, even among the parties involved, regarding the actual requirements of the Sunshine law with respect to the counties.

Therefore, your Committee has decided to pass this measure for purposes of further discussion by the Legislature.

For the time being, since all testifiers agreed that the measure as originally drafted is too broad in exempting all county boards, commissions, and councils from every requirement of the Sunshine law, your Committee has amended this measure by inserting language provided by the Honolulu City Council. As amended, city and county councils are exempt from the Sunshine law, and are instead subject to their county charter, ordinance, or council rule.

Your Committee intends to consider this issue further during this 2003 Regular Session.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 314, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 314, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 352      Transportation, Military Affairs, and Government Operations on S.B. No. 723**

The purpose of this measure is to require the Department of Transportation (DOT) to install underground utility lines in all new highway construction in which installation of such lines is feasible.

Your Committee received testimony in support of this measure from the DOT, the Chair, Vice-chair, and a member of the Maui County Council, Hawaiian Electric Company, Inc., and two concerned citizens.

Your Committee finds that underground utility lines are more aesthetically pleasing than lines strung along poles above ground, which allows residents and visitors to enjoy the natural beauty of the islands.

In addition, underground lines are safer during natural disasters, such as hurricanes, and will result in fewer service interruptions when such disasters and severe storms occur. Therefore, your Committee supports this measure.

Based on concerns raised by the DOT, however, your Committee amended this measure to specify that no funds from the state highway fund will be used to comply with the requirements of this measure. This measure contains an appropriation from general revenues for the installation of underground lines, and your Committee agrees that using the general fund of the State or revenue bonds is appropriate.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 723, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 723, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Menor).

**SCRep. 353      Transportation, Military Affairs, and Government Operations on S.B. No. 567**

The purpose of this measure is to require reporting of bribe solicitations by public officials, and to impose criminal penalties for failure to report.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission, the Department of the Prosecuting Attorney and the Police Department of the City and County of Honolulu, and the League of Women Voters of Hawaii. The Office of the Public Defender submitted testimony in opposition to this measure.

Your Committee finds that there have been many instances of public corruption in Hawaii over the past few years. Your Committee believes that our public servants must be held to the highest ethical standards, so that the democratic process is not compromised.

Therefore, your Committee fully supports the intent of this measure, which will impose an affirmative duty on public servants and persons approached by public servants to promptly report bribe offers and to provide criminal penalties for failure to discharge that duty.

Based on testimony received from the Honolulu Prosecuting Attorney, your Committee amended this measure to remove the requirement that public servants and persons solicited by public servants report to the county prosecuting attorney's office. Since prosecuting attorney's offices of the counties are not investigative offices, your Committee believes that it is appropriate to require a report only to the county police department or appropriate state or federal office.

Also, you Committee amended this measure to lower the criminal penalty for failure of a public servant to report, from a class B felony to a class C felony, and for failure of others to report from a class C felony to a misdemeanor. Your Committee agreed with many of the testifiers that the criminal penalties contained in the original measure were unduly punitive and not in accord with existing criminal penalties for other violations.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 567, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 567, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 354 (Joint) Water, Land, and Agriculture and Judiciary and Hawaiian Affairs on S.B. No. 643**

The purpose of this measure is to establish a temporary bioprospecting advisory commission to develop a comprehensive plan for the bioprospecting on public lands that are trust lands.

Testimony in support of this measure was received from the Office of Hawaiian Affairs, KAHEA, Oahu Council of the Hawaiian Civic Clubs, Association of Hawaiian Civic Clubs, and eight individuals. Testimony in opposition was received from BiophoriX. Comments were received from two individuals and an indigenous expert.

This measure is intended to preserve the biodiversity of trust lands, including their mineral and marine resources. These lands and resources have been, and still are, culturally, economically, medicinally, spiritually and otherwise, significant to the overall well being of native Hawaiians and the general public. The attributes of biodiversity, the totality of genes, species, and ecosystems, can provide medicines from natural products, new antibiotics, organisms that fight antibiotic resistant bacterial infections, and research models.

Your Committees find that Hawaii's biological diversity and biological resources are assets of the public trust that are culturally, economically, medicinally, spiritually and otherwise significant to the general public and native Hawaiians.

Your Committees further find that Hawaii is experiencing a tremendous loss of biodiversity due to the conversion of natural habitat for development, environmental degradation and unsustainable consumptive practices. Your Committees further find that the State of Hawaii has a trust obligation to ensure the preservation and sustainable use and equitable sharing of benefits of Hawaii's biological resources.

In light of these findings, your Committees have amended this measure by:

- (1) Strengthening the purpose section;
- (2) Adding definitions for "biological diversity", "biotechnology", and "sustainable use";
- (3) Deleting references to a moratorium and substituting therefor a prohibition on the sale or transfer of biological resources and biological diversity on trust lands;
- (4) Changing the purpose of the temporary biospecting commission from developing a comprehensive plan for bioprospecting to developing a comprehensive plan on the preservation and use of the biological diversity and biological resources of the trust lands;
- (5) Changing the number of commission members from nine to ten to add a member of the biotechnology industry, and clarifying their backgrounds to facilitate the amended purpose of the commission;
- (6) Including in the duties of the commission the development of issues and policies for the conservation and sustainable use of biological diversity, and related matters in aid thereof;
- (7) Clarifying that this measure does not prevent the sale or commercial processing of fish, marine and agricultural products, or agricultural products, or to prevent the native Hawaiians from exercising specified cultural rights; and
- (8) Changing the repeal date from June 30, 2006, to June 30, 2005.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 643, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 643, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 355      Judiciary and Hawaiian Affairs on S.B. No. 1267**

The purpose of this measure is to refine the tobacco Master Settlement Agreement (MSA) compliance and enforcement efforts of the Department of the Attorney General by:

- (1) Establishing a prohibition against stamping or selling cigarette brands not included in the Attorney General's directory of participating or complying manufacturers;
- (2) Requiring all tobacco manufacturers who sell their cigarettes in Hawaii to provide certification to the Attorney General that they are a participating manufacturer or in compliance with the escrow requirements of the tobacco Liability Act; and
- (3) Authorizing the Attorney General to apply for a temporary or permanent injunction restraining entities from selling cigarettes from participating or noncomplying manufacturers who fail to meet the certification requirements.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that the MSA was entered into by the State and leading United States tobacco product manufacturers on November 23, 1998. The MSA obligates these manufacturers, in return for a release of past, present, and certain future claims against them, to pay substantial sums to the State, to fund a national foundation devoted to the interests of public health, and to make substantial changes in their advertising and marketing practices and corporate culture with the intention of reducing underage smoking.

Your Committee further finds that under the MSA, tobacco manufacturers selling cigarettes to consumers within the State, are required to either become a participating manufacturer and perform its financial obligations under the MSA, or establish an escrow account funded according to the number of cigarettes sold. The Attorney General is responsible for enforcing the terms of the MSA.

Your Committee raised State liability concerns due to requiring new cigarette manufacturers to conform to the escrow requirements of the MSA prior to selling cigarettes in this State. The Attorney General's Office provided a written response acknowledging that challenges to the MSA have occurred in other states but have not been successful. Two cases have not been resolved as of this date but the Attorney General's Office will monitor the litigation and apprise the legislature if a decision adversely affects this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1267 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 356      Transportation, Military Affairs, and Government Operations on S.B. No. 458**

The purpose of this measure is to increase the small purchase procurement exception dollar ceiling for construction projects to \$250,000, and to establish a procurement preference for state resident contractors.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services. The General Contractors Association submitted testimony in opposition, and the State Procurement Office provided comments.

With regard to the first purpose of this measure, to increase the small purchase procurement exception dollar ceiling for construction projects, your Committee finds that such an increase will help to facilitate important state projects, particularly school repair and maintenance projects. A large majority of the projects awarded pursuant to the temporary small purchase ceiling increase authorized by Act 5, Third Special Session 2001, were school repair and maintenance projects.

Your Committee also continues its strong support for the second purpose of this measure, to establish a procurement preference for contractors that primarily employ state residents. Since only state funds are expended for public projects, your Committee believes that local residents, whose taxes fund those projects, should have an advantage over out-of-state contractors who take our money to the mainland or elsewhere.

Your Committee has steadfastly fought for a state resident preference over the past several sessions, and is baffled by the resistance shown by the previous administration. The Attorney General (AG) has previously opined that a preference for a local company with a workforce comprised of at least 75% local residents is unconstitutional; however, the AG's office has never presented any legal authority on point to your Committee on this issue.

Nevertheless, your Committee wants to cooperate with all relevant parties to ensure that local residents are awarded state contracts as much as possible. Therefore, your Committee has amended this measure to delete the preference for contractors whose workforce consists of at least 75% state residents, and replaced it with language submitted by DAGS.

As amended, this measure provides a preference for contractors that are Hawaii domestic corporations, and that provide all the necessary documentation to the purchasing agency to demonstrate compliance with every applicable Hawaii law. According to DAGS' testimony, requiring submission of these documents will give local contractors every opportunity to compete fairly and on equal footing with out-of-state contractors.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 458, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 458, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 357      Transportation, Military Affairs, and Government Operations on S.B. No. 686**

The purpose of this measure is to specify that for government procurements for less than \$25,000, the inclusion of general excise tax and applicable use tax in an offer or bid shall not be considered by the purchasing agency as part of the overall cost aspect of the bid or offer.

Your Committee received testimony in support of this measure from the Chamber of Commerce of Hawaii, the General Contractors Association of Hawaii, and a concerned citizen. The State Procurement Office submitted comments on this measure.

Your Committee finds that local companies are sometimes disadvantaged when mainland vendors and contractors do not include general excise tax and use tax in their bids; consequently, mainland vendors and contractors can submit bids that are lower than local companies, which must include all applicable taxes.

Therefore, your Committee supports this measure as one means to support local companies, and to rectify the inequity when local vendors compete against mainland companies.

Your Committee amended this measure to specify that its provisions apply to state resident contractors and vendors only, defined as companies that comply with all applicable state laws and whose workforce consists of at least 75% state residents. Your Committee is steadfastly committed to supporting local residents, and therefore believes that this amendment is prudent.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 686, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 686, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 358      Transportation, Military Affairs, and Government Operations on S.B. No. 966**

The purpose of this measure is to establish the Office of Resource Maximization within the Lieutenant Governor's office to coordinate grant seeking efforts statewide and to maximize the amount of federal funding available to the State.

Your Committee received testimony in support of this measure from the Legal Aid Society of Hawaii, Hawaii Youth Services Network, the Alliance for Health and Human Services, the National Association of Social Workers, Mental Health Kokua, and the League of Women Voters of Hawaii. Testimony in opposition to this measure was submitted by a concerned citizen.

Your Committee finds that many state agencies and other entities in the State miss out on the opportunity to receive federal money for various projects, especially federal grant money. Often the problem is that the agency is unaware of the availability of a grant, or lacks the necessary expertise to write the grant application.

Your Committee supports this measure, which will provide a central office to act as a clearinghouse for federal grants, and assist entities within the State that are seeking federal funds.

Your Committee amended this measure to include, as an additional function of the Office of Resource Maximization, providing ombudsman services to encourage partnerships between state agencies and nonprofit organizations to maximize federal aid. Your Committee finds that nonprofit organizations are an important resource for persons who need financial assistance in the State, and therefore the office should seek partnerships with such organizations.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 966, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 966, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 359      Transportation, Military Affairs, and Government Operations on S.B. No. 1165**

The purpose of this measure is to allow counties, in the issuance of revenue bonds, to acquire policies of insurance and enter into banking arrangements.

Testimony in support of this measure was received from the Honolulu City and County Department of Budget and Fiscal Services, UBS PaineWebber, Salomon Smith Barney, and McCorrison Miller Mukai MacKinnon LLP.

This measure clarifies the authority of counties to enter into certain commonplace insurance and banking arrangements in the course of issuing revenue bonds to finance public works projects which produce revenue. These projects need to be cost-effective, so it is important that counties are able to manage interest costs and limit potential risks associated with interest rate fluctuations in the municipal bond market.

Elsewhere in the country, interest rate swaps and other similar contractual arrangements have proven to be an effective means by which local government agencies can manage the interest costs and risks associated with their bond issues. Unfortunately, there is no express authorization under Hawaii law for our counties to utilize these types of contractual arrangements in connection with their general obligation or revenue bond issues. Consequently, the counties have not been able to determine that such arrangements are permissible under Hawaii law.

This measure, if enacted, would make it possible for our counties to utilize interest rate swaps and other similar contractual arrangements in the structuring of revenue bonds issued under Chapter 47, Hawaii Revised Statutes. This would enhance the counties' ability to finance needed public improvements on a more cost-effective basis and thereby help to ease the burden which the counties' residents and businesses must bear with respect to the costs of these improvements.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1165 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 360      Transportation, Military Affairs, and Government Operations on S.B. No. 1166**

The purpose of this measure is to allow counties, in the issuance of general obligation bonds, to acquire policies of insurance and enter into banking arrangements.

Testimony in support of this measure was received from the McCorrison Miller Mukai MacKinnon LLP.

This measure facilitates the ability of counties to issue general obligation bonds (GO bonds) as a means to finance public improvements. GO bonds are an essential source of funding for counties to build public facilities. These projects need to be cost-effective, so it is important that counties are able to manage interest costs and limit potential risks associated with interest rate fluctuations in the municipal bond market.

Elsewhere in the country, interest rate swaps and other similar contractual arrangements have proven to be an effective means by which local government agencies can manage the interest costs and risks associated with their bond issues. Unfortunately, there is no express authorization under Hawaii law for our counties to utilize these types of contractual arrangements in connection with their general obligation or revenue bond issues. Consequently, the counties have not been able to determine that such arrangements are permissible under Hawaii law.

This measure, if enacted, would make it possible for our counties to utilize interest rate swaps and other similar contractual arrangements in the structuring of general obligation bonds issued under Chapter 47, Hawaii Revised Statutes. This would enhance the counties' ability to finance needed public improvements on a more cost-effective basis and thereby help to ease the burden which the counties' residents and businesses must bear with respect to the costs of these improvements.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1166 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 361      (Joint) Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs on S.B. No. 1347**

The purpose of this measure is to require the posting of unofficial results after the close of a polling place and a manual recount and audit of votes in close races. This measure also deletes the requirement that the chairperson of the precinct officials be of the same party as the Governor.

Testimony in support of this measure was received from the Governor. The American Civil Liberties Union of Hawaii orally expressed support. Comments were received from the Office of Elections.

Your Committees agree with the testimony of the Office of Elections that election results should be validated and confirmed before being distributed.

Your Committees have reservations at the present time about the logistics of a recount, which takes enormous time, particularly between the primary and general election.

Your Committees have amended this measure by deleting all provisions except for repealing the requirement that the chairperson of the precinct officials be of the same party as the Governor.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs and Government Operations and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1347, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1347, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 12. Noes, none. Excused, 1 (Kanno).

**SCRep. 362      Transportation, Military Affairs, and Government Operations on S.B. No. 1404**

The purpose of this measure is to authorize the counties to assess impact fees to help pay for state highway improvements that serve new or more intensive development, and to create a new special fund to hold impact fee revenues.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT), the Estate of James Campbell, and the Land Use Research Foundation of Hawaii. The Department of Permitting and Planning of the City and County of Honolulu submitted testimony in opposition to this measure.

Your Committee finds that new development of land has a tremendous impact on existing roadways. New development leads to more motor vehicles using our roadways, necessitating increased repair and maintenance as well as traffic mitigation measures.

Your Committee supports the institution of impact fees on developers to help defray the cost of highway improvements brought on by development. Impact fees are more predictable and equitable than case-by-case permit exactions, and more acceptable to the public than using solely public funds. Also, unless they are used for the exact purpose for which they were collected, impact fees must be returned to the developer.

Therefore, your Committee supports this measure as an appropriate balance between the right of private entities to develop their land, and the resultant need of the State to maintain and improve our roadways.

Your Committee amended this measure to designate the DOT as the expending agency for the special fund created to hold impact fees.

Your Committee also made several technical, nonsubstantive amendments to this measure for purposes of style, clarity, and accuracy.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1404, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 363      Transportation, Military Affairs, and Government Operations on S.B. No. 1408**

The purpose of this measure is to require the Department of Transportation (DOT) to prepare a statewide transportation plan and to establish a statewide transportation committee.

Testimony in support of this measure was received from the DOT and Hawaii County Department of Public Works.

This measure revises chapter 279A, Hawaii Revised Statutes, relating to statewide transportation planning, by repealing provisions and enacting new ones to update the statutes to reflect current practices and requirements, including compliance with federal requirements.

The statewide transportation plan would be directed towards the development of a balanced, multi-modal statewide transportation system. The statewide transportation advisory committee, composed of various directors of state and county departments, would assist and advise the DOT in the development of the statewide transportation plan.

Your Committee has amended this measure by adding a representative of the Oahu Metropolitan Planning Organization to the statewide transportation advisory committee, and making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1408, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1408, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 364 (Joint) Transportation, Military Affairs, and Government Operations and Economic Development on S.B. No. 1491**

The purpose of this measure is to remove the limit on the total amount of interest that may be charged to state agencies that fail to pay their debts on time.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services.

Your Committees find that many vendors and contractors have experienced difficulty obtaining payment from the State, despite provisions in the law that mandate that the State will pay its debts within thirty days of becoming due.

Obviously, this situation is unfair, and your Committees support interest charges against the State for untimely payment. Since 1996, the interest chargeable to state agencies has been tied to the prime rate, and capped at twelve per cent per year. Since state agencies are still delinquent in paying their debts, your Committees support removing the ceiling on the amount of interest that may be charged.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1491 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Baker, Kanno, Trimble, Whalen).

**SCRep. 365 Transportation, Military Affairs, and Government Operations on S.B. No. 1606**

The purpose of this measure is to:

- (1) Require legislators to disclose to the Campaign Spending Commission every fundraiser, regardless of cost, held thirty days prior to and during a legislative session;
- (2) Create a conflicts of interest law within the State Ethics Code;
- (3) Amend the State Ethics Code to require legislators to disclose income from any client for services rendered, which constitutes \$25,000 or more than twenty-five per cent of the legislator's annual income from sources other than legislative salary; and
- (4) Establish legislative ethics committees within the State Senate and State House of Representatives to advise on conflicts of interests laws and rules.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission (Commission), Hawaii Pro Democracy Initiative, the League of Women Voters of Hawaii, and a concerned citizen.

With regard to disclosure of fundraisers held thirty days prior to and during the legislative session, your Committee finds that current law only requires disclosure of fundraisers with tickets costing more than \$25. Therefore, a majority of fundraisers need not be disclosed, and this measure will allow the public and the Campaign Spending Commission to monitor a legislator's fundraising activity during the time the legislator is actively considering legislation that may have an impact on his or her contributors.

Your Committee also supports the codification of legislative ethics committees to advise on conflict of interest issues, as well as a statutory prohibition on legislators voting on matters affecting their direct financial interests.

Finally, your Committee also supports the disclosure of all income received by a legislator that equals \$25,000 or 25 per cent of the legislator's income (other than legislative salary). Again, the public has a right to know how their elected officials make their money.

Despite generally supporting this measure, however, many committee members were concerned that its provisions may go too far and force legislators to recuse themselves routinely from voting on measures that affect the public generally.

Therefore, your Committee amended this measure to define "direct financial interest" so that it is clear that that term only applies to legislation that specifically targets a legislator's business, property, or other financial interest. A legislator should not be recused if the legislation only affects a class of people generally. For example, if a legislator is a contractor, that legislator may vote on legislation that affects the contracting industry generally, unless it specifically benefits the legislator's own business directly.

Second, your Committee amended this measure to give the legislative ethics committees established pursuant to this measure, and not the Commission, the power to enforce the requirement that legislators recuse themselves from voting on measures that affect their direct financial interests. Your Committee is aware that the State Constitution specifies that legislators are not answerable to outside tribunals when performing legislative functions, and so this amendment is prudent.

Your Committee also amended this measure to include codification of the legislative ethics committees as a new part in chapter 84, Hawaii Revised Statutes (HRS), rather than as a separate chapter. Chapter 84, HRS, deals with standards of conduct for public officials, and your Committee believes that chapter to be the most appropriate location for all of the legislative ethics laws.

Finally, your Committee made several technical nonsubstantive amendments for purposes of clarity, accuracy, and preferred drafting style.

Your Committee finds that this measure will increase transparency within the Legislature, and as a result, public confidence in the legislative process will be enhanced.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1606, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1606, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 366      Transportation, Military Affairs, and Government Operations on S.B. No. 1635**

The purpose of this measure is to prohibit businesses and private sector entities from funding all or any part of a State position.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission.

Your Committee finds that the public's perception of the integrity of our government is important and should be preserved. If private funds are used to pay a state employee, the appearance of impropriety is raised immediately; many members of the public believe that the entity or person funding the position will receive special treatment or exert undue influence over the state employee.

Therefore, your Committee agrees that this measure is prudent to protect public confidence in our government. Your Committee notes that there are exceptions for some forms of remuneration for employees of the University of Hawaii, and for loaning an employee to a state agency on a temporary basis. Your Committee believes that these exceptions are also prudent and will not erode the basic principles of this measure.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1635 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 367      Transportation, Military Affairs, and Government Operations on S.B. No. 1641**

The purpose of this measure is to authorize the Department of Transportation (DOT) to conduct a traffic study to determine which bus stops along Kamehameha Highway between Kaneohe and Kawela should have crosswalks installed nearby, and to appropriate funds to install the crosswalks.

Your Committee received testimony in support of this measure from the DOT and fourteen residents along the Kamehameha Highway.

Your Committee is concerned about pedestrian safety, which is the subject of several measures supported by your Committee this session. Your Committee believes that the State must take all necessary steps to ensure the safety of pedestrians in our State, especially along points of the roadway where pedestrians are certain to be, such as near bus stops.

Therefore, your Committee supports this measure and urges the DOT to undertake similar studies throughout the State wherever pedestrians may be at risk.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1641 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 368      Science, Arts, and Technology on S.B. No. 400**

The purpose of this measure is to authorize the issuance of general obligation bonds and make an appropriation for phase II construction at the University of Hawaii's Institute for Astronomy facilities on Maui.

Testimony in support of this measure was submitted by the University of Hawaii Institute of Astronomy and the High Technology Development Corporation. Testimony in support of the intent of this measure was submitted by the Department of Business, Economic Development, and Tourism.

Your Committee finds that the University of Hawaii's Institute of Astronomy ranks amongst the world's most successful programs, due to Hawaii's naturally suitable geography that has attracted global investment in high technology equipment and facilities on the island of Maui. Your Committee further finds that the Institute's facility on Maui has been successful in procuring strategic lots for



additional state-of-the art facilities, but is in need of additional funding to immediately purchase an adjacent lot to ensure sufficient contiguous space to successfully compete for world-class projects such as the Advanced Technology Solar Telescope, which siting is soon to be determined through a competitive application process.

As affirmed by the record of votes of the members of your Committee on Science, Art and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 400 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 369 Science, Arts, and Technology on S.B. No. 426**

The purpose of this measure is to request the State to assess, inventory, and make available through a single state Internet website, various data collected by state government and other relevant agencies.

Testimony in support of this measure was submitted by the Hawaii Information Consortium. The Department of Business, Economic Development, and Tourism and the Department of Accounting and General Services submitted testimony in support of the intent of this measure.

Your Committee finds that state government agencies possess vast amounts of data that is collected as part of their operational responsibilities, but not necessarily analyzed nor inventoried outside of the respective agencies. Your Committee further finds that the New Economy, and the high technology industry in particular, is a data-driven and idea-based industry that could be greatly enhanced through the mining of this raw data for both commercial and non-commercial purposes.

Your Committee has amended this measure by:

- (1) Inserting a purpose section indicating the need for enhanced data collection and dissemination in support of Hawaii's "New Economy";
- (2) Adding language to request that the Department of Business, Economic Development, and Tourism, in its inventory, include data and indices related to the high technology industry; and
- (3) Replacing the word "portal" with the word "website", throughout the measure.

As affirmed by the record of votes of the members of your Committee on Science, Art and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 426, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 370 Science, Arts, and Technology on S.B. No. 455**

The purpose of this measure is to make an appropriation of matching funds for the Friends of Waipahu Cultural Garden Park to provide for ongoing programs at Hawaii's Plantation Village.

Testimony in support of this measure was received from the State Foundation on Culture and the Arts, Hawaii's Plantation Village, The Filipino Community Center, Inc., First Samoan Pentecostal Church, Spectrum Health Systems, Inc., Waipahu Community Association, and seven individuals.

Your Committee finds that Hawaii's Plantation Village provides an educational experience for residents and visitors alike that shares the cultural aspects of Hawaii's plantation history. Your Committee further finds that the appropriation is a dollar-for-dollar request for state matching funds to be used with private donations from the Friends of Waipahu Cultural Garden Park. Your Committee notes however, that this measure is a grant-in-aid request that must comply with the requirements of Chapter 42F, Hawaii Revised Statutes, which requires a written application be submitted to appropriate entities for review and consideration separately from this measure.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 455 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 371 Science, Arts, and Technology on S.B. No. 521**

The purpose of this measure is to establish an Office of Technology and Economic Development in Washington D.C. to pursue federal funds for research and development particularly focused on high technology.

Testimony in support of the intent of this measure was submitted by the Department of Business, Economic Development, and Tourism and the Hawaii Technology Trade Association.

Your Committee finds that Hawaii's high technology industry is composed of various sectors including information and telecommunications technology, biotechnology, health and medical technology, and dual use and alternative energy technology, amongst others. Your Committee further finds that the dual use sector is the fastest growing area in Hawaii, and which would particularly benefit from a presence in Washington D.C. to represent and promote Hawaii's interests. Your Committee believes however, that a private consultancy can adequately represent Hawaii's interests without the need for additional governmental staff.

Thus, your Committee has amended this measure by deleting the appointment of an executive director and staff within the Office of the Governor.

As affirmed by the record of votes of the members of your Committee on Science, Art and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 521, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 521, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 372 Science, Arts, and Technology on S.B. No. 663**

The purpose of this measure is to provide a grant-in-aid to support the Oceanic Institute's Aquaculture and Marine Biotechnology Research program.

Testimony in support of this measure was submitted by the Oceanic Institute and the Hawaii Aquaculture Association. The Department of Business, Economic Development and Tourism and the Department of Agriculture submitted testimony in support of the intent of this measure.

Your Committee finds that the aquaculture industry in Hawaii represents the largest in the world, and the Oceanic Institute is the premier private sector partner in this effort. Your Committee further finds that this grant-in-aid will assist with the construction of facilities to expand Oceanic's operations at four island sites, and for which funds have been raised from federal, State, and private sources.

As affirmed by the record of votes of the members of your Committee on Science, Art and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 663 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 373 Science, Arts, and Technology on S.B. No. 721**

The purpose of this measure is to make an appropriation for a unified database system for all state departments.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association and a private citizen.

Your Committee finds that a unified statewide database system containing the information of myriad state government agencies will enhance more efficient and effective interagency communication.

As affirmed by the record of votes of the members of your Committee on Science, Art and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 721 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 374 (Joint) Science, Arts, and Technology and Economic Development on S.B. No. 726**

The purpose of this measure is to require the special advisory council within the Office of the Governor to act as a liaison between government and high technology businesses to facilitate problem solving related to government barriers faced by the industry.

Testimony in support of this measure was submitted by the Hawaii Technology Trade Association.

Your Committees find that our State continues to support various initiatives to develop and expand our high technology industry in Hawaii. Your Committees further find that the industry needs to keep the State informed about the success of these initiatives and organizations such as the Hawaii Technology Trade Association are important partners in this effort. Your Committees note that the Executive Committee of the Hawaii Technology Trade Association includes members from each key technology area, and would serve as a good resource for the Governor.

As affirmed by the records of votes of the members of your Committees on Science, Art and Technology and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 726 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 2 (Kanno, Kawamoto).

**SCRep. 375 (Joint) Science, Arts, and Technology and Economic Development on S.B. No. 1249**

The purpose of this measure is to authorize the Hawaii Technology Development Corporation to provide state matching grants to entities that receive federal Small Business Technology Transfer grants.

Testimony in support of this measure was submitted by the High Technology Development Corporation, the Hawaii Venture Capital Association, and the Hawaii Technology Trade Association.

Your Committees find that one of the primary impediments to expansion of high technology small businesses is the lack of available venture capital for these businesses to use in the areas of research and development. Your Committees further find that the State and federal governments have made limited funds available to capitalize research and development activities in this regard. Your Committees agree that the federal Small Business Technology Transfer grant program is an additional source of venture capital that should be pursued by Hawaii small businesses that are ready to transfer their product design into production for commercial applications.

Your Committees have amended this measure by inserting federal Small Business Technology Transfer grant awards within the existing provisions of law providing state matching grants to federal Small Business Innovation Research grants awardees, as the intent is for them to be treated similarly by the High Technology Development Corporation.

As affirmed by the records of votes of the members of your Committees on Science, Art and Technology and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1249, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1249, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 1 (Kanno).

**SCRep. 376 Science, Arts, and Technology on S.B. No. 1251**

The purpose of this measure, as received by your Committee, is to establish a state chief information officer within the Office of the Governor.

Testimony in support of the concept of this measure was submitted by the Department of Accounting and General Services.

Your Committee finds that the various state agencies have implemented myriad information technology systems designed to make state government operations more efficient. Yet, most of these systems have been developed without regard to their compatibility with other state systems, and thus "information silos" have been created that adversely affect statewide management of and public access to state government data. Your Committee agrees that a chief information officer function is necessary and appropriate to bring together the various entities and work toward consolidation of and uniformity within the state information technology systems.

Your Committee has amended this measure by:

- (1) Placing the responsibilities of the chief information officer with the state comptroller;
- (2) Making conforming amendments to section 26-6, to place the chief information officer functions within the Department of Accounting and General Services and under the supervision of the comptroller; and
- (3) Making technical nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1251, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1251, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 377 Science, Arts, and Technology on S.B. No. 1449**

The purpose of this measure is to require public boards that choose to hold a meeting by videoconference, include in the public meeting notice, information advising the public how they may participate.

Testimony in support of this measure was submitted by the Office of Information Practices.

Your Committee finds that Chapter 92, Hawaii Revised Statutes, also known as the Sunshine Law, establishes the parameters for providing access to the public of most government functions. Your Committee further finds that videoconferencing is an especially useful tool to enhance participation by members of the public who reside in remote areas and cannot easily attend public meetings.

As affirmed by the record of votes of the members of your Committee on Science, Art and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1449 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 378            Science, Arts, and Technology on S.B. No. 1452**

The purpose of this measure is to make an appropriation for the Japanese American Citizens League (JACL) seventy-fifth anniversary national convention.

Testimony in support of this measure was received from JACL and seven individuals.

The JACL is the nation's oldest and largest Asian American civil rights organization which addresses issues of discrimination targeted specifically at persons of Japanese ancestry residing in the United States. The JACL of Hawaii will host the biennial JACL national convention from August 10-14, 2004, at the Waikiki Beach Marriott Hotel. The year 2004 is the seventy-fifth anniversary of the JACL. The total tax revenues expected to be generated from the convention is in excess of \$2,000,000. This measure appropriates funds for a grant-in-aid to the JACL to prepare for the convention.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1452 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 379            Science, Arts, and Technology on S.B. No. 1490**

The purpose of this measure is to create a pilot project for videoconferencing access on the neighbor islands for legislative hearings, and require all new state buildings to have videoconferencing capabilities.

Although the Department of Accounting and General Services supported the concept of establishing a statewide videoconferencing system, it was unable to support the measure due to the potentially prohibitive cost of implementation.

Your Committee finds that expanding public access to the state legislative process for the neighbor islands and rural areas of Oahu is both equitable and desirable. One method for expanding access is to increase videoconferencing capabilities and use by connecting existing videoconferencing technology in state facilities to conference rooms at the State Capitol and by requiring all new state facilities to include videoconferencing capability that will be connected to the Capitol.

Your Committee has amended the measure by:

- (1) Deleting the provisions that propose the establishment of a videoconferencing special fund and all references thereto;
- (2) Delaying the requirement that all newly constructed state facilities contain videoconferencing capabilities from July 1, 2003, to July 1, 2005;
- (3) Expanding the uses of the videoconferencing capabilities to include executive branch hearings;
- (4) Substituting the Legislative Reference Bureau (LRB) for the Department of Accounting and General Services as the agency responsible for administering the videoconferencing pilot project, and requiring the LRB to report on the status and impact of the project to the 2004 Legislature;
- (5) Reducing the life of the pilot project from two years to one year; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1490, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1490, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 380            (Majority) Science, Arts, and Technology on S.B. No. 1662**

The purpose of this measure is to require the State Foundation on Culture and the Arts to commission a work of art as a memorial to the late Congresswoman Patsy T. Mink.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women, the University of Hawaii at Manoa Women's Center, the American Civil Liberties Union of Hawaii Foundation, the Democratic Party of Hawaii, the Hawaii State Teachers Association, the Business and Professional Women of Hawaii, the Community Alliance on Prisons, the Sex Abuse Treatment Center, and six private individuals. The State Foundation on Culture and the Arts submitted testimony in support of the intent of the measure.

Your Committee finds that Patsy Takemoto Mink was a woman of unrivaled stature, both within our State and the nation, who chose to accept the challenges faced by women of color in the mid-twentieth century. Due to Mrs. Mink's experiences with discrimination in our country, as a Congresswoman she was committed to establishing a national policy that supported equal access to educational opportunities for all women. Mrs. Mink was successful, and over twenty-five years later, many thousands of women have benefited from the equal educational opportunities provided through the Title IX Education Act, recently renamed by the U.S. Congress as the Patsy Mink Act.

However, Congresswoman Mink's legacy is not only one of advocacy for woman and minorities, but also one of compassion for those who were less fortunate and whose voice would not otherwise be heard. Mrs. Mink was also known throughout the nation, and the world, as a proponent of peaceful resolution to global conflict and she did not shy away from taking controversial positions in opposition to military action when she believed that other solutions were possible.

Your Committee agrees that our State should commission a commemorative work of art to honor Mrs. Mink and recognize her contributions to our State, our nation, and the world. Your Committee notes that due to her strong advocacy of and support for education, the State Foundation on Culture and the Arts should explore placing a commemorative work of art within the University of Hawaii campus at Manoa, after consultation with Mrs. Mink's family, the university administration, and other interested parties.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1662 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Hemmings). Excused, none.

**SCRep. 381            (Joint) Economic Development and Transportation, Military Affairs, and Government Operations on S.B. No. 39**

The purpose of this measure is to convene an advisory task force to develop an action plan for the transfer of all state parks to the counties.

Your Committees received testimony supporting the intent of this measure from Na Leo Pohai and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, who both suggested amendments. The Board of Land and Natural Resources offered support of this measure if the task force develops a plan to transfer only selected state parks. The Hawaii County Department of Parks and Recreation submitted testimony opposing this measure.

Your Committees find that state and county parks, although a prized resource, are not maintained effectively or efficiently. Neither the State or the counties have the available resources or administrative framework to effectively manage the parks under their jurisdiction. Your Committees believe that a revamping of parks management in Hawaii is necessary to ensure their preservation for enjoyment by all. Upon review of this measure, your Committees acknowledge that developing plans for the immediate transfer of state parks to the counties may be premature. Therefore, your Committees have amended this measure by:

- (1) Modifying the duties and functions of the advisory task force to include determining the feasibility of transferring state parks to the counties and identifying the total amount of funding needed to improve parks maintenance at both state and county levels;
- (2) Deleting language that required the advisory task force to make recommendations regarding the enactment of county ordinances necessary to effectuate the transfer;
- (3) Adding to the membership of the advisory task force four park users from each county appointed by their respective mayors;
- (4) Deleting language that appointed the legislative chairs of the standing committees having jurisdiction over intergovernmental affairs to the advisory task force, and requiring the presiding officer of each legislative chamber to nominate a representative to the task force; and
- (5) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 39, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 39, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Baker, Kanno, Trimble, Whalen).

**SCRep. 382 Economic Development on S.B. No. 836**

The purpose of this measure is to provide an entrepreneur tax credit for taxpayers that create and maintain high paying jobs in Hawaii.

Testimony supporting this measure was received from the High Technology Development Corporation, Cendant Corporation/Fairfield Resorts, and High Technology Trade Association. The Department of Taxation took no position on the measure but submitted comments.

Your Committee finds that retooling Hawaii's economy will require a public-private agenda that invests in people and infrastructure. Together, government and business must create an innovative, entrepreneurial culture if Hawaii is to successfully compete for its share of global markets.

As pointed out by Enterprise Honolulu CEO, Mike Fitzgerald, global strategies among states and businesses are similar -- everyone is looking to create high skill, high-wage jobs. Hawaii must differentiate its uniqueness and strengths in order to compete successfully. Technology must be infused throughout all industries rather than simply among high-tech, media and communications businesses. For example, when kamaaina retailer Liberty House was acquired by Macy's, a significant market opportunity was lost because many of its local vendors were not Internet-adept. They could not directly access Macy's national markets in spite of the fact that "island-lifestyle" garments, food and agricultural products or home furnishings have been hot retail items throughout the world.

Your Committee believes that the tax credit provided in this measure provide a starting point for developing appropriate incentives for creation of new, higher-paying jobs in high-demand businesses.

Your Committee has amended this measure by:

- (1) Adding a findings and purpose section expressing the intent of this measure;
- (2) Confining this tax credit to qualified high technology businesses, and small businesses with twenty-five employees or less and a gross annual income of \$5,000,000 or less;
- (3) Specifying that this measure shall apply to taxable years beginning after December 31, 2002, and apply to full-time employees hired after June 30, 2003, and before July 1, 2008; and
- (4) Making technical, nonsubstantive changes to reflect proper drafting style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 836, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 836, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 383 (Joint/Majority) Labor and Transportation, Military Affairs, and Government Operations on S.B. No. 777**

The purpose of this measure is to require private firms contracted by the State to pay covered workers a living wage of \$9.43 an hour, beginning July 1, 2003, and adjusted thereafter. This measure also requires the Department of Labor and Industrial Relations to implement and enforce the living wage law and to establish a temporary living wage advisory committee to review and evaluate the effectiveness of the law. This measure further provides for a repeal of the law on July 1, 2007.

Testimony in support of this measure was submitted by the Hawaii State American Federation of Labor-Congress of Industrial Organizations, the International Longshore and Warehouse Union, the Kokua Council, and a private citizen.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations and the Chamber of Commerce of Hawaii.

Comments on the measure were provided by the Office of Information Practices.

Your Committees find that the state government awards contracts for services each year for substantial amounts that result in the creation and maintenance of a wide variety of employment opportunities in Hawaii. These contracts are paid for by taxpayer dollars and should be used to promote the sustenance and creation of jobs that will increase consumer income, decrease levels of poverty, invigorate neighborhood business, and reduce the need for taxpayer-funded public assistance programs.

Therefore, your Committees believe that employees of private sector vendors who contract with the state government to provide certain services should earn an hourly wage that is sufficient for a family of four to live at or above the federal poverty level.

Your Committees have amended this measure by:

- (1) Replacing in SECTION 2 the references to "this chapter" with references to "Act , Session Laws of Hawaii 2003"; and

- (2) Making a technical nonsubstantive amendment for clarity.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 777, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 777, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, 2 (Slom, Whalen). Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 384 Health on S.B. No. 501**

The purpose of this measure is to make an appropriation for emergency ambulance services for Kula and Kihei, Maui.

Testimony supporting this measure and identical measures was received from the Department of Health, the Mayor of Maui County, a member of the Maui County Council, the American Heart Association, ILWU Local 142, Maui County paramedics, and residents and businesses from Kula, Maui, and South Maui, which includes the Kihei and Wailea communities.

Your Committee finds that Kula and South Maui do not receive adequate emergency services. The upcountry Kula community is serviced by an ambulance station for only 12 hours, and the densely populated resort area of South Maui, the fastest growing region in the State, has more calls than the current station can adequately cover. Often, emergency calls for these areas must be answered by units assigned to other areas, leaving those areas without coverage. As a result, Kula and South Maui experience unacceptably long and potentially life-threatening delays in response times. This situation is exacerbated by patient transport time to the island's only acute care facility, Maui Memorial Medical Center. The State Emergency Medical Services Advisory Board has named Wailea (South Maui) as the first priority for increased services within the County of Maui.

One of the core functions of state government is to secure the public health and welfare. Your Committee recognizes the existing threat to the health and welfare of residents and visitors of Kula and the South Maui communities of Kihei, Wailea, and Makena and believes that the appropriation provided by this measure is necessary to alleviate this threat.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 501 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 385 Health on S.B. No. 745**

The purpose of this measure is to integrate emergency aeromedical services into statewide emergency medical services, to establish an emergency aeromedical system and quality improvement committee to review and recommend improvement to emergency aeromedical services, and to appropriate funds for an intra-county helicopter aeromedical service for the County of Maui.

Testimony supporting this measure was received from the Department of Health, Mayor of Maui County, Healthcare Association of Hawaii, Hawaii Health Systems Corporation, and five individuals. Hawaii Air Ambulance, Inc., submitted testimony opposing part I and supporting part II of this measure.

Your Committee finds that the availability of rapid and efficient emergency aeromedical services is determinative of the extent of recovery from a traumatic injury. The longer the delay in receiving appropriate and necessary trauma care, the more likely an injury may result in the death of a patient. The neighbor islands, in particular, have a special need for emergency aeromedical services due to their lack of sufficient acute care services, long geographic distances that must be traveled to reach service providers, and prevalence of remote areas without immediate access to emergency medical services. Your Committee finds that this measure ensures that emergency aeromedical services is an integral part of emergency medical services for the entire State.

Furthermore, this measure is not intended to supplant existing ground or Fixed-wing emergency medical services. Your Committee believes that this measure will further provide a complete array of emergency medical transport options to ensure availability and dispatch of the appropriate mode of transport for every medical emergency.

Your Committee has amended this measure by:

- (1) Confining the definition of "emergency aeromedical services" to those services and transports by rotary-wing aircraft;
- (2) Deleting the provisions creating an aeromedical services quality improvement committee and requiring the Department of Health to use an emergency aeromedical services quality improvement committee comprised of representatives of trauma, emergency, and tertiary care physicians and providers to analyze information collected from the aeromedical quality improvement performance measures as established by the American College of Surgeons, and to recommend system standards and resources to maintain and improve the Hawaii emergency aeromedical services system;
- (3) Clarifying that the appropriation made by this measure shall be for funding an emergency helicopter aeromedical service for the County of Maui and encouraging the Department of Health to partner with Maui County, health care providers, and the

private sector to ensure that this necessary service is provided in the most cost efficient manner, utilizing all available resources;

- (4) Deleting the appropriation amount and leaving it blank for determination by your Committee on Ways and Means; and
- (5) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 745, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 745, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 386 (Joint) Health and Education on S.B. No. 749**

The purpose of this measure is to establish a University of Hawaii nursing scholarship program.

Testimony supporting this measure was received from the University of Hawaii at Manoa School of Nursing and Dental Hygiene, Hawaii Nurses' Association, Hawaii Pacific Health, Healthcare Association of Hawaii, and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committees find that a nursing shortage exists and will continue into the next decade unless actions are taken to reverse the trend. It is anticipated that Hawaii will need to produce four hundred nurses each year for the next fifteen years to replace the number of nurses leaving the profession. Nurse shortages directly reduce the availability and quality of all health care services thereby threatening the health and welfare of the public. Consequently, your Committees find that the nursing shortage is a public health crisis and that this measure provides an important component to resolving this issue by providing incentives for individuals to enter the nursing profession.

Your Committees have amended this measure by:

- (1) Adding the requirement that students must qualify for resident tuition at the University of Hawaii to be eligible for the nursing scholarship; and
- (2) Broadening the scope of the nursing scholarship program to include nursing programs for all University of Hawaii campuses.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 749, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 749, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Inouye, Kawamoto, Kokubun).

**SCRep. 387 Health on S.B. No. 844**

The purpose of this measure is to make an appropriation for the operating costs of Molokai General Hospital.

Your Committee received testimony supporting this measure from the Molokai General Hospital, and Mayor of Maui County.

Your Committee finds that Molokai General Hospital is the only hospital on the island of Molokai and serves approximately 7,500 residents. Molokai General Hospital has been financially supported primarily through subsidies from its parent organization, Queen's Health Systems. The State has also provided financial support through an annual subsidy. Unfortunately, Queen's Health Systems, along with other entities throughout the State, has been seriously affected by the slumping economy. As a result, Molokai General Hospital's subsidies have decreased drastically and its level of services may be reduced.

Of special note is Lamalama Ka `Ili Community Health Services of Molokai General Hospital. Lamalama Ka `Ili offers intensive diabetes care management, a hospice program that provides end-of-life care for cancer patients and their families, and numerous other health and wellness programs, unduplicated on the island. Your Committee notes that testimony was submitted for S.B. No. 838 by the Maui County Mayor, a Maui Council member, Papa Ola Lokahi, and Molokai General Hospital in support of Lamalama Ka `Ili Community Health Services programs.

Your Committee believes that if the State does not provide an appropriation for Molokai General Hospital to maintain these services, the health and welfare of the residents of Molokai are in jeopardy. Therefore, your Committee has amended this measure by adding the contents of S.B. No. 838, which provides an appropriation for Lamalama Ka `Ili Community Health Services programs and general operating costs.

Your Committee finds that this measure, as amended, is necessary for Molokai General Hospital to maintain its level of services and for the State to secure the health and welfare of the residents of Molokai.



As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 844, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 844, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 388 (Joint) Health and Human Services on S.B. No. 953**

The purpose of this measure is to appropriate funds for respite care services to families providing home care to a family member with special needs.

Testimony in support of this measure was submitted by the Hawaii Early Intervention Coordinating Council. Testimony in support of the intent of this measure was submitted by the Department of Health.

Your Committees find that persons who provide daily care in their homes for family members with special needs often suffer from physical and emotional stress and isolation, but are unable to afford respite care. Although the State provides some respite care services, your Committees also find that no major appropriations for respite care services have been made since 1990. The Department of Health's respite care program is the only available source of support for numerous families.

Therefore, an increase in funding for the respite program is necessary to provide support for families tasked with the heavy burden of caring for children and adults with developmental disabilities, adults with mental illnesses, infants and toddlers with developmental delays, children and young adults with emotional disabilities or chronic illnesses, adults with disabilities, and the elderly.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 953 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Ige, Kokubun).

**SCRep. 389 (Joint) Health and Human Services on S.B. No. 957**

The purpose of this measure is to make an appropriation to hire additional public health nurses to provide early intervention services for infants and toddlers under the age of three with developmental disabilities.

Testimony in support of this measure was submitted by the Hawaii Early Intervention Coordinating Council, the Hawaii Government Employees Association, and twenty private citizens.

Testimony supporting the intent of this measure was submitted by the Department of Health.

Under existing law, the Department of Health is responsible for early intervention services for infants and toddlers, up to the age of three, with special needs. Your Committees find that special needs children require extensive care coordination services due to the complexities of their medical condition and developmental delay. Public health nurses currently provide critical care coordination services to infants and toddlers as well as support to their families. However, your Committees determine that there is a critical shortage of public health nurses in this field.

Therefore, your Committees believe that the hiring of additional public health nurses will provide the staffing and expertise to coordinate with physicians and families the necessary services for developmentally disabled infants and toddlers.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 957 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Ige, Kokubun).

**SCRep. 390 (Joint) Health and Human Services on S.B. No. 1358**

The purpose of this measure is to appropriate an additional \$2,179,400 necessary to meet the federal Health Insurance Portability and Accountability Act (HIPAA) for the Department of Health.

Testimony in support of this measure was submitted by the Department of Health and the Hawaii Early Intervention Coordinating Council.

HIPAA is an unfunded federal mandate to improve portability and continuity of health insurance coverage in the group and individual markets, to combat waste, fraud, and abuse in health insurance and health care delivery, to promote the use of medical savings accounts, to improve access to long-term care services and coverage, to simplify the administration of health insurance, and to protect the confidentiality of individually identifiable health information.

Your Committees find that the Department of Health requires immediate funding to comply with HIPAA standards within the federal deadlines in order to avoid the imposition of substantial fines that will impede the Department of Health's ability to receive federal reimbursement for the provision of direct services. However, the Department of Health has determined that a reduced appropriation will be sufficient to meet their immediate needs.

Accordingly, your Committees have amended this measure by reducing the appropriation amount from \$2,179,400 to \$1,292,439 for compliance with HIPAA.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1358, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1358, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Ige, Kokubun).

**SCRep. 391 Health on S.B. No. 1362**

The purpose of this measure is to allow all mental health divisions of the Department of Health to implement procedures and policies on obtaining verifiable information regarding the criminal history of potential employees and contract providers.

Testimony supporting this measure was received from the Department of Health and the Department of the Attorney General.

Your Committee finds that current law allows investigation into criminal histories of potential employees and contract providers who have contact with clients of the child and adolescent mental health division. This type of information has proven to be very helpful in ensuring the safety of clients as well as improving the quality of care provided. Therefore, your Committee finds that the adult mental health division should have the same opportunity to provide a safer working environment and high quality services.

Furthermore, your Committee recognizes that the Hawaii criminal justice data center (HCJDC), which is administered by the Department of the Attorney General, will require additional resources to implement the provisions of this measure. The Department of the Attorney General indicated in its testimony that an increase in the appropriation ceiling of the criminal history record improvement revolving fund is necessary. Therefore, your Committee has amended this measure by:

- (1) Adding an appropriation section to increase the appropriation ceiling for HCJDC's criminal history record improvement revolving fund to accommodate the purposes of this measure; and
- (2) Making technical, nonsubstantive amendments to reflect proper drafting style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1362, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1362, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Inouye).

**SCRep. 392 Water, Land, and Agriculture on S.B. No. 517**

The purpose of this measure is to appropriate \$1,000,000 for each year of the 2003-2004 fiscal biennium to build a fruit fly irradiation treatment plant on Oahu.

Testimony in support of this measure was submitted by the Board of Agriculture and the Hawaii Farm Bureau.

Your Committee finds that a commercial irradiator located on the island of Oahu would allow growers on Oahu, Maui, Molokai, and Kauai to move fresh agricultural products to export markets through Honolulu International Airport in the most efficient and least costly manner. This would expand the export market for the entire State. Because Oahu already is the main staging area for many locally grown commodities, it would be the ideal location for this facility.

Your Committee has deleted the dollar amount and left it blank for determination by the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 517, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 517, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Espero).

**SCRep. 393 Water, Land, and Agriculture on S.B. No. 1258**

The purpose of this measure is to retain the selection process for the Agribusiness Development Corporation (ADC) Board.

Testimony in support of this measure was submitted by the Agribusiness Development Corporation, Kauai County Farm Bureau, East Kauai Water Users' Cooperative, Gay & Robinson, Inc., Pineapple Growers Association of Hawaii, Hawaii Agriculture Research

Center, Hawaii Farm Bureau, Maui County Farm Bureau, Hawaiian Commercial and Sugar Company, and the Hawaii Egg Producers Association.

Your Committee finds that, according to current statute, effective July 1, 2005, the composition of the ADC board will consist entirely of members of the Board of Agriculture (BOA). The DOA has different functions from the ADC. BOA members function more as a review committee and deal primarily with regulatory and agriculture park issues, while the ADC board functions as a work group to deal with transitional issues. Currently, the ADC board members are selected and appointed by the Governor based on their knowledge, experience, and expertise in agriculture, marketing, banking, finance, real estate, and management.

Your Committee also finds that this measure will enable the ADC and Hawaii's agriculture industry to benefit from the expertise and pro bono work of professionals and executives. The current ADC board has been proven effective in acquiring, operating, maintaining, and repairing the Waiahole Ditch; solving transitional issues related to 28,000 acres of land at Kekaha, Kauai; initiating the establishment of an agriculture subdivision on private lands on the Hamakua coast; and beginning the work of a state-wide marketing program for Hawaii's agricultural products. The ADC's recent accomplishments demonstrate that it is able to meet the challenges of the agricultural transition occurring in this State and deserves the expression of support shown by this measure in assuring its longevity.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1258 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Espero).

**SCRep. 394      Water, Land, and Agriculture on S.B. No. 1554**

The purpose of this measure is to protect native Hawaiian historic sites by clarifying private landowners' responsibilities for native Hawaiian historic sites on their property.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Ka Lahui Hawaii, Kualoa-He'eia Hawaiian Civic Club, Hawaii County Planning Department, and a member of the Oahu Island Burial Council. Testimony in opposition to this measure was submitted by the Hawaii Leeward Planning Conference. The Board of Land and Natural Resources submitted comments on the measure.

Your Committee finds that this measure requires landowners to notify and obtain approval from the Department of Land and Natural Resources (DLNR) before destroying or adversely affecting historic properties that are located on private property and were constructed by native Hawaiians before 1850. If DLNR determines that the historic properties are not significant, the landowner may proceed with land altering actions or pursue the appropriate permit or approvals for those actions. The measure also requires landowners to agree, through a record of covenant, not to apply for any permits and land use approvals for ten years if they choose to destroy a significant historic site on their property. No state or county agency would be able to issue a permit or approval that contradicts a record of covenant. DLNR is also allowed to commence condemnation within sixty days of being notified that a significant historic site may be destroyed, and to use contingency funds to condemn private land for this purpose.

DLNR suggested some amendments to the measure to assure clarity. The amendments also provide that the landowner not be able to apply for a land use permit for any land within one hundred feet of the historic or burial site, and not just the site itself. Accordingly, your Committee has amended the measure to effectuate the suggested amendments.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1554, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1554, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Aduja).

**SCRep. 395      (Joint) Education and Labor on S.B. No. 14**

The purpose of this measure is to authorize the Department of Education to employ retired school administrators to fill principal and vice principal vacancies without penalty to their retirement benefits.

The Department of Education (DOE) and Hawaii Government Employees Association testified in support of this measure.

Your Committees find that the DOE faces a serious administrator shortage over the next five years. The use of retired school administrators to fill principal and vice principal vacancies provides a temporary solution to the shortage until the DOE can train sufficient numbers of new administrators to permanently fill these vacancies. This measure will allow the DOE to hire retired school administrators without jeopardizing the retirees' receipt of retirement benefits already earned.

Your Committees have amended this measure:

- (1) To require that retired administrators hired under this Act be retired for at least one year prior to their reemployment; and

(2) By making technical amendments for purposes of style and formatting.

As affirmed by the records of votes of the members of your Committees on Education and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 14, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 14, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 2 (Ihara, Hogue).

**SCRep. 396 Education on S.B. No. 366**

The purpose of this measure is to authorize the issuance of general obligation bonds and appropriate funds for plans, design, and construction of the University of Hawaii (UH)– West Oahu Campus facilities.

Your Committee received testimony in support of this measure from the UH at Manoa, the UH – West Oahu, and the Estate of James Campbell.

Your Committee finds that the UH – West Oahu campus occupies a unique niche within the UH system. Although currently the campus only serves upper division students, once new facilities are constructed it will be a full four-year school.

While Native Hawaiians and Filipinos are the most underrepresented groups in our State’s colleges, your Committee finds that fourteen per cent of the student population at UH – West Oahu is Filipino, and eighteen per cent is Native Hawaiian.

Your Committee further finds that the West Oahu campus provides a higher education alternative for leeward and central Oahu residents, so that these students are not forced to commute to Manoa. As part of an overall strategy to reduce our reliance on the Honolulu area as the sole center of jobs and education on Oahu, your Committee supports the construction of new facilities for the UH – West Oahu campus.

Your Committee has amended this measure to insert more accurate figures regarding the cost for construction of new facilities. As provided by the UH, the facilities should cost a total of \$150,600,000 for the three phases of the project.

In addition, while fully supporting a preference for state resident contractors, your Committee has amended this language to provide the preference to contractors whose offers are not more than seven per cent higher than competing offerors. Your Committee has also inserted language to ensure that federal funds are not jeopardized by the granting of a state resident preference.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 366, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 366, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 397 Education on S.B. No. 576**

The purpose of this measure is to disallow the University of Hawaii Board of Regents from making expenditures from the University of Hawaii tuition and special fees fund to generate private donations to the University of Hawaii Foundation.

Testimony in opposition to this measure was submitted by the University of Hawaii and the University of Hawaii Foundation Board of Trustees.

In 1995, the Legislature passed Act 161, Session Laws of Hawaii 1995, which authorized the Board of Regents to manage tuition revenues generated for University of Hawaii programs. Concomitant with this authority, the Legislature then found, was the consideration that the University of Hawaii is a state-created and –supported institution, which must ensure equal access for students who may need financial support in order to gain a college education.

The 1995 Legislature believed, and your Committee agrees, that it is necessary to ensure that the State’s higher education policy maintains a balance between providing increasing fiscal autonomy to the University and equal access to financially needy students. Your Committee believes that this measure will help to maintain that balance, as it will ensure that tuition revenues are used to fund programs to recruit and retain students from underrepresented ethnic groups and to fund student diversity programs.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 576 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 398 Education on S.B. No. 1345**

The purpose of this measure is to authorize the Department of Education to allow home-schooled students to participate in public school extra-curricular and co-curricular activities.

Testimony in support of this measure was submitted by the Office of the Governor. Testimony in support of the intent of the measure was submitted by the Department of Education. Testimony in opposition to the measure was submitted by The Hawaii State Teachers Association and The Ko'olau News.

Your Committee finds that while home-schooled students receive their academic education from a parent or family member, there may be insufficient age-appropriate social and athletic activities available to them. Your Committee further finds that while academic achievement is important to one's future success, social development and team-building skills offered through public school activities such as team sports and social clubs, are equally valuable.

Your Committee has amended this measure by:

- (1) Requiring implementation by the 2004-2005 school year;
- (2) Allowing the Department of Education to designate by rule the criteria and types of programs in which home-schooled students may participate;
- (3) Clarifying that responsibility for transportation and liability to the State shall not be incurred for transit from the student's home to the activity site and from the activity site to the student's home; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1345, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1345, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Hogue).

**SCRep. 399 Education on S.B. No. 1381**

The purpose of this measure is to make an emergency appropriation of \$1,000,000 to fund the operation of the Kapolei Public Library for the current fiscal year.

The State Librarian, Board of Education, The Estate of James Campbell, and an individual testified in support of this measure.

This measure will enable the public library system to further stock its collection with books, videos, digital versatile discs (DVDs), and electronic resources. While twenty per cent of the new collection for the library has been acquired, completing a collection for a library the size of Kapolei Library requires additional funds. The emergency appropriation will also enable the purchase of supplies, staff equipment and furniture, and payment of utility and maintenance costs, thereby facilitating the opening of the library to the general public in December, 2003.

Your Committee has amended this measure by adding a proviso to Act 159, Session Laws of Hawaii 2001, that requires the use of the emergency funding for the Kapolei Public Library.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1381, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1381, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Hogue).

**SCRep. 400 (Joint) Education and Transportation, Military Affairs, and Government Operations on S.B. No. 1543**

The purpose of this measure is to require the Legislature to include the drivers education program as a separate line item in its General and Supplemental Appropriations Acts for executive branch activities.

Two individuals submitted testimony supporting this measure and the Department of Education submitted testimony supporting the intent of this measure. The Department of Budget and Finance submitted comments on this measure.

Additionally, this measure appropriates an unspecified amount of general funds for the establishment of one full-time equivalent drivers education instructor position in each high school for every 750 students.

Your Committees find that drivers education programs in high schools should be available to qualified students.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1543 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Aduja, Kanno, Hogue, Whalen).

**SCRep. 401 (Joint/Majority) Human Services and Labor on S.B. No. 699**

The purpose of this measure is to appropriate funds to reprice, or reclassify upward, all child welfare service social workers; upgrade all exempt Case Support Aide positions to permanent Social Service Assistant IV positions; convert one clerk-typist position from half-time to full-time; and lower the caseload of assessment social workers and case managers to not more than twenty children.

Testimony in support of this measure was submitted by the National Association of Social Workers; the Hawaii Government Employees' Association; and a private citizen. The Department of Human Services testified in support of the intent of this measure. Testimony in opposition to this measure was submitted by the Department of Human Resources Development.

Your Committees find that societal problems are more challenging and complicated, as evidenced by the increasing violence and drug use in our communities. The front line of defense for children who may be abused or neglected are the child welfare services social workers and support staff. Your Committees heard testimony that the child welfare services social workers are entrusted with a unique responsibility to make critical decisions that often may have significant impact, affecting the lives of, not only the children, but also the families involved.

Your Committees further find that, although generally a social worker must have a Master's Degree in Social Work, the State allows individuals with relevant professional experience to qualify as social workers. Therefore, your Committees believe imposing an on-going training requirement on all child welfare services social workers would help ensure that these front-line personnel possess a common base of knowledge and competency in social work.

Accordingly, your Committees have amended this measure by adding an on-going training requirement for child welfare services social workers.

Finally, your Committees find that, the Department of Human Resources Development has undertaken an occupational study of social workers, including child welfare social workers, that would include a study of pricing considerations and possible reclassification of social workers. However, there is at present no scheduled completion date or timeline for implementation of recommendations of the occupational study. Your Committees believe that child welfare service social workers and support staff should not have to wait, possibly for years, before the State recognizes the value and importance of the difficult work they do. Therefore, your Committees are passing this measure out to allow continued discussion of this issue.

As affirmed by the records of votes of the members of your Committees on Human Services and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 699, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 699, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, 1 (Slom). Excused, 3 (Fukunaga, Sakamoto, Tsutsui).

**SCRep. 402 (Joint) Human Services and Labor on S.B. No. 864**

The purpose of this measure is to convert thirty-nine exempt positions within the Child Welfare Services Branch, under the Department of Human Services' Social Services Division, from temporary to permanent status.

Testimony in support of the intent of this measure was submitted by the Department of Human Services and the Department of Human Resources Development.

Your Committees find that one of the keys to an effective civil service system is open, competitive recruitment of new hires, thus ensuring the widest pool for selection of those who will obtain permanent status as civil service employees. The Department of Human Resources Development expressed concerns about the conversion procedure as proposed, stressing the need to afford individuals who are not currently in the positions the opportunity to apply through the civil service system.

Accordingly, your Committees have amended this measure, as recommended by the Department of Human Resources Development, to provide that only those temporary employees who have been satisfactorily fulfilling the responsibilities of the position for six months or more, and who satisfy the minimum qualifications of the position, may be given an initial probationary appointment without the necessity of an examination.

As affirmed by the records of votes of the members of your Committees on Human Services and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 864, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 864, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 3 (Fukunaga, Sakamoto, Tsutsui).

**SCRep. 403 (Joint/Majority) Labor and Transportation, Military Affairs, and Government Operations on S.B. No. 753**

The purpose of this measure is to require the retraining of civil service employees displaced by privatization or managed competition under Act 90, Session Laws of Hawaii 2001, unless the employee chooses severance, retirement, or employment transfer to the private company.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association.

Testimony in opposition to this measure was submitted by the Department of Human Resources and the Chamber of Commerce of Hawaii.

Your Committees find that during these tough economic times, it is prudent not to layoff employees because these employees will likely encounter difficulty in finding new employment and may instead end up collecting unemployment or welfare, thereby draining the State's coffers. Your Committee also finds that, staying within the intent of Act 90, Session Laws of Hawaii 2001, the State should be prohibited from resorting to layoffs, and instead pursue other alternatives, including the retraining of employees who have been displaced due to privatization or managed competition.

Your Committees have amended this measure by deleting SECTION 4 which is duplicative of SECTION 3.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 753, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 753, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, 2 (Slom, Whalen). Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 404 (Joint) Labor and Transportation, Military Affairs, and Government Operations on S.B. No. 766**

The purpose of this measure is to abolish the payroll lag for public employees.

The Hawaii Government Employees Association and Hawaii State Teachers Association testified in support of this measure.

Act 355, Session Laws of Hawaii 1997, established an after-the-fact payroll schedule for public employees that eventually resulted in pay days for public employees being extended from the first and fifteenth days of each month to the fifth and twentieth days of each month. This measure abolishes the payroll lag and reestablishes the first and fifteenth days of each month as pay days for public employees.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 766 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Ihara, Menor, Sakamoto, Whalen).

**SCRep. 405 (Joint) Labor and Transportation, Military Affairs, and Government Operations on S.B. No. 787**

The purpose of this measure is to allow the governor and county mayors to grant their employees who are certified American Red Cross (Red Cross) disaster volunteers up to thirty days paid leave of absence to perform disaster relief services with the Red Cross.

Testimony in support of this measure was received from the Department of Defense (DOD), Department of Human Resources Development, Hawaii State Chapter of the American Red Cross, HGEA-AFSCME, and Hawai'i Nurses' Association.

Your Committees find that state and county employees who are certified American Red Cross disaster volunteers should be provided paid time off to assist in the State's response and recovery efforts during official disasters. According to the DOD, many other states and jurisdictions have similar laws that have contributed to their ability to respond and recover from disasters and emergencies. This measure would also provide an incentive for state and county employees to become certified American Red Cross disaster volunteers, thereby increasing the pool of qualified volunteers.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 787 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Ihara, Menor, Sakamoto, Whalen).

**SCRep. 406 (Joint/Majority) Labor and Transportation, Military Affairs, and Government Operations on S.B. No. 1065**

The purpose of this measure is to establish a managed competition process for the provision of government services, pursuant to Act 230, Session Laws of Hawaii 1998 (Act 230).

The Hawaii Government Employees Association testified in support of this measure. The Office of Collective Bargaining testified in opposition to the measure.

Act 230 established a committee to develop a managed competition process that enables the State and counties to determine whether a government service can be provided more efficiently, effectively, and economically by a public agency or by a private enterprise. This measure implements the recommendations of that committee.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1065 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, 1 (Slom). Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 407 Labor on S.B. No. 93**

The purpose of this measure is to amend the definition of “medical care”, “medical services”, or “medical supplies” under the workers’ compensation law to include services provided by occupational therapists and occupational therapy assistants.

This measure also replaces references to “masseur” with the term “licensed massage therapist.”

Testimony in support of this measure was submitted by the Massage Therapists Association of Hawaii and nineteen private citizens; testimony in support of the intent of this measure was submitted by four private citizens.

Your Committee finds that occupational therapists and occupational therapists assistants have been providing care to injured workers, but have not been reimbursed for such services. Occupational therapists and occupational therapy assistants undergo training, examination, and licensing, akin to their physical therapist counterparts who are included in the definition of “medical care” under workers’ compensation law.

Your Committee further finds that occupational therapists and occupational therapy assistants provide valued rehabilitative treatment, and that their inclusion in the definition of “medical care” will provide increased access to those injured workers in need of occupational therapy.

Additionally, your Committee determines that “masseur” is an outdated term and that the language of the statute should be updated to reflect current appropriate terminology.

Your Committee has made a technical, nonsubstantive amendment to clarify that occupational therapy assistants are those recognized under Chapter 457G, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 93, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 93, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 408 Labor on S.B. No. 312**

The purpose of this measure is to mandate that the Public Employees Health Fund (Fund) provide specific health benefits to retirees.

Testimony in support of this measure was submitted by the Retirees Unit of the Hawaii Government Employees Association, the Hawaii State Teachers Association, the Hawaii State Retired Teachers Association, the Oahu Retired Teachers Association, and a private citizen.

Comments were submitted by the Public Employees Health Fund who will review the measure at their next regular meeting.

Your Committee finds that a social contract exists whereby in return for years of dedicated service, public employees were promised certain health benefits, regardless of the cost. Since the enactment of chapter 87A, Hawaii Revised Statutes, which established the Employer-Union Health Benefits Trust Fund and shifted the provision of health benefits from a “defined benefits” model to a “defined contribution” model, the health benefits provided will be significantly diminished. Your Committee also finds that many public employees have accepted less pay throughout their careers in anticipation of future retirement benefits, including medical coverage.

Your Committee believes that the State is duty-bound to fulfill its obligation to these public employees by restoring mandated health benefit coverages that have been eliminated. Therefore, coverage for hospital, medical, surgical, prescription, vision, and adult dental plans will be guaranteed.

Your Committee also finds that, under the existing law, the Fund’s contribution to reimburse retirees for Medicare Part B premiums is capped at the lesser amount of \$50 per month, or the Medicare Part B plan premium for retirees. However, your Committee determines that the cost of a Medicare Part B plan has continually increased and already exceeded the cap, costing \$45.50 in 2000, \$50 in 2001, \$54 in 2002, and currently \$58.70. Additionally, your Committee determines that a six-month lag exists in the reimbursement of retirees for any cost differential resulting from an increase in a Medicare Part B plan premium. Therefore, your Committee finds that the Fund should reimburse retirees for the full cost of their Medicare Part B plan and ensure that any differential due to a rate increase is also reimbursed in a timely manner.

Accordingly, your Committee has amended the measure as follows:



- (1) By amending section 87-27(2), Hawaii Revised Statutes, through the replacement of the discretionary term "may" with the mandatory term "shall" in requiring the Fund to pay for Medicare Part B coverage; and
- (2) By requiring the Public Employees Health Fund Board of Trustees to reimburse retirees for any cost differential due to a rate increase in their Medicare Part B plan within thirty days of the rate change.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 312, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 312, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 409 (Majority) Labor on S.B. No. 577**

The purpose of this measure is to provide Excluded Managerial Compensation Plan (EMCP) level employees salary increases and other cost adjustments that would be equal to those granted to employees covered by collective bargaining.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, Managerial and Confidential Employees Chapter.

Testimony in opposition to this measure was submitted by the Department of Human Resources and the Office of the Attorney General.

Your Committee finds that the Act 253, Session Laws of Hawaii 2000, allowed employers to provide variable pay adjustments, based upon performance, for excluded management employees. As a result, prior requirements that such adjustments be not less than those provided under collective bargaining were removed for this group.

Your Committee further finds that the majority of employees in the EMCP are career civil service employees who have competed for their positions in the same manner as other public employees. These employees have spent their entire career gaining the invaluable knowledge and skills required to efficiently and effectively run the programs that provide critical services to our community. They have risen through the ranks and are now managers who maintain the daily operations of the various state and county programs despite changes in the administration.

Therefore, your Committee determines that, in order to maintain parity in the area of pay and to maintain employee morale, EMCP level employees should be granted salary increases and other cost adjustments at least equal to their counterparts covered by collective bargaining.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 577 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 410 Labor on S.B. No. 759**

The purpose of this measure is to exclude the inclusion of administrative costs from the establishment of health benefits plan and long-term care benefits plan rates.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the United Public Workers of Hawaii, the Hawaii State Teachers Association, and the Hawaii State Retired Teachers Association.

Your Committee finds that greater costs will be incurred during the initial stages of implementation of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF). However, your Committee believes that these administrative costs should not be passed on to the employees, although the carrier's administrative costs may be passed on to the employees.

Your Committee further finds that once the EUTF has been fully implemented, administrative costs should decrease. Therefore, your Committee has amended this measure as follows:

- (1) By deleting the section of the measure which would have disallowed the inclusion of a carrier's administrative costs in plan rates; and
- (2) By adding a provision that repeals the exclusion of administrative costs from plan rates on June 30, 2007.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 759, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 759, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 411 (Joint/Majority) Labor and Judiciary and Hawaiian Affairs on S.B. No. 761**

The purpose of this measure is to allow the Board of Trustees for the Employer-Union Health Benefits Trust Fund to hire independent legal counsel.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association.

Testimony in opposition to this measure was submitted by the Department of the Attorney General.

Your Committees find that the Employer-Union Health Benefits Trust Fund (EUTF) is an independent agency established by law to provide health benefits to approximately 90,000 active and retired public employees. The Board of Trustees (Board) is composed of five employers and five employees, appointed by the Governor. Your Committees further find that the Board is authorized to hire its own administrator and consultants; however, the law requires the Department of the Attorney General to act as legal counsel for the Board.

Accordingly, your Committees determine that in order to maintain independence and ensure action that it is in the best interest of the EUTF, the Board should be authorized to select independent legal counsel with significant experience in the issues relating to the trust fund, including insurance law, contract law, and investments.

As affirmed by the records of votes of the members of your Committees on Labor and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 761 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, 2 (Hogue, Slom). Excused, 2 (English, Sakamoto).

**SCRep. 412 (Majority) Labor on S.B. No. 771**

The purpose of this measure is to permit an employee to use any accrued sick leave or vacation leave to care for a child, parent, spouse, or reciprocal beneficiary.

Testimony in support of this measure was submitted by the ILWU Local 142 and the ILWU Local 1357.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Chamber of Commerce of Hawaii, and the Society for Human Resources Management.

Your Committee finds that existing law does not require an employer to permit an employee to use sick or vacation leave to attend to the illness of a family member. In order to promote and support the importance of family well being, employees should be allowed to utilize their sick leave to care for their sick children, parents, spouses, or reciprocal beneficiaries.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 771 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Sakamoto).

**SCRep. 413 (Majority) Labor on S.B. No. 780**

The purpose of this measure is to allow injured employees, not currently receiving temporary partial disability (TPD) benefits to receive TPD benefits for the period of time spent during the treatments, including travel time to and from the medical treatment.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO and the ILWU Local 142.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations and the Chamber of Commerce of Hawaii.

Your Committee finds that under existing law, weekly benefits are paid to the employee until the employee actually returns to work or is found able to work. If an employee returns to work with a temporary disability resulting in diminished earnings, the employee is entitled to TPD benefits. However, your Committee determines that employees who are not currently receiving TPD benefits, but who may require medical treatment for a work injury which cannot be obtained during non-working hours receive no such benefits.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 780 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Sakamoto).

**SCRep. 414 (Majority) Labor on S.B. No. 789**

The purpose of this measure is to postpone the sunset date of the Hawaii Public Employees Health Fund until July 1, 2004, and accordingly extend the authority of the Health Fund to contract for health and life insurance plans.

This measure also delays the implementation date of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) until July 1, 2004.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the Retirees Unit of the Hawaii Government Employees Association, the United Public Workers of Hawaii, the Hawaii State Teachers Association, and two private businesses.

Comments on this measure were submitted by the Public Employees Health Fund.

Your Committee finds that the ability of the Hawaii EUTF to be implemented on July 1, 2003, is unclear. Your Committee determines that it is the intention and belief of the EUTF board that the EUTF will be operational as of that date. However, despite the concerted efforts and intentions of the EUTF board, this measure should continue, as a precautionary measure, should it become clear that the EUTF will not be operational on that date.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 789 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

**SCRep. 415 (Joint/Majority) Labor and Judiciary and Hawaiian Affairs on S.B. No. 796**

The purpose of this measure is to make public sector health benefits inalienable.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association, the Hawaii State Retired Teachers Association, the Retirees Unit of the Hawaii Government Employees Association, eighteen teachers, four counselors, and two individuals.

Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Your Committees find that currently, health benefits for public employees are not guaranteed by the State Constitution. However, many public employees believe that, when they were hired and when they retired, their pension and health benefits were defined and static, thus, ensuring that they would be taken care of upon their retirement.

Your Committees determine that the enactment of Acts 88 and 89, Session Laws of Hawaii 2001, left many public employees and retirees feeling as though a social contract between themselves and the State had been broken. Accordingly, your Committees believe that the State should honor its obligation to these employees and retirees by making their health benefits inalienable.

As affirmed by the records of votes of the members of your Committees on Labor and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 796 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, 1 (Slom). Excused, 2 (English, Sakamoto).

**SCRep. 416 Labor on S.B. No. 1155**

The purpose of this measure is to permit trustees of the Office of Hawaiian Affairs, in service on July 1, 2002, who elected to become members of the Employees' Retirement System by October 1, 2002, to claim service credit under either utilizing payroll deductions or a lump sum payment as provided in section 88-59, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs.

Testimony in opposition to this measure was submitted by the Employees' Retirement System.

Your Committee finds that Act 183, Session Laws of Hawaii 2002 (Act 183), authorized trustees of the Office of Hawaiian Affairs to become members of the Employees' Retirement System. However, Act 183 did not allow trustees who elected to become members pursuant to section 88-54.5(1), Hawaii Revised Statutes, and were eligible for retirement, but without five years of credited service, to acquire the service credit for their past service through a lump sum purchase.

Your Committee also finds that section 88-59(2), Hawaii Revised Statutes, which enables the acquisition of service credit through a lump sum purchase, excluded any member who established membership with the Employees' Retirement System after July 1, 1982, and who has fewer than five years of creditable service, from utilizing this method of purchasing prior service credit.

Your Committee recognizes that providing an exception from this restriction for certain trustees of the Office of Hawaiian Affairs is contrary to the existing prior service credit acquisition statute and policy of the Employees' Retirement System. However, your Committee believes that the circumstances that created the impetus for this measure warrant the measure's passage.

Your Committee is concerned, however, with the amendments as contained in the measure as received by your Committee, in that the proposed language could be interpreted to contradict the existing time period for which service credit may be acquired.

Accordingly, your Committee has amended this measure in order to effectuate the intention of the Act by correcting the oversight as follows:

- (1) By deleting the language added to 88-54.5(3), Hawaii Revised Statutes, and replacing it with language to indicate that trustees who elected to become members under section 88-54.5(1), Hawaii Revised Statutes, with fewer than five years of credited service may be credited for membership service pursuant to section 88-59(2), Hawaii Revised Statutes; and
- (2) By amending section 88-59(2), Hawaii Revised Statutes, to allow trustees of the Office of Hawaiian Affairs who elected to become members pursuant to section 88-54.5(1), Hawaii Revised Statutes, without five years of credited service, to be credited for membership service.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1155, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1155, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

**SCRep. 417 Labor on S.B. No. 1309**

The purpose of this measure is to amend various provisions of Chapter 88, Hawaii Revised Statutes, relating to the Employees' Retirement System (ERS), in order to clarify existing language and to restore the method used to calculate a member's average final compensation prior to the enactment of Act 128, Session Laws of Hawaii 2002.

The measure also:

- (1) Specifies to whom monthly pensions are payable upon the death of a pensioner;
- (2) Provides the ERS' board of trustees with the authority and flexibility to set the compensation level of the ERS administrator subject to approval by the governor; and
- (3) Allows elective officers and judges who have attained the seventy-five per cent benefit limitation to also begin receiving retirement benefits on the last day of December.

Testimony in support of this measure was received by the Employees' Retirement System, the Hawaii State Teachers Association, and the Hawaii Fire Fighters Association.

Your Committee finds that certain membership groups have expressed concerns that the current method of calculating a member's average final compensation will have a negative impact on their pensions. Act 128, Session Laws of Hawaii 2002, was intended to simplify and facilitate the administration of pension benefits; it was not the intent of the law to negatively impact members.

Your Committee further finds that in order to successfully recruit and retain qualified administrators, the board should have the flexibility in determining its administrator's salary. Finally, your Committee finds that in order to be consistent with other members of the Employees' Retirement System, elective officers and judges who retire and who have attained an allowance of seventy-five per cent of the member's average final compensation shall have an effective retirement date of the first day of the month or the last day of the year.

Your Committee is concerned, however, that the measure, as received, places no cap on what the ERS administrator could potentially earn. Therefore, your Committee has amended this measure to require the ERS board to set the administrator's salary at no less than that of a deputy director of an executive department, but no more than that of a state executive department director, without the approval of the governor. Your Committee also has amended the measure to make numerous technical, nonsubstantive amendments to conform the measure to recommended drafting style and procedures.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1309, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1309, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

**SCRep. 418 Labor on S.B. No. 1312**

The purpose of this measure is to compensate retirees whose pensions are not finalized within six months of retirement due to delays in the finalization process and to allow the Employees' Retirement System (ERS) to assess employing agencies a fee if they fail to provide the ERS with the necessary information to properly finalize a retiree's pension.

Testimony in support of this measure was received by the Employees' Retirement System and the Hawaii State Teachers Association.

Testimony in opposition to this measure was received by the Department of Human Resources for the City and County of Honolulu and the Department of Personnel Services for the County of Maui.

Your Committee finds that if there is a delay in the finalizing of a retiree's pension, no interest accrues as a result of this delay. Your Committee also finds that retirees are deserving of the timely processing of their pensions and should receive interest on any amounts outstanding due to a pension finalization delay. Therefore, your Committee believes that agencies should be assessed a fee for their delay in transmitting information to the ERS, and retirees should receive interest accrued during the finalizing of pensions, if the finalization process takes longer than six months.

Your Committee is concerned over the mandatory imposition of the \$10 penalty per month on agencies who otherwise consistently attempt to timely comply with the requests for information by the ERS. In addition, your Committee is concerned with appropriating funds for the purpose of upgrading an already antiquated computer system. In light of these concerns, your Committee has amended this measure as follows:

- (1) Making the fee assessment by the ERS a discretionary, rather than mandatory, practice;
- (2) Eliminating the \$150,000 appropriation; and
- (3) Making numerous technical, nonsubstantive amendments to conform the measure to recommended drafting style and procedures.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1312, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1312, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

**SCRep. 419 Labor on S.B. No. 1438**

The purpose of this bill is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of Collective Bargaining Unit 1, nonsupervisory employees in blue-collar positions.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for nonsupervisory employees in blue-collar positions who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and the University of Hawaii.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, and salary increases and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 1 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1438 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 420 (Majority) Labor on S.B. No. 1638**

The purpose of this measure is to provide the Supreme Court or appellate board discretion for awarding costs and reasonable attorney's fees of workers' compensation appeal proceedings if appeal is initiated by an employee and the employee prevails. This measure also sets standards for this discretion.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO and the ILWU Local 142.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations.

Your Committee finds that under existing law, if an employer appeals a decision regarding workers' compensation, the costs of the proceedings of the Supreme Court and appellate board of the State, together with reasonable attorneys' fees is assessed against the employer, if the employer loses. However, the financial burden associated with a workers' compensation appeal makes obtaining legal

representation extremely difficult for injured employees, thereby providing employers with an unfair advantage in the litigation of claims.

Your Committee believes that placing the authority to grant attorneys' fees and costs associated with a successful appeal by an employee in a workers' compensation case will act to decrease the disparity of power and resources between the employer and employee.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1638 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Sakamoto).

**SCRep. 421 (Joint) Energy and Environment and Labor on S.B. No. 505**

The purpose of this measure is to appropriate funds to continue the efforts of the emergency environmental workforce program to improve the State's economy by employing citizens to protect the environment.

Testimony in support of this measure was submitted by the Board of Agriculture, County Council of Maui, Maui County Mayor, Sierra Club, Coordinating Group on Alien Pest Species, Maui Invasive Species Committee, Research Corporation of the University of Hawaii, and The Nature Conservancy of Hawaii. The Board of Land and Natural Resources submitted testimony in support of the overall concept of this measure.

Your Committees find that the Emergency Environmental Workforce Program both creates important job opportunities in trying economic times and has substantively advanced our state and county alien invasive species eradication efforts. Your Committees believe the Program should be continued to address the ongoing threat that aggressive invasive species pose to our natural environment, our economy, and the health and well-being of our community and visitors alike.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 505 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Hooser, Kawamoto, Sakamoto, Hemmings).

**SCRep. 422 Energy and Environment on S.B. No. 1682**

The purpose of this measure is to increase the caps on the allowable customer-generator generating capacity and the total energy generating capacity produced by eligible customer-generators under Hawaii's net energy metering law.

The Department of Business, Economic Development, and Tourism submitted testimony supporting the intent of this measure. Hawaiian Electric Company and its subsidiaries submitted testimony opposing this measure. The Department of Commerce and Consumer Affairs provided comments on this measure.

Specifically, this measure increases the eligibility for net energy metering from 10 kilowatts to 100 kilowatts, establishes a quarterly billing period, and establishes a panel to determine how much the producer shall be paid by the utility.

Your Committee finds that the goal of increasing renewable resources is consistent with the State's Energy Policy Act. Net metering is one manner in which to accomplish this goal.

Your Committee has amended this measure by:

- (1) Deleting amendments to the definitions of "eligible customer-generator" and "net energy metering", and to sections 269-103 and 269-105 to 269-110, Hawaii Revised Statutes;
- (2) Deleting the proposed increase on the kilowatt cap from 10 to 100 kilowatts and instead, removing the cap altogether; and
- (3) Deleting the proposed increase of a utility company's customer-generated energy system ceiling to 5 per cent of an electric company's system peak, and instead, incrementally increasing the percentage .5 per cent every two years to 2020.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1682, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1682, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 423 Energy and Environment on S.B. No. 919**

The purpose of this measure is to appropriate funds for research and small-scale testing of biological treatment (bioremediation) on material dredged from the Ala Wai Canal and other waterways statewide.

The University of Hawaii, Pacific International Center for High Technology Research, Life of the Land, and one individual submitted testimony supporting this measure.

Your Committee finds that sediments dredged from the Ala Wai Canal contain a variety of contaminants, including halogenated hydrocarbons, polycyclic aromatic hydrocarbons, and metals. Hawaii currently lacks an environmentally sound, cost-effective method for treating these sediments. Shipment to the mainland for burial is expensive and ocean dumping pollutes our food chain and degrades the coastal resources that residents and visitors value. Bioremediation of the sediments can be a desirable and effective treatment alternative.

Your Committee has amended this measure by deleting the amount of the appropriation to permit further discussion by the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 919, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 919, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 424 Energy and Environment on S.B. No. 1239**

The purpose of this measure is to encourage the use of biodiesel fuel in Hawaii as an important source of renewable energy.

Testimony in support of this measure was submitted by Pacific Biodiesel, Inc. and the Maui Tomorrow Board of Directors. The Department of Health and Department of Budget and Finance submitted testimony opposing this measure.

Specifically, this measure requires biodiesel fuels to be used in state fleets, establishes a biodiesel fuel revolving fund, allows for the delivery of biodiesel to state harbors, reduces harbor fees for alternative fuel vessels, exempts biodiesel from the state fuel tax, and bans grease from landfills.

Your Committee finds that biodiesel has gone from a nearly nonexistent market position to use in more than one hundred major fleets over the past decade. In Hawaii, biodiesel is the most readily available biofuel and has great potential for helping our State meet sustainable energy goals.

Your Committee has amended this measure by:

- (1) Removing "brightly" from "a brightly visible sticker" that notifies the public that the vehicle uses biodiesel fuel;
- (2) Deleting the provision of reduction in dockage, wharfage, demurrage, and other rates and fees pertaining to harbors, wharves, and properties for vessels that use biodiesel or other alternative fuels;
- (3) Requiring a minimum of twenty per cent biodiesel blend for the biodiesel fuel tax exemption;
- (4) Removing the appropriation for the Maui fuel crop project; and
- (5) Postponing the effective date of the prohibition of grease traps from landfills to six months after the issuance of the last certificate of occupancy of all the biodiesel processing plants of all counties.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1239, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 425 Energy and Environment on S.B. No. 857**

The purpose of this measure is to establish an invasive species administrator that may appoint an advisory body and shall designate the Departments of Agriculture, Health, and Land and Natural Resources as the lead agencies for invasive species. The lead agencies are authorized to enter private property for the purposes of controlling or eradicating alien invasive species.

The Nature Conservancy of Hawaii, Na Leo Pohai, and the Coordinating Group on Alien Pest Species submitted testimony in support of this measure. The Board of Land and Natural Resources submitted comments on this measure.

Your Committee finds that current alien species prevention and control programs are inadequate to protect Hawaii. Resources to deal with the 200-500 invasive species that already severely impact our economy, agriculture, native ecosystems, and quality of life fall far short of what is needed to provide meaningful prevention and control.

Further, your Committee finds that the critical next step to combating invasive species is coordination among all state agencies. An invasive species administrator will provide direction and organization among the agencies involved to more effectively reduce invasive species in the State.

Your Committee has amended this measure by:

- (1) Providing that the administrator shall designate each lead agency for each function of invasive species control, rather than by each invasive species, for purposes of efficiency;
- (2) Authorizing the lead agencies to enter premises to control or eradicate the invasive species without requiring that the invasive species be previously identified by the administrator, so as not to hinder immediate eradication;
- (3) Authorizing the lead agencies to provide notice and order a private owner to control or eradicate the invasive species if the species was intentionally and knowingly established by the owner and not naturally dispersed; and
- (4) Making technical, nonsubstantive changes to accommodate the aforementioned amendments, and for clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 857, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 857, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 426 (Joint) Economic Development and Transportation, Military Affairs, and Government Operations on S.B. No. 529**

The purpose of this measure is to allow entry into caves that are part of state and county parks when entry signs are posted and expand the circumstances under which a person may lawfully enter a cave and to provide immunity from liability for owners, including the State and counties, that allow access to caves on their property.

Testimony supporting this measure was received from the Board of Land and Natural Resources, three members of the Maui County Council, and three individuals. Testimony opposing this measure was received from the Consumer Lawyers of Hawaii. The Hawaii Speleological Survey and two individuals submitted testimony suggesting amendments to the measure.

Specifically, the measure allows cave access for caves in state or county parks without written permission as long as signs are posted that grant entry and expands permissible circumstances for entering a cave to include recreational use. The measure also extends immunity from liability to cave owners who provide cave access for this purpose.

Your Committees find that Hawaii's caves are a valuable natural resource for research, education, recreation, and tourism. Although every effort should be made to protect Hawaii's caves, the State should also encourage sharing of this natural resource. Enactment of the Hawaii Cave Protection Act in 2002, made great strides in protecting and providing access to Hawaii's caves. This measure provides necessary changes to further fulfill this intent. Your Committees have amended this measure by:

- (1) Providing that written permission from an owner of a cave is not required for:
  - (a) Entry into caves that are designated as part of a state or county park and permission to enter is posted;
  - (b) Entry for scientific purposes as defined in section 6D-1; provided that the cave owner has not posted the entrance against entry;
  - (c) Entry for cave mapping to determine the ownership of a cave; and
  - (d) Entry for resource inventory and human impact studies;
- (2) Deleting the provisions providing that the State and counties shall not be held liable for injuries occurring in caves within state or county parks where written permission is waived and permission granted by posting; and
- (3) Making a technical, nonsubstantive amendment for the purpose of style.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 529, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 529, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Baker, Kanno, Trimble, Whalen).

**SCRep. 427 (Joint) Economic Development and Transportation, Military Affairs, and Government Operations on S.B. No. 1172**



The purpose of this measure is to provide a tax credit for landing fees incurred by commercial airlines with Honolulu-based fleets.

Testimony supporting this measure was received from Hawaiian Airlines. Testimony supporting the intent of this measure and proposing amendments was received from Airline Committee of Hawaii, United Airlines Airline Pilots Association Council 5, and Pacific Wings Airlines. Opposing testimony was received from one individual. The Department of Taxation took no position on this measure but provided comments. Additional comments were received from the Tax Foundation of Hawaii.

Your Committees find that Hawaii's airline industry faces unprecedented financial challenges stemming from international events and the local and national economic climate. This situation does not bode well for Hawaii's economy, which depends heavily on air transportation in all facets of the economy and daily life. Therefore, in this time of economic uncertainty, the State should make every effort to ensure the sustainability and promote the growth of Hawaii's air transportation industry. Your Committees believe this measure provides appropriate tax relief and effective economic stimulus for Hawaii's airline industry, and economy as a whole.

Your Committees have amended this measure by:

- (1) Specifying that the tax credit applies to commercial airlines that have a domicile based in Hawaii" rather than a "Honolulu based fleet" to clarify that the application is to airlines that base pilots and other personnel in Hawaii;
- (2) Providing that the tax credit shall not apply to taxable years beginning after December 31, 2005; and
- (3) Making technical, nonsubstantive changes to reflect proper drafting style.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1172, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1172, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Baker, Kanno, Trimble, Whalen).

**SCRep. 428 Economic Development on S.B. No. 1422**

The purpose of this measure is to establish an economic zone commission to designate and develop economic stimulus programs for economic zones and economic recovery zones.

Testimony opposing this measure was received from the Department of Business, Economic Development, and Tourism.

Your Committee finds that there are areas throughout the State that are in desperate need of economic revitalization. These areas include Waipahu and Kalaheo on Oahu, Hamakua on Hawaii, and many other regions. Upon review of the provisions in this measure, your Committee decided on a different approach. Your Committee finds that tax incentives provide clear benefits to investors, entrepreneurs, and residents and have proven to ignite economic activity. Therefore, your Committee has amended this measure by replacing its contents with provisions that:

- (1) Authorizes the Governor to designate up to eight "renaissance zones";
- (2) Exempts persons and business entities located and operating within renaissance zones from paying one hundred percent of state income and general excise taxes and gradually reduces the amount of the exemption over a number of years; and
- (3) Requires the Department of Business, Economic Development, and Tourism to annually report to the Legislature on the economic effects of the renaissance zones.

Your Committee recognizes that enterprise zones in Hawaii have had a positive effect on their designated areas. However, the potential benefits may be limited by current law which does not allow retail businesses to receive enterprise zone tax benefits. Therefore, your Committee has further amended this measure by requesting the Department of Business, Economic Development, and Tourism to submit a report to the 2004 Legislature on the prospect of providing enterprise zone tax benefits to retail businesses, including its feasibility, probable impact on state revenues, and on the probable social and economic impact on communities.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1422, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1422, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 429 (Joint) Tourism and Economic Development on S.B. No. 1174**

The purpose of this measure is to extend the hotel construction and remodeling tax credit for costs incurred before July 1, 2008. The measure also changes the credit from nonrefundable to refundable, and allows commercial buildings and facilities within a qualified resort area to take the credit.

Testimony in support of this measure was received from the Hawaii Tourism Authority, Hawaii Chapter of the American Resort Development Association, The Pacific Resource Partnership, Land Use Research Foundation of Hawaii, PLA Incorporated, Chamber of Commerce of Hawaii, Outrigger Hotels & Resorts, Ko Olina Resort & Marina, Pahio Resorts, Laborers' International Union of North America Local 368, Hawaii Resort Developers Conference, Cendant Corporation/Fairfield Resorts, Waikiki Improvement Association, Hawaii Construction Industry Association, and Hawaii Hotel Association. Testimony in opposition was received from the Department of Taxation. Comments were received from the Tax Foundation of Hawaii.

Your Committees find that the hotel construction and remodeling tax credit which applies to costs incurred before July 1, 2003, is an excellent means to boost Hawaii's tourism and construction industries. Your Committees further find that the credit should be extended if hotels which benefit from the credit assume some of the responsibility of promoting Hawaii products to tourists who comprise a captive audience in hotels.

Your Committees acknowledge the concerns raised at the hearing that the State's wage and hour law for public works should be adapted and incorporated into this measure. However, your Committees believe that such a provision could be considered at a later time in the legislative process for inclusion in this measure, and request the Committee on Ways and Means to consider adding such a provision.

Your Committees have amended this measure by:

- (1) Extending the credit to costs incurred before July 1, 2005, if the taxpayer dedicates each taxable year, ten per cent of occupied retail space within the qualified hotel facility to promote the sale of Hawaii products;
- (2) Adding a definition for "Hawaii products";
- (3) Changing the credit back to a nonrefundable credit; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1174, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1174, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Kanno, Kawamoto, Sakamoto, Taniguchi).

**SCRep. 430      Judiciary and Hawaiian Affairs on S.B. No. 610**

The purpose of this measure is to replace the Hawaiian Home Lands Trust Individual Claims Review Panel (panel) with a special master for purposes of resolving Hawaiian home lands claims.

Testimony in support of this measure was received from the Department of Hawaiian Home Lands (DHHL), Office of Hawaiian Affairs (OHA), Ka Lahui Hawaii, Hawaiian home lands claimants, and one individual. Testimony in opposition was received from the Association of Hawaiian Civic Clubs and Davis Levin Livingston Grande.

Your Committee has examined the issue of just and expedient compensation for damages suffered by Hawaiian home lands claimants who received a recommended settlement from the Hawaiian home lands trust individual claims review panel (panel) before its dissolution on December 31, 1999, as provided in section 674-4, Hawaii Revised Statutes (HRS), but received no moneys because no legislative appropriation was enacted to pay the claims, as provided in section 674-14, HRS. Your Committee seeks an equitable and expedient compensation process that would award compensation to the claimants with as little bureaucratic complexity as possible.

Your Committee considered another measure to reactivate the panel, but that measure drew overwhelming opposition predominantly due to a reluctance to restart a tired and ineffective process.

Your Committee finds that the appointment of one person with the authority, subject to legislative appropriation of settlement moneys, to resolve all pending unsettled claims under a streamlined process, could enormously expedite settlements while protecting the rights of all parties. Your Committee envisions that person to expeditiously review the claims, review past settled claims by the now defunct Hawaiian home lands trust individual claims review panel to formulate a methodology for determining each individual settlement amount, and offer a fair amount in settlement to each claimant. The agreed amount would then be submitted to the Legislature for an appropriation in the 2004 regular session, with a preliminary report by December 5, 2003. Because state moneys are being used, the Legislature must maintain oversight of any settlement by, in effect, approving the settlement.

Your Committee passes this measure, as amended, with the intent of allowing the interested parties more time for discussion, including the DHHL and representatives for individual claimants.

Your Committee has amended this measure by deleting the reference to a governor-appointed special master and substituting a court-appointed special master and specifying the procedures for appointment, the duties of the special master, and repealing obsolete sections pertaining to the Hawaiian home lands trust individual claims review panel.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 610, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 610, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 431      Judiciary and Hawaiian Affairs on S.B. No. 1499**

The purpose of this measure is to establish a temporary panel administratively attached to the Office of the Lieutenant Governor, whose purpose is to select and appoint the director of the permanent Office of Information Practices.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission, the League of Women Voters of Hawaii, Hawaii's Thousand Friends, the ACLU, and a concerned citizen. The Office of Information Practices did not take a position.

Your Committee finds that the Office of Information Practices (OIP) plays a vital role in our democratic form of government. The OIP, among other things, provides government offices, agencies, and departments with guidelines and opinions on whether a government record is publicly accessible, and rules on denials of public access. Because the director of the OIP is currently selected by the governor, an appearance of a conflict of interest may exist when the OIP rules in favor of the government agency.

Your Committee further finds that the OIP and its director must be neutral and objective in deciding whether and under what circumstances to order access of a government record. For this reason, your Committee amended the bill by:

- (1) Attaching the OIP to the Office of the Auditor instead of the Office of the Lieutenant Governor;
- (2) Establishing a permanent Information Practices Appointment and Review panel in the Office of the Auditor instead of the Office of the Lieutenant Governor;
- (3) Specifying that the governor shall select one member for the panel, two members from a list of nominees submitted by the Speaker of the House of Representatives, two members from a list of nominees submitted by the president of the Senate, one member from a list of nominees submitted by the Mayor of Honolulu, and one member from a list of three nominees submitted by the mayors of Kauai, Maui, and Hawaii; and
- (4) Including language for the transfer of employees, equipment, appropriations and powers to the Office of the Auditor.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1499, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1499, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 432      (Joint) Human Services and Commerce, Consumer Protection and Housing on S.B. No. 870**

The purpose of this measure is to appropriate funds for programs and services for the homeless.

Testimony in support of this measure was submitted by the Institute for Human Services, Inc., the Affordable Housing and Homeless Alliance, and Partners in Care. Testimony in support of the intent of this measure was submitted by the Housing and Community Development Corporation of Hawaii.

Your Committees find that appropriate services need to be provided to individuals and families who are homeless, regardless of where they are staying. Outreach, case management, and housing placement are services that have been shown to be the most effective in facilitating the transition from homelessness into housing. Outreach and case management efforts focus on mental health, substance abuse, and other problems facing individuals and families who are homeless and help them access needed services so that they can transition to a more stable living situation. Your Committees find that this measure will help to support targeted services and programs that address the issue of homelessness in Hawaii.

Your Committees have amended this measure by changing the expending agency from the Department of Business, Economic Development, and Tourism (DBEDT), to the Housing and Community Development Corporation of Hawaii (HCDCH). This is consistent with the Administration's proposed realignment of the HCDCH under the Department of Human Services, rather than DBEDT.

Your Committees have also made technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 870, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 870, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 6 (Fukunaga, Hooser, Kim, Sakamoto, Tsutsui, Whalen).

**SCRep. 433      (Joint) Human Services and Commerce, Consumer Protection and Housing on S.B. No. 1286**

The purpose of this measure is to transfer the Housing and Community Development Corporation of Hawaii from the Department of Business, Economic Development, and Tourism, to the Department of Human Services for administrative purposes only.

Testimony in support of this measure was submitted by the Housing and Community Development Corporation of Hawaii; Department of Business, Economic Development, and Tourism; Department of Human Services; Department of Human Resources Development; and the Hawaii Government Employees' Association (HGEA).

Your Committees find that transferring the Housing and Community Development Corporation of Hawaii (HCDCH) from the Department of Business, Economic Development, and Tourism (DBEDT) to the Department of Human Services (DHS) will:

- (1) Reposition the HCDCH into DHS, an agency whose mission is more closely attuned to that of the HCDCH; and
- (2) Allow DBEDT to focus on its core economic development mission.

Your Committees further find that the Department of Human Services has pledged to provide the administrative support necessary for the HCDCH to fulfill its statutory responsibilities.

Your Committees heard concerns regarding the transfer of personnel provisions and therefore request that the Committee on Ways and Means consider appropriate language for Section 5, that would neither erode nor enhance the rights and benefits of employees transferred under this measure.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1286 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 6 (Fukunaga, Hooser, Kim, Sakamoto, Tsutsui, Whalen).

**SCRep. 434 (Joint) Human Services and Commerce, Consumer Protection and Housing on S.B. No. 1647**

The purpose of this measure is to appropriate funds from the universal service program special fund to provide individuals who are blind or visually impaired with telephonic access to time-sensitive information.

Testimony in support of this measure was submitted by the National Federation of the Blind of Hawaii and eleven concerned citizens. Testimony in support of the intent of this measure was submitted by Verizon Hawaii. The Public Utilities Commission submitted comments on this measure.

Your Committees find that the more than 1.1 million blind and visually disabled individuals in the United States have difficulty accessing time-sensitive information, including daily newspapers. Although the Hawaii State Library for the Blind and Physically Handicapped does provide Braille and audio editions of books and magazines, it is not feasible to translate daily newspapers and other time-sensitive information into such alternative formats in a timely manner.

Your Committees further find that the National Federation of the Blind-Newsline (Newsline) telephonic reading service is the first and only nationally conducted audio service, providing eligible blind and visually impaired individuals with toll-free telephonic access to daily newspapers and other time-sensitive information, twenty-four hours a day, seven days a week. The Newsline service uses high-speed computers and telecommunications technology to electronically scan and "read" the daily newspapers, magazines, newsletters, and other types of time-sensitive reading materials, upon demand. States are charged a flat monthly fee, ranging from \$43,000 to \$65,000, regardless of the number of users accessing the service.

Since 2000, eligible blind and disabled Oahu residents have been able to access Newsline services at no cost to them. Start-up funding was provided through private grants. Subsequently, federal funding was received under the Library Services and Technology Act for a one-year demonstration project, allowing the expansion of the Newsline program to the neighbor islands. Your Committees find that the federal funding will terminate on or about March 2003.

Your Committees further find that, although the State's universal service program was statutorily established in 1995, to date, Hawaii's universal service program has not been set up, nor have any funds been collected, for a variety of reasons. Because of this, it is not feasible to use the universal access program special fund to support telephonic access services to time-sensitive information for the blind and disabled.

Accordingly, your Committees have amended this measure to specify that the funds shall be appropriated from the general fund, rather than the universal service program special fund.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1647, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1647, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 6 (Fukunaga, Hooser, Kim, Sakamoto, Tsutsui, Whalen).

**SCRep. 435 Commerce, Consumer Protection and Housing on S.B. No. 508**

The purpose of this measure is to prohibit the transmission of commercial electronic mail messages that falsely or misleadingly identify the message's origin, return address, or subject matter.

The Office of Consumer Protection and Honolulu Police Department supported the measure's intent, and proposed amendments. The American Council of Life Insurers opposed the measure.

Unsolicited commercial bulk electronic mail, also called "spam", is a nuisance to Internet users, a threat to network security, and imposes substantial costs on Internet users and providers. This measure prohibits, as unfair or deceptive acts or practices, the transmission of commercial electronic mail messages that falsely or misleadingly identify the message's origin, return address, or subject matter.

This measure also entitles recipients of prohibited electronic mail messages and interactive computer services that enable access to electronic mail to statutory or actual damages, and provides immunity from liability for interactive computer services that in good faith block the receipt or transmission of commercial electronic mail believed to be prohibited.

Your Committee has amended this measure to:

- (1) Clarify that the penalties provided in this measure are cumulative to the penalties established under other State laws, including section 480-2, Hawaii Revised Statutes;
- (2) Define "unsolicited commercial electronic mail"; and
- (3) Reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 508, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 508, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kim).

**SCRep. 436 (Joint) Water, Land, and Agriculture and Energy and Environment on S.B. No. 527**

The purpose of this measure is to authorize counties to permit solar energy facilities in State Land Use Agricultural Districts.

Testimony in support of this measure was submitted by the Department of Business, Economic Development and Tourism; Land Use Commission; Hawaii County Planning Department; and the Hawaiian Electric Company. The Hawaii Agriculture Research Center submitted comments on the measure.

Your Committees find that wind machines and wind farms that are compatible with agricultural uses and cause minimal adverse impact on agricultural land, already are permissible uses in agricultural districts. Your Committees believe that solar energy facilities meeting those criteria should be treated the same and including such use in agricultural districts would be consistent with existing law.

Your Committees also find that solar energy facilities may hold some advantages over wind energy facilities. For example, solar facilities are quiet, with no moving parts, and while the initial cost may be high, there may be tax credits to offset the cost and operating costs may be extremely low.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 527 and recommend that it pass Second Reading and be referred to the Committee on Transportation, Military Affairs, and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Baker, Kokubun, Whalen).

**SCRep. 437 Commerce, Consumer Protection and Housing on S.B. No. 695**

The purpose of this measure is to establish a professional counselor licensing program within the Department of Commerce and Consumer Affairs (DCCA).

Testimony in support of this measure was received from Hawaii Youth Services Network, Hawaii Rehabilitation Counseling Association, Child and Family Service, Hawaii Vocational Services, Alliance for Professional Counselor Licensure, Hawaii Counseling Association, Career Development Center of Hawaii, Inc., Lynn C. Fox and Associates, Inc., Kaiser Permanente, and nine individuals. The Department of Commerce and Consumer Affairs, Hawaii Government Employees Association, and two individuals testified in opposition to the measure. The Department of Education expressed concerns about the measure.

There are currently over five hundred counselors in the State who provide mental health, rehabilitation, career, and school counseling, yet Hawaii is among a handful of states that have yet to establish minimum standards and guidelines for the practice of

professional counseling. Licensure, as established in this measure, would require persons holding themselves out as licensed professional counselors to have a master's or doctoral degree in counseling and supervised counseling experience, and to have passed a national examination. Applicants or licensees who fail to meet certain standards of conduct will be subject to license denial, suspension, or revocation.

Your Committee finds that licensure will help to ensure that persons providing counseling services in the State have the necessary skills and qualifications, thereby enhancing consumer protection. Your Committee also finds that, as federal programs increasingly require services to be provided by licensed professionals, adopting a licensure program will broaden the pool of qualified professionals available to provide needed services.

Concerns were expressed to your Committee that adoption of this measure will aggravate counselor shortages in certain fields, including vocational rehabilitation counseling, because it would disqualify counselors in the public sector who have years of experience in their field, but who lack a master's degree. Therefore, your Committee has amended this measure:

- (1) To exempt from the licensure requirement persons employed in counseling positions by a federal, state, or county government agency;
- (2) By inserting a defective effective date of July 1, 2050 to facilitate further discussion; and
- (3) By making technical amendments for purposes of clarity and style, and to correct an internal statutory reference.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 695, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 695, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Whalen).

**SCRep. 438 Water, Land, and Agriculture on S.B. No. 1034**

The purpose of this measure is to transfer the powers, duties, and authority relating to the disposition of agricultural lands from the Department of Land and Natural Resources to the Department of Agriculture.

Testimony in support of this measure was submitted by the Hawaii Agriculture Research Center, Hawaii Forest Industry Association, and Hawaii Farm Bureau. Oral testimony in support of this measure was submitted by a concerned citizen. The Boards of Agriculture and Land and Natural Resources submitted comments on the measure.

Your Committee finds that the Department of Agriculture has the expert resource base more in tune with the needs of the agricultural community and with the policy set by the State Constitution. The Department of Agriculture works with the agricultural community on a daily basis on a variety of issues such as those relating to pests and disease, marketing, quarantine, livestock, transportation. It would be more efficient for the state agricultural lessees to deal with one state agency. The Department of Agriculture, however, wishes to be assured that transferred leases would be in consonance with long-term utilization in agricultural production of leased public agricultural lands.

Your Committee also finds that because the Departments of Agriculture and Land and Natural Resources want to be in agreement about the rules for the framework of the transfer, the chairs of the departments met to decide on the wording of the amendments. They submitted a draft of that wording to your Committee.

Your Committee has amended this measure by replacing its contents with the provisions provided by the two departments. These amendments specify that the new chapter would look to the State Constitution for justification of the transfer of lands, and provides the Department of Agriculture with the ability to accept lands from the Department of Land and Natural Resources.

The measure, as amended, provides definitions; requires mutual agreement and approval of the Boards of Agriculture and Land and Natural Resources for the transfer of any lands and personnel or other assets; provides for rulemaking by the Department of Agriculture; creates a program for the management of the transferred lands; establishes a special fund for "other agricultural lands"; converts qualified and encumbered other agricultural lands; and extends other agricultural lands encumbered by permit and transferred to and managed by the Department of Agriculture. Your Committee also added a provision requiring the Boards of Agriculture and Land and Natural Resources to report to the 2004 Legislature on their efforts to effectuate the transfers authorized under this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1034, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1034, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 439 Commerce, Consumer Protection and Housing on S.B. No. 1087**

The purpose of this measure is to authorize a one year extension for the Real Estate Commission's review and proposed recodification of the condominium laws.

The Real Estate Commission (Commission), Hawaii Association of Realtors, Association Information Services, Inc., and Community Associations Institute-Hawaii Chapter testified in support of the measure. The Hawaii Independent Condominium and Cooperative Owners, Yacht Harbor Towers Owners, and four individuals testified in opposition to the measure. The Hawaii Council of Associations of Apartment Owners and an individual expressed concerns about the measure.

Act 213, Session Laws of Hawaii 2000, directed the Commission to review Hawaii's condominium property regimes law and develop draft legislation consistent with its recommendations for submission to the 2003 Legislature. This measure authorizes a one year extension of the review process and authorizes an appropriation of \$95,000 from the Condominium Management Education Fund (CMEF) to the Department of Commerce and Consumer Affairs for related expenses.

Your Committee received testimony from condominium owners and associations expressing concerns about the use of additional CMEF moneys to fund the Commission's review since the CMEF is funded by annual assessments on condominium associations. Concerns were also raised that owners and condominium associations lack meaningful input on the recodification process because they lack representation on the recodification advisory committee which consists solely of attorneys. Therefore, your Committee has amended this measure to:

- (1) Expand the membership of the recodification advisory committee to include representatives of the Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium and Cooperative Owners, Community Associations Institute-Hawaii Chapter, Hawaii Association of Realtors, and Condominium Council of Maui; and
- (2) Require the recodification advisory committee to meet:
  - (a) To review the final version of the recodification draft to be presented at public hearings throughout the State; and
  - (b) After the public hearings, to consider data received at the hearings and to make recommendations to the Commission before the final recodification draft is submitted to the Legislature.

Finally, it is your Committee's intention that the extension granted under this measure be final and that no further extensions for the recodification review be authorized.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1087, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1087, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

**SCRep. 440      Water, Land, and Agriculture on S.B. No. 1213**

The purpose of this measure is to provide the same protections and penalties for damaging historic properties or burial sites found on private lands when the necessary approvals have not been sought as required by historic preservation law.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Hawaii County Planning Department, and a member of the Oahu Island Burial Council. Testimony in support of the intent of this measure was submitted by Kualoa-He'eia Hawaiian Civic Club. The Board of Land and Natural Resources submitted comments on this measure.

Your Committee finds that this measure works within the current process, which is appreciated by the Department of Land and Natural Resources (DLNR). DLNR has often felt frustrated by its inability to protect clearly significant historic properties on private lands or to pursue penalties when historic properties were destroyed because no agency permitting action was required or those requirements were ignored.

DLNR offered amendments to the measure to provide for and explain methods of DLNR's enforcement of the rules. Accordingly, your Committee has amended the measure to effectuate the suggested amendments by adding new sections to the Historic Preservation Chapter of the Hawaii Revised Statutes. These new sections describe the process by which DLNR shall serve notice upon the alleged violator, impose penalties, provide for a hearing, and institute civil actions if penalties are not paid. The amendments also enable DLNR to impose civil or administrative penalties in addition to the existing criminal penalties. Your Committee also reordered the sections contained in the measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1213, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1213, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Aduja).

**SCRep. 441      Commerce, Consumer Protection and Housing on S.B. No. 1421**

The purpose of this measure is to require the Housing and Community Development Corporation of Hawaii (HCDCH) to provide tenants a twenty-five per cent earned income deduction when determining annual adjusted income for rent calculation purposes.

The Pacific and Asian American Center for Theology and Strategies, Island Tenants on the Rise, HCDCH/Resident Advisory Board, American Friends Service Committee, and two individuals testified in support of this measure. The HCDCH opposed the measure.

Proponents of this measure argue that the current method of calculating public housing rent penalizes the working poor who are generally employed in low-wage jobs and who are unable to afford rents that constitute almost half of their take-home pay. The HCDCH testified that tenants are already entitled to income deductions and an earned income disregard that serve as strong incentives for tenants to become self-sufficient.

Your Committee received conflicting testimony as to whether the proposed deduction would be in addition to or lieu of existing income disregards, to what extent tenants are currently taking advantage of allowable income deductions, and whether public housing rents are reasonable or unaffordable. These discrepancies in information underscore the complexity of these issues and justify their further consideration. Therefore, in order to facilitate further discussion, your Committee has amended this measure by inserting therein an effective date of July 1, 2050. Your Committee also made a technical amendment for clarification.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1421, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Whalen).

**SCRep. 442      Energy and Environment on S.B. No. 354**

The purpose of this measure is to extend the energy conservation tax credits for another five years from July 1, 2003, to July 1, 2008.

Testimony in support of this measure was submitted by Subcontractors Association of Hawaii, Plumbing & Mechanical Contractors Association of Hawaii, Building Industry Association – Hawaii, American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., and PowerLight Solar Electric Systems. Testimony in support of the intent of this measure was submitted by the Department of Business, Economic Development, and Tourism, Hawaiian Electric Company, Inc. and its subsidiaries, R&R Services, Inc., Hawaii Solar Energy Association, and Inter-Island Solar Supply. The Department of Taxation, The Gas Company, and Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that it is important that the State support the use of energy technologies that use renewable resources, particularly because of its high dependence on imported fossil fuel. The energy conservation tax credits provide proven incentives for businesses to utilize energy conservation devices and systems.

Your Committee has amended this measure in the following manner:

- (1) Deleting the proposed repeal of the tax credit for taxable years ending before January 1, 1990;
- (2) Deleting the proposed repeal of the tax credit for heat pump and ice storage systems;
- (3) Deleting the proposed extension of the tax credit for wind and solar energy systems;
- (4) Retaining the proposed extension of the tax credit for heat pump and ice storage systems from January 1, 2003, to July 1, 2008;
- (5) Replacing the tax credit amounts and percentages for heat pump and ice storage systems with unspecified amounts and percentages; and
- (6) Amending the effective date of the measure to state that the new tax credit rates apply to taxable years beginning after December 31, 2004.

Your Committee's amendment that deletes the specific tax credit amounts and percentages was made to facilitate discussion on what should be an appropriate tax credit ceiling by the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 354, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 354, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 443      Energy and Environment on S.B. No. 499**



The purpose of this measure is to require the Department of Health (DOH) to implement a "Clean Power Act" and the Public Utilities Commission (PUC) to adopt rules to provide policies and incentives to increase energy efficiency of electricity and natural gas use and efficiency in electricity production.

Life of the Land and Sierra Club Hawaii Chapter submitted testimony supporting this measure. The DOH and PUC submitted testimony supporting the intent of this measure. Alexander & Baldwin submitted testimony opposing this measure, and the Department of Commerce and Consumer Affairs, Hawaiian Electric Company and its subsidiaries, and Covanta Energy Group provided comments on this measure.

In particular, this measure regulates the emissions of nitrogen oxides, sulfur dioxides, mercury, and carbon dioxide from power plants.

Your Committee finds that pollution from power plants can no longer go unregulated in the State. Emission limitations and ongoing planning and coordination should be instituted to help ensure a healthy, clean environment.

Your Committee has amended this measure by:

- (1) Exempting H-POWER plants from the emission limitations; provided that new construction or major facilities renovations of H-POWER plants after January 1, 2004 shall use the best technology of the time for limiting emissions;
- (2) Adding a Clean Power Act working group to oversee and report to the Legislature the effectiveness of the emission limitations; and
- (3) Making technical, nonsubstantive changes for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 499, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 499, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 444      Energy and Environment on S.B. No. 843**

The purpose of this measure is to expand the definition of "landowner" to allow public agencies to enter into Habitat Conservation Plans (HCPs) and Safe Harbor Agreements (SHAs), while it ensures important safeguards and addresses significant deficiencies in the current statutory language authorizing HCPs and SHAs.

Sierra Club Hawaii Chapter, EarthJustice, and Conservation Council for Hawaii submitted testimony supporting this measure. The Department of Transportation and the Board of Land and Natural Resources submitted testimony supporting the intent of this measure. Land Use Research Foundation, Hawaii Agriculture Research Center, The Estate of James Campbell, Hawaii Reserves Inc., and Hawaii Forest Industry Association submitted testimony opposing this measure, and The Nature Conservancy submitted comments on this measure.

In particular, this measure establishes higher standards for SHAs and HCPs on public lands, changes requirements for SHAs and HCPs on both public and private lands, and establishes a citizens suit provision.

Your Committee finds that HCPs and SHAs properly come into play only in limited cases, where there would be an overriding benefit that justifies allowing the incidental "taking" (killing, harming, wounding, or harassing) of endangered or threatened species. Because HCPs and SHAs authorize the killing of endangered species, they are inherently fraught with danger. Adequate and appropriate safeguards are vital to ensure that these agreements reap the promised benefits and do not undermine the public policy in favor of bringing Hawaii's unique native species back from the brink of extinction to full recovery.

Your Committee has amended this measure by:

- (1) Defining "private land" as all lands that are not "public lands" and "public lands" as lands owned by the federal government, State, county, or any political subdivision;
- (2) Requiring the Board of Land and Natural Resources to suspend or revoke an HCP or SHA where the continuation of the permitted activity would likely and appreciably reduce the survival or recovery of the threatened or endangered species;
- (3) Deleting the citizen suit provisions;
- (4) Deleting the landowner obligation for additional mitigation measures that are deemed necessary; and
- (5) Making technical, nonsubstantive changes for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 843, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 843, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 445 (Majority) Labor on S.B. No. 94**

The purpose of this measure is to grant civil service status to all civil service exempt employees within the Department of Land and Natural Resources.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association and five private citizens.

Testimony opposing passage of this measure was submitted by the Department of Human Resources Development. Comments were provided by the Department of Land and Natural Resources (DLNR), indicating deferral to the position of the Department of Human Resources Development.

Your Committee finds that Act 253, Session Laws of Hawaii, directed departments to evaluate whether positions, exempted from civil service should remain so or be converted to civil service status. To date, the Department of Human Resources Development has submitted no such report. Your Committee believes that although one of the original purposes of exempting certain positions was to facilitate the swift hiring of individuals with highly specialized skills, particularly those involved with projects or programs of a temporary nature, the cause for the exempt status of some positions has since disappeared.

Accordingly, your Committee believes that the time has come for several DLNR positions to be converted from exempt to civil service status. This change will afford many employees the benefit of clear job descriptions and objectives, timely evaluation, and will facilitate objective decision making on the job.

However, your Committee is concerned with the wholesale conversion of all exempt DLNR positions. Therefore, your Committee has amended the measure to specify the conversion of forty-three exempt positions to civil service status.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 94, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 94, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Sakamoto).

**SCRep. 446 (Joint) Education and Labor on S.B. No. 209**

The purpose of this measure is to appropriate \$60,000 to the Department of Education for the conversion of 10-month counselor positions to 12-month counselor positions for multi-track schools for the fiscal biennium 2003-2005.

Testimony in support of the intent of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, and three principals.

Your Committees find that when schools changed to a multi-track schedule it became necessary for counselors to be provided on a year-round basis. Therefore, your Committees determine that to meet the needs of students attending multi-track schools, counselors must be present at all times during the academic calendar.

Upon further consideration, your Committees find that to truly meet the needs of multi-track schools, the conversion of positions other than counselors is necessary. Therefore, your Committees have amended this measure to provide for the conversion of 10-month certificated positions to 12-month positions, as needed, for multi-track schools. Your Committees intend that each multi-track school shall identify those positions which necessitate conversion.

As affirmed by the records of votes of the members of your Committees on Education and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 209, S.D. 2, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 2 (Ihara, Hogue).

**SCRep. 447 (Majority) Labor on S.B. No. 469**

The purpose of this measure is to prohibit employers from requiring employees or prospective employees to relinquish their rights under the State's fair employment practices law, as a condition of employment.

The Hawaii Civil Rights Commission (Commission) testified in support of this measure. The Department of Labor and Industrial Relations and Society for Human Resource Management-Hawaii Chapter testified in opposition to the measure.

Your Committee finds that employment agreements that require an employee or prospective employee to relinquish rights accorded under chapters 368 and 378, Hawaii Revised Statutes (HRS), are inherently unfair and coercive due to the unequal bargaining positions of employer and employee. These include agreements that require, rather than allow the arbitration of employment discrimination complaints.

Although it is the Commission's position that the parties cannot negotiate away its enforcement jurisdiction, allowing employers to impose mandatory arbitration agreements will have the effect of discouraging employees from filing such complaints with the Commission. Employees would be forced to seek relief through the arbitration process, and those who could not afford to advance the costs of arbitration would be without legal recourse. The purpose of this measure is to prohibit such mandatory agreements and to protect the rights of employees to seek relief from discriminatory employment practices from the Commission.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 469 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 448 Labor on S.B. No. 936**

The purpose of this measure is to provide unemployment benefits to those who are separated from employment as a result of domestic violence, sexual assault, and stalking.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women, the Hawaii State Coalition Against Domestic Violence, and the Community Alliance on Prisons.

Testimony in support of the intent of this measure was submitted by the Department of Labor and Industrial Relations.

Comments on this measure were submitted by the International Longshore and Warehouse Union.

Your Committee finds that economic security is an important factor in enabling victims of domestic violence to keep themselves and their children safe. Many victims of domestic violence often cite lack of economic security as a roadblock to leaving or staying out of an abusive situation. Victims with children face even more challenging decisions about how to safely leave an abusive situation, provide for their children, and work to ensure economic security for their family.

Some victims turn to domestic violence shelters as a temporary means to provide a safe place for themselves and their children. At the point when a victim enters a shelter, it is likely that the family is in crisis and the victim may be unable to function in a work environment. It is also possible that appearing at the workplace could place the victim in further danger.

Therefore, your Committee finds that the State must support these victims by ensuring unemployment benefits to victims of domestic violence, sexual violence, and stalking. However, your Committee believes that the measure must be amended to clarify the requirement of a victim's compliance with the mandates of Chapter 383, Hawaii Revised Statutes.

Accordingly, your Committee has amended this measure as follows:

- (1) By including language to reflect the requirement of the person's fulfillment of all other conditions of being able and available for work as provided under Chapter 383, Hawaii Revised Statutes, in order to qualify for unemployment benefits; and
- (2) By making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 936, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 936, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 449 (Majority) Labor on S.B. No. 1226**

The purpose of this measure is to establish the Hawaii Employers' Mutual Health Insurance Company to provide health insurance to Hawaii employers.

Testimony in support of this measure was submitted by two private businesses.

Testimony in opposition to this measure was submitted by the Hawaii Medical Service Association and the Hawaii Independent Insurance Agents Association.

Comments on this measure were submitted by the Department of Commerce and Consumer Affairs, who indicated it was taking no position on the measure, and the Office of Informational Practices, who indicated it was deferring to the Department of Commerce and Consumer Affairs.

Your Committee finds that sole proprietors and small businesses in Hawaii are in need of quality and affordable health insurance coverage. Your Committee determines that the establishment of the Hawaii Employers' Mutual Health Insurance Company will provide employers with the highest standard of health benefits and be responsive to each policyholder's experience, practice, and operating effectiveness.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1226 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 450 (Joint/Majority) Labor and Economic Development on S.B. No. 1425**

The purpose of this measure is to establish a demonstration program of business mentoring and to appropriate moneys to encourage employers to provide business mentoring to youth and young adults in career development and workplace and occupational skills.

Testimony in support of this measure was submitted by the Department of Human Resources of the City and County of Honolulu, the Chamber of Commerce of Hawaii, and Enterprise Honolulu.

Comments on the measure were provided by the Department of Education which took no position and deferred to the Department of Labor and Industrial Relation's position.

Your Committees find that recent workforce and economic reports reveal that Hawaii's economy is creating few jobs and the labor force is growing almost as slowly as the creation of new jobs. The aging workforce accounts for the lack of an adequate supply of labor, which can be detrimental to the State's economic expansion and diversification of new and high wage jobs. The availability of labor directly impacts our ability to attract high wage, high skilled industries like technology and science-based companies to invest in workers and position themselves in Hawaii.

Therefore, your Committees determine that the community will significantly benefit from the development of a demonstration program of business mentoring to in-school and out-of-school youth ages 14-17 and young adults 18-25, in career development and workplace occupational skills.

Accordingly, your Committees have amended this measure to include an appropriation amount of \$85,000 for administration of the demonstration program.

As affirmed by the records of votes of the members of your Committees on Labor and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1425, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1425, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, 1 (Trimble). Excused, 1 (Sakamoto).

**SCRep. 451 Labor on S.B. No. 1444**

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining Unit 12, police officers.

Testimony in support of this measure was submitted by State of Hawaii Organization of Police Officers.

Testimony in opposition to this measure was submitted by the Office of Collective Bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, and salary increases and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 12 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1444 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 452 (Joint) Education and Labor on S.B. No. 63**

The purpose of this measure is to clarify the law that allows the University of Hawaii to implement an optional retirement plan.

Specifically, this measure:

- (1) Clarifies that part-time and temporary University of Hawaii employees are not eligible for membership in the University's optional retirement plan; and

- (2) Replaces the language regarding the employer's share of the cost of the plan with a provision requiring the State to remit to the University of Hawaii an amount equal to what it contributes to the Employees' Retirement System on behalf of employees in the system for faculty electing to participate in the optional retirement plan.

The University of Hawaii submitted testimony in support of this measure. The Hawaii Government Employees Association submitted testimony supporting the concept of this measure and the Department of Budget and Finance submitted testimony opposing this measure.

Your Committees find that the employer's share of the cost of the optional retirement plan cannot exceed the amount for any group currently in the Employees' Retirement System. This limitation has made it impossible to implement a University plan because the amount of the employer's contribution fluctuates based on market conditions. This measure removes this limitation and effectively will not increase the cost to the State. The University would be responsible for obtaining funding for any plan costs exceeding the amount of the State's remittance to the University.

As affirmed by the records of votes of the members of your Committees on Education and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 63 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 453 (Joint) Water, Land, and Agriculture and Education on S.B. No. 534**

The purpose of this measure is to appropriate funds for the College of Tropical Agriculture and Human Resources (College) at the University of Hawaii at Manoa for various agricultural research and outreach programs.

Testimony in support of this measure was submitted by the Hawaii Farm Bureau, Pineapple Growers Association of Hawaii, Hawaii Agriculture Research Center, Pacific International Center for High Technology Research, Maui County Farm Bureau, Tropical Hawaiian Products, Hawaiian Commercial & Sugar Company, Maui Pineapple Company, Ltd., Hawaii Forest Industry Association, Kilauea Agronomics, LLC, Nalo Farms, and two concerned citizens. Testimony in support of the intent of the measure was submitted by the Board of Agriculture.

Your Committee finds that the College of Tropical Agriculture and Human Resources is an important institution that helps support and strengthen Hawaii's agricultural industry. It is critical that the College has the ability to provide applied research techniques and extension services to farmers statewide. This measure would provide for the College to continue its current programs and to develop the agricultural incubator initiative, biotechnology research and outreach, value-added food processing and safety, and an integrated bioremediation research, instruction, and extension program.

Your Committee also finds that, while it is amenable restoring money into the College's budget, it is unclear how much is needed and available. Accordingly, for purposes of further discussion, your Committee has amended the measure to blank out the monetary values listed, except in the case of the amount listed for continuing programs, which your Committee has changed from \$1,000,000 to \$500,000.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 534, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 534, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (English, Menor, Whalen).

**SCRep. 454 Economic Development on S.B. No. 868**

The purpose of this measure is to authorize a two-year extension of the residential construction and remodeling income tax credit.

Testimony in support of this measure was received from the General Contractors Association of Hawaii, Hawaii Association of Realtors, Armstrong Builders, Ltd., and Land Use Research Foundation of Hawaii. The Department of Taxation submitted comments on the measure.

This measure proposes to extend for an additional two years the nonrefundable four per cent residential construction and remodeling tax credit which currently is applicable to costs incurred before July 1, 2003. Your Committee finds that much of Hawaii's housing stock is of advanced age and the continuation of the tax credit will make it more financially feasible for homeowners to undertake necessary remodeling and rebuilding. This measure will also help to stabilize the construction industry at a time of grave international unrest.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 868 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 455 Economic Development on S.B. No. 900**

The purpose of this measure is to allow a small business renovation tax credit.

Comments on this measure were received from the Department of Taxation and National Federation of Independent Business.

The credit is for an independently owned and operated small business employing not more than twenty-five employees and earning not more than \$5,000,000 in annual gross income. The amount of the credit is ten per cent of the renovation costs incurred up to an unspecified amount, if the renovation work is performed by a licensed entity and in compliance with state labor and business laws.

Your Committee believes that because the State's fiscal outlook is uncertain at this time, this measure deserves further consideration and discussion.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to continue the discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 900, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 900, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Kawamoto).

**SCRep. 456 Economic Development on S.B. No. 1211**

The purpose of this measure is to issue special purpose revenue bonds for the establishment of a cacao bean processing venture in Keaau to contribute to eco-tourism and agricultural education.

Testimony supporting this measure was submitted by Keaau Plantation Estates, LLC, and comments on this measure were submitted by the Board of Agriculture.

Your Committee finds that the proposed processing facility will sit on 40 acres previously planted with cacao trees. The special purpose revenue bonds will allow Keaau Plantation Estates, LLC to provide for the processing of a proven crop of cacao beans, an attractive and interesting visitor center for residents and tourists, and employment opportunities.

Your Committee has amended this measure to correct the spelling of "Keaau" on page 1, line 8.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1211, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1211, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 457 (Majority) Economic Development on S.B. No. 1215**

The purpose of this measure is to exempt from the imposition of the general excise tax, amounts received after December 31, 1999, as grants in the form of reimbursements for expenditures from an economic development program sponsored by a federal, state, county, or nonprofit organization.

Your Committee received testimony supporting this measure from the Hawaii Aquaculture Association and Ceatech Hawaii. The Department of Taxation took no position on this measure but submitted comments.

Your Committee finds that recipients of grants, particularly agricultural and aquacultural grants, are inequitably taxed under general excise tax law. Generally, pursuant to the terms of grants for projects, grantees are required to expend their own moneys for all grant-sponsored project expenditures. The grantee likely paid for the general excise tax assessment passed on by the seller. Invoices and receipts for these expenditures are then submitted to the granting agency for reimbursement. Testimony on this measure indicates that upon receipt of the reimbursement, the Department of Taxation requires the grantee to pay general excise tax on the amount. The Department of Taxation cites section 237-20, Hawaii Revised Statutes, as providing an exemption for certain reimbursements received by a business. However, additional clarification is necessary to address the specific problem discussed above. Your Committee finds that this measure provides for appropriate and equitable incentives for economic development but defers to your Committee on Ways and Means to further consider the taxation implications.

Your Committee has amended this measure by:

- (1) Confining applicability of the general excise tax exemption to grant reimbursements received from agricultural and aquacultural economic development programs; and
- (2) Providing that the exemption shall take effect upon enactment of this measure and shall be repealed on December 31, 2005.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1215, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1215, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Trimble). Excused, 1 (Kawamoto).

**SCRep. 458 (Joint) Economic Development and Transportation, Military Affairs, and Government Operations on S.B. No. 1562**

The purpose of this measure is to provide a tax credit for a taxpayer's operating costs to provide air freight service to a county with a population of less than 100,000 residents.

Testimony supporting this measure was received from the Mayor of Kauai County, a member of the Kauai County Council, Pioneer Hi-Bred International, Inc., Hawaii Air Cargo, Kakalina's, Bobs Tropicals.com, and Kauai Tropicals. The Department of Taxation took no position on this measure but provided comments. Additional comments on this measure were received from the Tax Foundation of Hawaii.

Your Committees find that Hawaii's airline industry faces unprecedented financial challenges stemming from the prospect of conflict in the Middle East or Asia, thereby causing severe repercussions in the local tourism-based economy. This situation does not bode well for Hawaii's overall economy, which depends heavily on air transportation in all facets of the economy and daily life. Air freight service is of particular importance as it is the only means by which Hawaii's local businesses are able to quickly transport their products interisland, nationally, and internationally. The current economic climate has affected the frequency and cost of air freight service in Hawaii and is threatening the sustainability and competitiveness of Hawaii's businesses. Your Committees believe that this measure provides appropriate and effective tax relief for local businesses that depend on air freight services.

Your Committees have amended this measure by:

- (1) Reducing the length of the tax credit's availability from five to two taxable years, beginning after December 31, 2003, and before January 1, 2006;
- (2) Repealing this measure on January 1, 2007; and
- (3) Making technical, nonsubstantive amendments for style.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1562, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1562, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Baker, Kanno, Trimble, Whalen).

**SCRep. 459 Human Services on S.B. No. 955**

The purpose of this measure is to appropriate funds for early intervention programs and services for infants and children from birth to three years of age with developmental delays.

Testimony in support of this measure was submitted by the Hawaii Early Intervention Coordinating Council and the American Physical Therapy Association, Hawaii Chapter. Testimony in support of the intent of this measure was submitted by the Department of Health (Department).

Your Committee finds that an increasing number of infants and toddlers with special needs have been identified and require services as identified in their Individual Family Support Plans. The Department of Health's Early Intervention Section provides services to infants and toddlers with special needs through a combination of state Early Childhood Services Programs, Purchase of Service (POS) programs, and fee-for-service providers. Within the last three years, the number of children served by POS programs increased 33%, from 628 children in 2000 to 833 children in 2002. As a result, actual costs have far exceeded budgeted levels. During the past years, the Department was able to make up the shortfall through reallocation of unused personnel funds within the Early Intervention Section; however, this option is no longer available.

Your Committee further finds that the cost of providing early intervention services is an investment that saves the State having to pay for more costly interventions and services later.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 955 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hooser).

**SCRep. 460 (Joint) Human Services and Health on S.B. No. 956**

The purpose of this measure is to require the Department of Human Services to provide presumptive Medicaid or QUEST coverage to Medicaid-eligible pregnant women.

Testimony in support of this measure was submitted by the Healthy Mothers, Healthy Babies Coalition of Hawaii; March of Dimes, Hawaii Chapter; Good Beginnings Alliance; Hawaii Substance Abuse Coalition; Waianae Coast Comprehensive Health Center; and the Kalihi Palama Health Center. Testimony in support of the intent of this measure was submitted by HMSA. Testimony in opposition to this measure was submitted by the Department of Human Services (Department).

Your Committees find that early access to affordable prenatal care is critical to the health of both mother and baby. Through regular prenatal visits, potential problems can be detected and treated early and at significantly less cost. Left undetected or untreated, these potential problems can develop into serious complications with possible long-term impacts on both mother and baby, with the costs of treatment borne by Medicaid.

In Hawaii, Medicaid already pays the costs of 25% of all births, 38% of all births with complications costing \$50,000 or more, and 75% of all births with complications costing \$1 million or more. By contrast, prenatal care is relatively inexpensive, averaging just \$1,800 for the entire pregnancy. Clearly, the State has an interest in ensuring that Medicaid-eligible pregnant women have early access to prenatal care.

Your Committees find that, despite a recently-enacted simplified Medicaid application form that was supposed to expedite the determination of Medicaid eligibility, health care providers continue to report that eligibility processing of Medicaid applications for some pregnant women can take four to six weeks or longer. This delay can result in a pregnant woman delaying seeking prenatal care, if she is told she will be billed, and she cannot afford to pay. Some providers may limit or delay recommended prenatal services, such as labwork, medications, and diagnostic tests, if a woman is not yet Medicaid-eligible. Some providers may simply refuse to see an uninsured pregnant woman.

Your Committees further find that the Department is currently working on a plan to expedite the processing of applications from pregnant women, not only from hospitals and community health centers, but also from independent providers in the community. The Department is also planning to conduct a campaign to raise awareness among health care providers about the expedited processing for Medicaid-eligible pregnant women. Because the Department does not yet have a firm timetable for plan completion and implementation of expedited processing for Medicaid-eligible pregnant women, however, your Committees are passing this measure out to facilitate further discussion.

Your Committees have amended this measure by:

- (1) Amending section 1 by changing the word “perinatal” to “prenatal” for consistency;
- (2) Amending section 2 by specifying the criteria that a pregnant woman must satisfy to be found presumptively eligible;
- (3) Providing that infants of pregnant women presumptively covered by Medicaid or QUEST shall also be deemed presumptively eligible for coverage, and shall be processed for coverage under the State Children’s Health Insurance Program;
- (4) Clarifying that reimbursement payments to health care providers for prenatal care provided to a presumptively eligible pregnant woman shall be based on reimbursement standards for prenatal care established by the Department of Human Services;
- (5) Directing the Department of Human Services to explore modifying the State Children’s Health Insurance Program to permit coverage of pregnant women and their infants; and
- (6) Making technical, nonsubstantive stylistic changes.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 956, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 956, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Ige, Kokubun).

**SCRep. 461 (Joint/Majority) Human Services and Education on S.B. No. 961**

The purpose of this measure is to appropriate funds for the Good Beginnings Alliance.

Testimony in support of this measure was submitted by the Good Beginnings Alliance; the Immediate Past President of the Good Beginnings Alliance Board of Directors; Good Beginnings Oahu Council; Hawaii Association of Independent Schools; Hawaii Business Roundtable; Waianae Coast Early Childhood Services, Inc.; Hawaii Association for the Education of Young Children; and six concerned citizens. Testimony opposing this measure was submitted by the Department of Human Services and the Department of Budget and Finance.

Your Committees find that the Good Beginnings Alliance, established in response to Act 77, Session Laws of Hawaii 1997, is a public-private partnership charged with the responsibility for improving early childhood outcomes through the development of quality early childhood education and care and related family support services. Specifically, the Good Beginnings Alliance develops policy



recommendations concerning all aspects of a coordinated early childhood education and care system, including coordination strategies, resource development, and advocacy.

Your Committees further find that the Good Beginnings Alliance is charged with ensuring forward and strategic movement with families, communities, providers, policymakers, and other partners who share a commitment to the goal, adopted by the 1998 Legislature in House Concurrent Resolution No. 38, S.D. 1, of all children in Hawaii starting school safe, healthy, and ready to succeed.

Hawaii recognizes the importance of early childhood development on future learning so children will be ready to succeed in school. There is increasing national and local focus on the need for quality early childhood programs and experiences in preparing children for kindergarten and beyond. The Legislature, by enacting Act 13, Session Laws of Hawaii 2002, which added a definition of "school readiness" to Act 77, Session Laws of Hawaii 1997, recognized the importance of positive interactions among family, school, community, and the child, and reaffirmed the critical role of the Good Beginnings Alliance as the focal point for policy development and the development and coordination of quality early childhood services.

Your Committees note that the Department of Human Services' inability to support this measure, despite its strong support of the Good Beginnings Alliance and its various initiatives to improve the quality of early childhood education in Hawaii, was due to its concerns about the funding mechanism. Your Committees accordingly have requested an opinion from the Attorney General as to the legality of the funding mechanism proposed in this measure, which should be provided by February 25, 2003. Your Committees defer to the Committee on Ways and Means as to the most appropriate means by which to ensure continued annual funding for the public-private partnership established in response to Act 77, Session Laws of Hawaii 1997, that is integral to policy development and the implementation of a coordinated early childhood education and care system for the children of Hawaii.

As affirmed by the records of votes of the members of your Committees on Human Services and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 961 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, 1 (Trimble). Excused, 2 (Fukunaga, Inouye).

**SCRep. 462 Human Services on S.B. No. 1234**

The purpose of this measure is to impose civil third-party liability for damages caused by the intoxication of persons under twenty-one years of age and to prohibit adults from providing liquor for consumption or use by persons under twenty-one years of age.

Testimony in support of this measure was submitted by Mothers Against Drunk Driving (MADD)—Hawaii; MADD-Hawaii Youth in Action; and five concerned citizens. Testimony in support of the intent of this measure was submitted by the Hawaii Food Industry Association. Testimony opposing this measure was submitted by the Consumer Lawyers of Hawaii.

Your Committee finds that underage drinkers pose a danger to themselves and others, particularly when they drink and drive. High school students around the country report that one-third to one-half of those who wish to drink obtain alcoholic beverages from adults. In 2000, MADD-Hawaii sponsored a Hawaii Youth Summit. The leading recommendation from the youth representatives to the Hawaii Summit was to increase the education and liability of parents and other adults relating to providing alcohol to minors. This measure would impose civil third-party liability on adults who provide alcoholic beverages to a person under twenty-one years of age who subsequently injures or kills another. According to MADD-Hawaii, thirty-one other states have adopted social host liability through statute or case law.

Your Committee finds that this issue raises concerns that merit further consideration by the Committee on the Judiciary and Hawaiian Affairs. Your Committee requests that the Committee on Judiciary and Hawaiian Affairs closely examine the potential impacts of this measure if enacted.

Your Committee has amended this measure by:

- (1) Deleting the proposed §663-C relating to exclusions from coverage under homeowner's liability insurance policies; and
- (2) In section 2, replacing the word "minor" with "person under twenty-one years of age"; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1234, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1234, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hooser).

**SCRep. 463 (Joint) Human Services and Health on S.B. No. 1354**

The purpose of this measure is to clarify how the Department of Human Services may use tobacco settlement moneys earmarked for the Department, and to make an emergency appropriation of accumulated moneys in the tobacco settlement special fund for DHS children's health programs.

Testimony in support of this measure was submitted by the Department of Human Services and the Department of Budget and Finance.

Your Committees find that the Legislature's intent in allocating a portion of the tobacco settlement moneys for the Department of Human Services was to ensure that children within the "gap group" (incomes exceeding Medicaid eligibility levels, but at or below 200% of the federal poverty level) could receive medical assistance through the State's Children's Health Insurance Program (SCHIP). The tobacco settlement moneys were not intended to supplant the State's share of the cost for the children covered under the mandatory Medicaid program.

The Department of Human Services testified that the one-time appropriation of accumulated moneys in the tobacco settlement special fund would be used for children's health programs, including the cost of providing medical assistance to children covered by the State's mandatory Medicaid program. Because the accumulated funds are unspent moneys from prior years, they cannot be used to fund medical assistance for immigrants or gap group children. Your Committees understand that this is a one-time only appropriation and believe that one-time-only use of tobacco settlement moneys to fund medical assistance for Medicaid-eligible children is an acceptable use of the tobacco settlement funds.

Your Committees have amended this measure by:

- (1) Amending the purpose section to reflect the Legislature's intent to authorize the one-time only distribution and use of unexpended, accumulated funds in the tobacco settlement special fund by the department of human services for children's health programs;
- (2) Deleting sections 3 and 4 which amend sections 388L-1 and 328L-4, respectively;
- (3) Amending the appropriation section to authorize the Department of Human Services to use the unexpended, accumulated funds from the tobacco settlement special fund for children's health programs for fiscal year 2002-2003; and
- (4) Making technical nonsubstantive amendments to correct formatting.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1354, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1354, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Ige, Kokubun).

**SCRep. 464      Health on S.B. No. 3**

The purpose of this measure is to authorize the issuance of up to \$20,000,000 in special purpose revenue bonds to assist North Hawaii Community Hospital, Inc., in retiring outstanding debt, purchasing leases on existing equipment, constructing new facilities and repairing existing facilities, and acquiring and installing new equipment.

Your Committee received testimony in support of this measure from two members of the Hawaii County Council, the President and Vice President of North Hawaii Community Hospital, Inc., and a concerned citizen. The Department of Budget and Finance submitted comments.

Your Committee finds that providing quality health care is one of the primary responsibilities of our government. North Hawaii Community Hospital, Inc., which opened nearly seven years ago, plays a critical role in the delivery of medical services to residents of the Big Island.

Importantly, the hospital enjoys broad based community support, in part because it offers a wide range of innovative health care services that incorporate Eastern Medicine and focus on treating patients in the context of their families.

Your Committee finds that as the recipient of much private funding, the hospital serves as a model public/private partnership that should be encouraged by the State. Therefore, your Committee supports the issuance of special purpose revenue bonds to assist the hospital in its effort to reduce existing debt and expand programs and services.

Your Committee amended this measure based on the testimony of the Department of Budget and Finance, to permit the refunding of the bonds authorized by this measure at any time, including after the proposed lapse date of June 30, 2005. Your Committee agrees that this amendment will give the hospital and the State greater flexibility in retiring its debt.

Your Committee also made several technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

**SCRep. 465 Health on S.B. No. 325**

The purpose of this measure is to authorize the issuance of up to \$200,000,000 in special purpose revenue bonds to assist The Queen's Health Systems to finance the cost of renovating existing health care facilities and constructing new facilities.

Your Committee received testimony in support of this measure from The Queen's Health Systems, the Healthcare Association of Hawaii, Laborers' International Union of North America, Local 368, AFL-CIO, the Hawaii Building and Construction Trades Council, the Iron Workers Stabilization Fund, and Plumbers and Fitters Local 675.

Your Committee finds that providing quality health care is one of the primary responsibilities of our government. The Queen's Medical Center (Queen's), a subsidiary of The Queen's Health Systems, serves the health care needs of a significant portion of Oahu's population.

In order to remain on the cutting edge of technological and medical advancements, and to remain competitive as a health care leader at the national level, your Committee finds that Queen's will have to upgrade its facilities and programs.

The issuance of special purpose revenue bonds authorized by this measure will enable Queen's to upgrade and renovate existing facilities, improve on standards of patient care as new technologies emerge, and implement new and less invasive means of disease treatment.

In addition, your Committee believes the issuance of the bonds authorized by this measure is appropriate due to the fact that The Queen's Health Systems has an outstanding bond authorization in the amount of \$150,000,000 that will lapse in June of this year. So far, none of that bond authorization has been utilized.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 325 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

**SCRep. 466 (Joint) Health and Human Services on S.B. No. 457**

The purpose of this measure is to appropriate funds for operation of the Waipahu Community Adult Day Health Center and Youth Day Care Center pilot project for two years.

Testimony supporting this measure was received from the Health for All and one individual. The Senator representing the 18th Senatorial District orally testified in support of the measure. The Department of Health submitted testimony supporting only the intent of the measure.

Your Committees find that the elderly and disabled adults in the community require specialized programs to maintain their vitality in comfortable settings. These programs assist in strengthening the physical and emotional state of the participants thereby reducing expenditures for additional medical expenses and the economic costs to families and the government.

The Waipahu community, eager to provide these services to its residents, has taken the initiative and spearheaded the development and construction of the Waipahu Community Adult Day Health Center and Youth Day Care Center (Center). This effort has resulted in procurement of a thirty-nine year land lease for \$1 per year, a \$2.7 million block grant, and a \$270,000 grant from the Harry and Jeannette Weinberg Foundation. Construction of the Center has commenced and will be completed April 2003. However, funds are necessary to operate the Center.

Your Committees believe that this measure provides the necessary funds to operate the Center as a pilot project for two years.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 457 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Ige, Kokubun).

**SCRep. 467 Health on S.B. No. 607**

The purpose of this measure is to provide a tax credit for improvements made to federally qualified health centers.

Testimony supporting this measure was received from the Waianae Coast Comprehensive Health Center and Hana Community Health Center. The Department of Taxation took no position on this measure pending further review and offered comments. Comments on this measure were received from the Tax Foundation of Hawaii.

Your Committee finds that health centers in Hawaii that provide services to the underserved experience severe financial problems during an economic slowdown. This results in fewer and compromised medical services to those who desperately need basic care. This measure provides an incentive for investment in federally qualified health centers which generally serve low-income communities

that have a high incidence of medical problems and few alternative sources of care. Your Committee believes that this measure will spur the development of capital improvement projects that will provide needed medical facilities and services.

In addition, your Committee finds that this tax credit will be a catalyst for other investment and reinvestment in the regions served by the federally qualified health centers, providing a positive economic benefit as well.

Your Committee has amended this measure by making technical, nonsubstantive changes to reflect proper drafting style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 607, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 607, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 468 (Joint) Health and Education on S.B. No. 748**

The purpose of this measure is to establish a nursing education loan program to provide loans for eligible nursing students in an amount up to \$10,000 per student per academic year.

Your Committees received testimony supporting this measure from the University of Hawaii at Manoa School of Nursing and Dental Hygiene, Hawaii Nurses' Association, Healthcare Association of Hawaii, Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO, and Hawaii Pacific Health. The University of Hawaii at Hilo submitted testimony supporting the intent of this measure but was unable to support it due its possible adverse impact on the proposed Executive Biennium Budget.

Your Committees find that a nursing shortage exists and will continue into the next decade unless actions are taken to reverse the trend. It is anticipated that Hawaii will need to produce four hundred nurses each year for the next fifteen years to replace the number of nurses leaving the profession. Nurse shortages directly reduce the availability and quality of all health care services thereby threatening the health and welfare of the public. The State must make every effort to ensure that Hawaii's residents have adequate and high quality healthcare at all times. Your Committees find that the nursing shortage is a public health crisis and that this measure provides an important component to resolving this issue.

Your Committees further recognize that as the State implements policies and initiatives to increase nursing student enrollment, including this measure, there must be a corresponding increase in the number of nursing faculty. Therefore, your Committees have amended this measure by adding an appropriation for the hiring of additional nursing faculty. The appropriation amount is unspecified for determination by your Committee on Ways and Means.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 748, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 748, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Inouye, Kawamoto, Kokubun).

**SCRep. 469 Health on S.B. No. 800**

The purpose of this measure is to divert a portion of liquor and tobacco tax collections to the mental health and substance abuse special fund to be used for substance abuse services.

Your Committee received testimony in support of this measure from the American Heart Association, the Coalition for a Tobacco Free Hawaii, and the Community Alliance on Prisons. The Department of Budget and Finance, the Department of Taxation, and the Wine Institute submitted testimony in opposition to this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that the State had made a conscious choice to allow the sale of two known drugs and carcinogens, liquor and tobacco, while prohibiting others. Due to their inherently harmful qualities, the State has also felt justified imposing special taxes on these two products.

Since these two drugs are readily available, their use and abuse has led to many health, emotional, economic, and social problems in our State. One of the most alarming problems stems from abuse of liquor or tobacco, which are severely addictive.

While your Committee believes that the mental health and substance abuse programs administered by the Department of Health are effective, those programs continually suffer from lack of funding. Your Committee finds that it makes perfect sense to partially fund those programs with the taxes collected on sales of the products that create their necessity.

Your Committee amended this measure to direct that 25 per cent of the amount collected from each tax be diverted toward substance abuse programs. By diverting a percentage, rather than a specific sum, the amount deposited into the mental health and substance abuse special fund will always be proportional to the amount of liquor and tobacco consumed in the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 800, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 800, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

**SCRep. 470 (Joint/Majority) Health and Human Services on S.B. No. 949**

The purpose of this measure is to make permanent the amendments made in Act 243, Session Laws of Hawaii 2000, requiring parity in insurance benefits for serious mental illness, and alcohol and drug treatment by removing the sunset date.

Testimony in support of this measure was submitted by the National Association of Social Workers; Hawaii Psychological Association; and one concerned citizen. Testimony in support of the intent of this measure was submitted by the Department of Commerce and Consumer Affairs. Testimony opposing this measure was submitted by the Hawaii Medical Service Association (HMSA).

Your Committees find that Chapter 431M, Hawaii Revised Statutes (HRS), relating to mental health and alcohol and drug abuse treatment insurance benefits, was enacted by Act 202, Session Laws of Hawaii 1988, and was to be repealed on July 1, 1994. The sunset provision was subsequently extended twice, until finally repealed by Act 239, Session Laws of Hawaii 2002, thereby making Chapter 431M, HRS, permanent.

Your Committees further find that Act 121, Session Laws of Hawaii 1999, amended section 431M-5, HRS, to require parity in insurance benefits for serious mental illness, as applied to other medical or surgical conditions. This amendment was to sunset on July 1, 2005, but the sunset date was moved up to June 30, 2003, by Act 243, Session Laws of Hawaii 2000 (Act 243). Act 243 also made clarifying amendments to section 431M-5, HRS, which are to be repealed June 30, 2003.

Your Committees find that the parity provisions of section 431M-5, HRS, should be made permanent in order to be consistent with the permanency of Chapter 431M, HRS.

Your Committees have amended this measure by:

- (1) Adding a section to the measure that expands the definition of "serious mental illness" in section 431M-1, HRS, to include delusional disorder, major depression, obsessive compulsive disorder, and dissociative disorder;
- (2) Clarifying in the definition of "serious mental illness" in section 431M-1, HRS, that both bipolar types I and II qualify as "serious mental illness";
- (3) Making the amendment to section 431:2-216, HRS, relating to the assessment of health insurers, enacted under Act 243, permanent; and
- (4) Changing the effective date from upon approval to June 29, 2003.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 949, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 949, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, 1 (Trimble). Excused, 3 (Fukunaga, Ige, Kokubun).

**SCRep. 471 Health on S.B. No. 1062**

The purpose of this measure is to appropriate funds to create a center for end-of-life care within the Executive Office on Aging.

Testimony in support of this measure was submitted by Hawaii's Partnership for Appropriate and Compassionate Care, Hawaii Family Forum, Mestizo Association, the Roman Catholic Church in Hawaii, Healthcare Association of Hawaii, Policy Advisory Board for Elderly Affairs, and three private citizens. Testimony in support of the intent of this measure was submitted by the Executive Office on Aging and the Hawaii Medical Association.

Your Committee finds that one of the most difficult events in the life of any individual and his or her family is the dying process. People facing the end of their lives deserve the best possible end-of-life care. They deserve to have their pain and symptoms managed effectively, to be comfortable, to understand what is happening to them both physically and emotionally, and to be aware of their rights in deciding their fates. This measure will help improve end-of-life care and increase resources. It will also advance the understanding of end-of-life care among health care professionals and the general public. The center established in this measure would complement the efforts of Kokua Mau, Hawaii's end-of-life care coalition.

Your Committee has deleted the dollar amount and left it blank for determination by the Committee on Ways and Means. Your Committee has also amended the measure to request the Executive Office on Aging to seek grants, donations, and other sources of private funding for establishing the end-of-life center. Your Committee also made technical, nonsubstantive amendments for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1062, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1062, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

**SCRep. 472 Health on S.B. No. 1068**

The purpose of this measure is to extend the authorization to issue special purpose revenue bonds to assist Honolulu Neighborhood Housing, Inc., until June 30, 2007.

Your Committee received testimony in support of this measure from Honolulu Neighborhood Housing, Inc.

Act 296, Session Laws of Hawaii 1999 (Act 296), authorized the issuance of up to \$80,000,000 in special purpose revenue bonds to assist Honolulu Neighborhood Housing, Inc., to construct a senior citizen lifecare retirement community. The authority to issue bonds under Act 296 expires on June 30 of this year.

Your Committee finds that Honolulu Neighborhood Housing, Inc., has made significant progress in the design and plans for Kapiolani Akahi, a senior center to be built in Waikiki. Due to many delays in locating additional financing for the project, however, construction cannot begin before the June 30 deadline. Your Committee believes that the project is worthwhile and that the deadline for issuance of the bonds should be extended.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1068 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

**SCRep. 473 Health on S.B. No. 1361**

The purpose of this measure is to facilitate more timely review and adoption of drug product therapeutic equivalency information.

Testimony in support of this measure was received from the Department of Health (DOH).

This measure also clarifies prescription drug labeling to require that in the dispensing of an equivalent generic drug product, the statement "same as (brand name of the drug product prescribed or the referenced listed drug name)" or words of similar meaning be placed on the label, and to clarify which expiration date of the drug must be placed on the label.

According to the DOH, this measure is a collaborative effort involving the Drug Product Selection Board (Board) and industry members such as the Hawaii Medical Association, individual practitioners, and pharmacists. This measure would allow the Board to use the "Compendia of Therapeutically Equivalent Generic Drugs" also known as the "Orange Book", which makes for more timely approval of therapeutically equivalent generic drugs. This would result in more timely removal of nonequivalent drugs to reduce adverse patient outcomes. The Orange Book is a published document which comes online as the Compendia before it is printed.

Your Committee has amended this measure by adding a saving clause and by making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1361, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1361, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

**SCRep. 474 (Joint) Health and Science, Arts, and Technology on S.B. No. 1446**

The purpose of this measure is to create a cancer detection special fund the moneys of which are to be used to encourage, in the form of grants or loans, the Hawaii-based development of technology to detect cancer in its early stages.

Testimony supporting this measure was received from the Hawaii Technology Trade Association, Science & Technology International, and two medical doctors. The Department of Business, Economic Development, and Tourism, supported the intent of this measure and deferred to the Department of Health which also supported the intent but opposed this measure due to its possible adverse impact on the priorities of the proposed Executive Biennium Budget. The Department of Budget and Finance submitted testimony opposing this measure.

Your Committees find that cancer remains a serious and pervasive health problem afflicting Hawaii's population. Your Committees further recognize the scientific research and data that establishes a relationship between the use of tobacco products and incidents of cancer, including cervical cancer. There have been significant strides in treating and preventing cancer partly due to aggressive

prevention education programs and the research activities of the University of Hawaii and the State's health and biotechnology industries. However, cancer continues to plague our population.

Your Committees believe that every effort should be made to harness the resources of Hawaii's internationally renowned health and biomedical technology industries and encourage efforts to develop technologies that detect cancer in its early stages. Through early detection, cancers can be identified, treated, and eliminated before they significantly threaten the health of an individual.

Your Committees considered the method of funding proposed by this measure and decided to adopt a different approach. Consequently, your Committees have amended this measure by replacing its contents with provisions that:

- (1) Appropriate a percentage of the amounts received by the Hawaii tobacco settlement fund into the Hawaii strategic development revolving fund and correspondingly decrease the amount appropriated into the emergency and budget reserve fund; and
- (2) Require the Hawaii Strategic Development Corporation to utilize the funds received for development of and assisting enterprises that develop healthcare and biomedical technology to detect cancer, including cervical cancer, in its early stages.

The actual percentages have been left blank for determination by your Committee on Ways and Means.

As affirmed by the records of votes of the members of your Committees on Health and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1446, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1446, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 2 (English, Hogue).

**SCRep. 475      Health on S.B. No. 1676**

The purpose of this measure is to transfer the Department of Health's Office of Health Care Assurance (OHCA) to the State Health Planning and Development Agency (SHPDA), and to rename SHPDA the Hawaii Health Performance Agency.

Testimony supporting this measure was received from the Hawaii Healthcare Association, Hawaii Disability Rights Center, and Hawaii Government Employees Association. Opposing testimony was received from the Department of Health and the Hawaii Long Term Care Association.

Your Committee finds that OHCA provides a valuable service by ensuring the health, welfare, and safety of individuals residing in residential care facilities throughout the State. OHCA licenses special treatment facilities, inspects the facilities for compliance with administrative rules, and investigates complaints. However, the State Auditor reported instances where OHCA cited probable violations by facilities under the jurisdiction of the Adult Mental Health Division of the Department of Health. These allegations were ultimately contradicted by the division. With both responsibilities under the administrative umbrella of the Department of Health, your Committee believes that conflict-of-interest issues do arise. This measure establishes the necessary separation by transferring the duties of OHCA to SHPDA, an administratively attached but operationally independent agency, and, thus, ensuring that residential care facilities are properly and effectively monitored and regulated.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1676 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 476      Education on S.B. No. 352**

The purpose of this measure is to establish a budget and financial management system that is aligned along the school complex organizational structure, earmark a percent of general fund revenues for public education, and establish a joint education finance task force to determine adequate levels of funding for the public school system.

Testimony in support of this measure was submitted by the Hawaii Business Roundtable. Testimony in support of the intent of the measure was submitted by the Department of Education (Department) and the Hawaii Government Employees Association Local 152. Testimony in opposition to this measure was submitted by the Department of Budget and Finance. The Hawaii State Teachers Association submitted comments.

Your Committee finds that this measure is part of a package of measures that reflects discussions held during the 2002 interim involving various stakeholders and constituencies within the public education community. Your Committee further finds that with regard to the financing of the public school system, there are ongoing questions related to the amount of funding that is necessary to provide adequate resources for public school students to meet their goals as articulated by the Hawaii content and performance standards and the federal No Child Left Behind Act. Your Committee believes that a related question of equity of funding, especially within the existing budgetary and financial system, is also a critical issue that needs exploration. Finally, while your Committee acknowledges the efforts of the Department to streamline its organizational structure through complex-based management, it is

imperative that the budgeting and financial management system similarly be realigned to reflect allocation of resources along the complex-based structure.

Your Committee has amended this measure by changing the effective date to upon approval, except for Sections 1 and 2 which shall take effect on July 1, 2005.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 352, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 352, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Hogue).

**SCRep. 477            Education on S.B. No. 731**

The purpose of this measure is to appropriate funds for the establishment of an ordnance identification and removal training program at Windward Community College.

Numerous individuals submitted testimony in support of this measure. The University of Hawaii and an individual submitted comments on the measure.

Your Committee finds that there is a need for persons in the State who are specially trained in ordnance identification and disposal, particularly in light of increasing terrorism after September 11, 2001, the Kahoolawe clean up project, and the occasional discovery of unexploded war ordnances in the State. This measure would help make such expertise available in the State by funding the establishment of an ordnance identification and removal program at Windward Community College.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 731 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Hogue).

**SCRep. 478            (Joint/Majority) Education and Labor on S.B. No. 351**

The purpose of this measure is to provide clearer delineation of the roles and responsibilities of the administrative structures within the Department of Education (Department), by supporting enhanced parental involvement through parental leave for parents to attend teacher-parent conferences, enabling the Board of Education to set the salaries of Deputy and Assistant Superintendents of Education, and eliminating support centers.

Testimony in support of this measure was submitted by the Department of Education. Testimony in support of the intent of this measure was submitted by the Hawaii Government Employees Association Local 152. The Hawaii Teachers Association submitted testimony expressing concerns.

Your Committees find that this measure is part of a package of measures that reflects discussions held during the 2002 interim involving various stakeholders and constituencies within the public education community. Your Committees further find that this measure more clearly delineates the roles and responsibilities of the Superintendent of Education and the complex area administrators, as is presently being undertaken within the Department. Your Committees further agree that providing a state policy supporting parental leave for parents to consult with their children's teachers is an important first step to encouraging parents to become more involved and interested in their child's educational progress. Other issues addressed in this measure are being proposed for further consideration during this legislative session as part of the larger discussion of systemic education reform.

Your Committees have amended this measure by:

- (1) Deleting the repeal of the learning support centers; and
- (2) Changing the effective date of the measure to July 1, 2005.

As affirmed by the records of votes of the members of your Committees on Education and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 351, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 351, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, 1 (Slom). Excused, 2 (Ihara, Hogue).

**SCRep. 479            (Joint) Education and Health on S.B. No. 402**

The purpose of this measure is to establish the Hawaii Medical Education Council (Council) to coordinate and govern graduate medical education in the State.



The Queen's Medical Center, Wahiawa General Hospital, St. Francis Medical Center, and St. Francis Medical Center-West testified in support of this measure. The University of Hawaii, Department of Health, and Hawaii Pacific Health supported the measure's intent.

Your Committees find that Hawaii is facing a shortage of health care professionals, including physicians, nurses, pharmacists, medical laboratory technologists and other technicians, and speech pathologists. This measure establishes a medical education council to assess the current status of the State's health care workforce, analyze the capability of existing health care training programs to meet those needs, project future workforce needs, and develop and implement a plan to ensure that adequate funding is available to train Hawaii's health care workforce.

Your Committees have amended this measure:

- (1) By deleting definitions for "accredited clinical education program", "accredited clinical training program", "health care professionals in training", and "program", and adding definitions for "graduate medical education", "graduate medical education program", and "health care training program";
- (2) By clarifying that the program administered by the Council is the graduate medical education and health professions education program, and that program funding sources include grants and contracts;
- (3) By clarifying the makeup of the Council's membership to include the Dean of the School of Nursing and Dental Hygiene at the University of Hawaii, the Vice Dean for Academic Affairs at the School of Medicine, the Director of Health or the Director's representative, representatives from the health professions community and the federal health care industry, representatives from the three hospitals that conduct graduate medical education programs; by deleting the health care insurance industry representative; and by reducing public membership on the Council from three persons to one person;
- (4) To allow the Council chairperson to vote and be included in the determination of a quorum;
- (5) To make permanent the council terms of the Dean of the School of Medicine, Dean of Nursing and Dental Hygiene, Vice Dean of Academic Affairs of the School of Medicine, and the Director of Health or the Director's representative, and to clarify the staggering of terms of the other council members;
- (6) By clarifying the duties of the Council;
- (7) To require that Council expenditures be made for a public purpose, be exempt from public procurement requirements, and be reported annually to the Legislature;
- (8) By deleting language requiring the Department of Health to review the feasibility of establishing a quasi-governmental agency to oversee the University of Hawaii School of Medicine;
- (9) By inserting an effective date of July 1, 2003; and
- (10) By making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 402, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 402, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Inouye, Kawamoto, Kokubun).

**SCRep. 480      Education on S.B. No. 667**

The purpose of this measure is to establish a reconstituted state Board of Education comprising of elected and appointed members and creating regional educational agencies for delivery of educational services based upon existing school complexes.

Testimony in support of this measure was submitted by the Hawaii Business Roundtable and a trustee of the Office of Hawaiian Affairs. Testimony in opposition to this measure was submitted by the Board of Education, the Hawaii Government Employees Association, the Hawaii State Teachers Association, and the Ko'olau News.

Your Committee finds that our State's public education system has reached a crossroads, where federal mandates, state financial restrictions, and expressions of public dissatisfaction are impinging upon educational progress. Your Committee recognizes and commends the ongoing efforts by the Superintendent and the school staff to continue to provide educational services within this context and their willingness to explore alternative models of delivering educational services, and is particularly encouraged by the move toward complex-based management.

Your Committee further finds that the present unified school system, the "one size fits all" model, no longer serves the best interests of our public school students, who represent one of the most diverse student populations in our country. Additionally, the unified school system model also does not recognize differences between rural and urban schools, or even Hawaii's unique geography in which one school district is comprised of three separate islands. Your Committee also believes that because our state education system ranks amongst the largest school systems in the country, its size alone exacerbates the statewide system's inability to timely respond to the needs of our diverse student population.

Thus, your Committee agrees that it is time for systemic reforms to more clearly delineate roles and responsibilities vis-à-vis a newly constituted Board of Education that is more directly accountable to school districts, and through the establishment of regional education agencies to provide more direct oversight and accountability for the delivery of education services. Finally, your Committee acknowledges that educational reforms of this magnitude require ongoing discussions and debate, and therefore anticipates further consideration of this measure and related proposals during this legislative session.

Your Committee has amended this measure by:

- (1) Requiring the regional superintendent to establish within each school complex, a principal advisory council, for the purposes of soliciting and receiving input regarding regional administrative policies, procedures and operations;
- (2) Deleting the repeal of school/community-based management mandates and authorities until their role can be more clearly articulated within this new governance and administrative structure;
- (3) Changing the effective date to April 20, 2037, to allow for ongoing discussion during this legislative session; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 667, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 667, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Hogue).

**SCRep. 481 (Joint) Labor, Education and Economic Development on S.B. No. 1697**

The purpose of this measure is to transfer the School-to-Work transition program, including the advisory council, staff, appropriations, and equipment, from the Department of Education (DOE) to the Department of Labor and Industrial Relations (DLIR).

Testimony in support of this measure was submitted by the Department of Human Resources for the City and County of Honolulu. Testimony in support of the intent of this measure was submitted by DLIR.

Testimony in opposition to this measure was submitted by DOE, the State School-to-Work Opportunities Executive Council, the University of Hawaii, and the Chancellor for Community Colleges.

Your Committees find that it is of paramount importance to our island community to assist our students in becoming better prepared for post-secondary education and future employment. The transition to work program was established in 1984 within the DLIR and incorporated DLIR's Quick Kokua program and career resource centers that provided school-based counseling and other services to assist high school students in transitioning from school to the workforce or higher education. In 1996, the program was transferred from the DLIR to the DOE which housed the program's transition centers in public school facilities.

Your Committees also find that under section 202-1, Hawaii Revised Statutes, the DLIR's workforce development council is charged with fulfilling "the functions of the state workforce investment board for purposes of the federal Workforce Investment Act of 1998, Public Law No. 105-220." Since the development of improved youth programs is a key component of the council's duty to prepare a comprehensive state plan for workforce development, your Committees further find that the DLIR, rather than the DOE, is the appropriate agency to oversee and administer the State's School-to-Work transition centers.

Upon further consideration, your Committees believe that only the School-to-Work transition centers should be transferred to the DLIR, and that the concerns raised at the hearing merit further consideration.

Therefore, your Committees have amended the measure as follows:

- (1) By removing sections in the measure which referred to:
  - (a) The establishment of a Hawaii transition work council;
  - (b) The powers of the Hawaii transition work council;
  - (c) The appointment of staff for the Hawaii transition work council;
  - (d) The authority of the Hawaii transition work council to advise DLIR with regard to contracts;
  - (e) Coverage for workers compensation for the transition to work program; and
  - (f) The amendment of Act 254, Session Laws of Hawaii 2001; and
- (2) By requiring all moneys held by the DOE and any appropriations made during the Regular Session of 2003 to the DOE under EDN 100 for the School-to-Work transition centers be transferred to the DLIR; and

- (3) By extending the effective date to July 1, 2058 to ensure ongoing discussions on this issue.

As affirmed by the records of votes of the members of your Committees on Labor and Education and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1697, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1697, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 14. Noes, none. Excused, 1 (Hogue).

**SCRep. 482 (Joint) Economic Development and Transportation, Military Affairs, and Government Operations on S.B. No. 1619**

The purpose of this measure is to provide a tax credit for investment in the development of a motor sports recreation and public safety training and educational facility at Kalaeloa parcel 9, and for directly related expenditures for land acquisition and closing costs, studies, design and engineering, infrastructure, and construction.

Testimony supporting this measure was received from the Hawaii Motorsports Center, Pacific Karting Club, and two individuals. The Department of Taxation submitted comments on this measure.

Your Committees find that the Barbers Point Naval Air Station closure created an economic vacuum in the Kalaeloa area. Residents and businesses of the Kalaeloa area have endured severe economic hardships resulting from the mass exodus of military personnel from the area. Your Committees believe that the State should encourage new development in Kalaeloa to revitalize its economy. Motor sports is one industry that has a wide appeal for consumers. The raceway at Campbell Industrial Park is a popular attraction; however, it is in need of renovations to bring it to modern racetrack standards. It must also vacate Campbell Industrial Park within the next two years. Building a motor sports facility at Kalaeloa will provide tremendous benefits to both Kalaeloa and the motor sports, recreation, and tourism industries in the State. Your Committees also believe that this measure is an appropriate tax incentive to develop motor sports and related facilities in Kalaeloa that are safe, supervised, and meaningful alternatives to high speed racing on state or county roads by youthful motorists.

Your Committees have amended this measure by:

- (1) Providing that this measure shall apply to taxable years beginning after December 31, 2002;
- (2) Providing that the tax credit may be claimed for qualified investments made after June 30, 2003, and may not be claimed for investments made after June 30, 2008; and
- (3) Making technical, nonsubstantive changes for purposes of consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1619, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1619, S.D. 1, and be referred to the Committees on Water, Land, and Agriculture and Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

**SCRep. 483 Transportation, Military Affairs, and Government Operations on S.B. No. 1567**

The purpose of this measure is to provide tort liability immunity for trained installers and inspectors of child passenger restraint devices.

Your Committee received testimony in support of this measure from the Maui County Police Department, State Farm Insurance, and the Keiki Injury Prevention Coalition. The Consumer Lawyers of Hawaii submitted testimony in opposition to this measure.

Your Committee finds that, nationally, 95% of child safety seats are improperly installed; in Hawaii, 98% are misused or improperly installed. When a child safety seat is not properly utilized, it cannot serve its function to protect a child in the event of an accident.

Your Committee further finds that one of the best ways to encourage proper use of safety seats is to have trained personnel instruct residents on their use, and to inspect installations. However, many trained personnel are reluctant to undertake that task, due to fear of civil liability if something goes awry. Therefore, your Committee supports this measure to facilitate better use of safety seats in Hawaii. Our keiki deserve it.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1567 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 484 Transportation, Military Affairs, and Government Operations on S.B. No. 1261**

The purpose of this measure is to statutorily authorize procurement of goods and services through the use of state-approved procurement cards.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services and the State Procurement Office.

Your Committee finds that the State is implementing a purchasing card program, which shall provide state agencies a means by which small purchase and payment operations can be streamlined to provide a more timely and efficient system of purchasing and paying for goods and services.

The procurement card will operate like a credit card for state agencies, and greatly reduce the traditional administrative burdens and costs associated with issuing purchase orders and processing invoices for payment.

Your Committee supports the procurement card process, and finds that the amendments to chapter 103, Hawaii Revised Statutes, contained in this measure are necessary to implement the system.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1261 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 485 (Majority) Transportation, Military Affairs, and Government Operations on S.B. No. 1024**

The purpose of this measure is to authorize counties to regulate operation of firing ranges and to establish criteria and procedures to be followed by range operators.

Your Committee received testimony in support of this measure from the Police Department of the City and County of Honolulu. Testimony in opposition was submitted by the Hawaii Rifle Association, Lessons in Firearms Education, Pig Hunters of Hawaii, Big Island Gun Dogs, Big Island Gun Club, Inc., Hawaii Gun Club and Waikiki Gun Club, Inc., Magnum Firearms & Range, and five concerned citizens.

Your Committee finds that currently the State does not regulate the operation of firing ranges at all; the only "regulation" of ranges comes from the Occupational Safety & Health Administration, liability insurers, and internal procedures. Your Committee believes that the State should play some role in regulating firing ranges to ensure the public safety.

On the other hand, your Committee recognizes that there have been very few problems at firing ranges in Hawaii, and that for the most part, operators of firing ranges have acted very responsibly in making sure their patrons and the public are safe.

Your Committee had hoped to bring all of the parties together to strike a balance between the State's responsibility to ensure public safety and the right of firing range operators to be free from overregulation. Unfortunately, the parties were not available to meaningfully negotiate prior to the first lateral deadline. Therefore, your Committee has passed this measure with the minor amendments discussed below, so that the Legislature can further consider this issue.

Your Committee amended this measure to allow firing ranges to operate until 12 midnight, rather than 10:00 p.m. Your Committee sees no reason not to allow ranges to stay open to the public for an extra two hours.

Your Committee also made several technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1024, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1024, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 2 (Aduja, Menor). Excused, 2 (Kanno, Whalen).

**SCRep. 486 Transportation, Military Affairs, and Government Operations on S.B. No. 989**

The purpose of this measure is to exempt from the General Excise Tax (GET) gross proceeds derived by a contractor or subcontractor arising from a construction contract entered into with the federal government or the State.

Your Committee received testimony in support of this measure from the General Contractors Association. The Tax Foundation of Hawaii provided comments. The Department of Taxation submitted comments but took no position on this measure.

During this period of economic stagnation in the State, your Committee believes that the Legislature must take proactive steps to increase employment for our residents. Tax exemptions are one method by which the Legislature can spur the creation of jobs, which has many attendant benefits for the economy and the State.

Your Committee supports this measure, which benefits only residents of the State as defined in section 235-1, Hawaii Revised Statutes, and will help in-state contractors to receive federal projects. Although your Committee is wary about reducing the revenue available to the State, particularly with a looming budget shortfall, this measure still makes sense in our overall economic outlook.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 989 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 487      Transportation, Military Affairs, and Government Operations on S.B. No. 1477**

The purpose of this measure is to allow the counties to lease all or a portion of property constituting the utility property of a utility owned by the county, including the plant and equipment.

Testimony in support of this measure was received from the Honolulu County Department of Budget and Fiscal Services, Maui Department of Finance, Hawaii County Finance Department, and ALLCO Finance.

This measure authorizes counties to enter into a lease/leaseback transaction which has been used successfully and safely by many municipalities and political subdivisions in other states for many years, according to testimony. The transaction works in this manner: a county leases, on a long-term basis, county-owned assets to a private entity and then immediately leases it back for a short-term, with legal title remaining with the county. This enables the county to retain full operating control over the assets. The concept is similar to a sale and lease-back arrangement. The key element in the transaction is that the county would receive at the execution of the leases, cash from the private party for the full 100 per cent of the fair market value of the assets.

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

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1477, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1477, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 488      (Majority) Labor on S.B. No. 764**

The purpose of this measure is to extend protection under the Whistleblowers' Protection Act to employees who report information relating to a condition that poses a danger to public health or safety, unless the employee knows that the report is false.

The Hawaii Nurses' Association testified in support of the measure. Testimony in support of the intent of this measure was submitted by the Department of Labor and Industrial Relations and the Department of Human Resources Development.

Testimony in opposition to this measure was submitted by the Chamber of Commerce of Hawaii and the Society for Human Resources Management.

Your Committee finds that employees, during the course of their work, may observe violations or suspected violations of the law or situations that may pose a danger to public health or safety. Often, however, employees do not report these alleged violations or situations due to concerns about potential retaliatory discharge, threats, or discriminatory action that may result from their reporting these violations or situations. Therefore, your Committee believes that violations of the laws or situations that may pose a danger to public health or safety go unreported and uncorrected, thus necessitating a revision in the law.

However, your Committee determines that further changes to the law are necessary to account for situations where the aggrieved employee is physically or mentally incapacitated and unable to work. Therefore, your Committee further determines that the statute of limitations should not commence for these incapacitated employees until they are able to return to work.

Accordingly, your Committee has amended this measure as follows:

- (1) By including a purpose clause; and
- (2) By creating an exception to the two-year statute of limitations to require the statute of limitations period to commence upon the return to work of a physically or mentally incapacitated aggrieved employee.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 764, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 764, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 489 (Joint/Majority) Labor and Commerce, Consumer Protection and Housing on S.B. No. 778**

The purpose of this measure is to provide up to six weeks of wage replacement benefits to workers who take time off from work pursuant to Chapter 398, Hawaii Revised Statutes, to care for a family member with a serious health condition or a child upon birth or adoption.

This measure also provides that temporary disability benefits for family leave would be provided through employee contributions.

Testimony in support of this measure was submitted by the ILWU Local 142.

Testimony in opposition to this measure was submitted by the Chamber of Commerce of Hawaii, the Society for Human Resources Management, and the Hawaii Bankers Association. Additionally, the Department of Labor and Industrial Relations presented oral testimony in opposition to this measure.

Your Committees find that existing law provides for the payment of temporary disability benefits for wage loss sustained by an individual because of a disabling nonoccupational sickness, pregnancy, termination of pregnancy, or injury from an accident that is not compensable under the workers' compensation law. Temporary disability benefits are available for up to twenty-six weeks for qualifying disabled employees.

Your Committees determine that similar compensation should be extended to employees qualifying for family leave pursuant to Chapter 398, Hawaii Revised Statutes. Employees taking family leave are also unable to work because they need to care for a family member with a serious health condition or require time to care for a child upon birth or adoption.

Therefore, your Committees believe that up to six weeks of wage replacement benefits should be provided for workers who take time off to care for a family member with a serious health condition or to care for a child upon birth or adoption.

As affirmed by the records of votes of the members of your Committees on Labor and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 778 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, 1 (Slom). Excused, 3 (Ige, Kim, Whalen).

**SCRep. 490 (Majority) Labor on S.B. No. 1071**

The purpose of this measure is to require employer-requested medical examinations for workers' compensation cases to be performed by a physician selected by mutual agreement of the parties, or if no agreement, by a physician appointed by the director of the Department of Labor and Industrial Relations.

Testimony in support of the intent of this measure was submitted by the Consumer Lawyers of Hawaii.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations (Department), Society of Human Resources Management, the Hawaii Medical Association, and the Hawaii Insurers Council.

Your Committee finds that the qualifications, fairness, and impartiality of examiners conducting examinations under section 386-79, Hawaii Revised Statutes, are of paramount importance in the workers' compensation system.

Your Committee also finds that currently, many employers and carriers routinely schedule medical examinations with the same physicians repeatedly which creates the impression that the examiner is partial to the employer or carrier because of the volume of examinations performed and the amount of income that is generated from these examinations. Therefore, your Committee believes that a clear policy against the appearance of partiality is needed.

Accordingly, your Committee has amended this measure by requiring all examinations conducted during the course of an accepted workers' compensation claim to be performed by a physician selected by mutual agreement of the parties, or if no agreement, by a physician appointed by the director of the Department of Labor and Industrial Relations. The amendment specifies that examinations covered by this requirement include those where the employer is dissatisfied with the progress of the case and where major elective surgery is contemplated, but not those requested by an employer pursuant to an investigation of a claim before compensability is accepted or ordered by the Department, the appeals board, or appellate court.

Your Committee also made a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1071, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1071, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Sakamoto).

**SCRep. 491 Labor on S.B. No. 1332**

The purpose of this measure is to establish an executive salary commission (commission) for the executive branch of government.

The Governor, the Judiciary, and the Department of Human Resources Development submitted testimony supporting this measure.

Specifically, the commission shall review the salaries of the Governor, the Lieutenant Governor, the department heads of the Executive Branch, executive officers, and the deputy department heads, which are set by statute. The salary determinations of the commission shall take effect at the beginning of the next fiscal year unless rejected by three-fourths vote of the members of each house of the Legislature.

Your Committee finds that the present system of reviewing and updating the salaries of the executive branch officials has resulted in grossly outdated salaries. Many qualified individuals are not presently willing or financially able to serve in appointed government positions because the financial sacrifice is too great. The public will benefit from the efficient management of government operations and services as a result of greater numbers of qualified individuals willing to serve in government positions.

The measure provides for the appointment of the five commission members by the Governor, with two appointed from lists submitted by the President of the Senate and the Speaker of the House of Representatives. Your Committee finds however, that in order to dispel any question of impropriety, the Governor should not be permitted to select a majority of the members of the commission. Accordingly, your Committee has amended this measure by requiring the appointment of one of the members from a list of nominees submitted by the Chief Justice of the Supreme Court Justice.

Your Committee also made technical, nonsubstantive changes for purposes of clarity and style, including an amendment to clarify that the new salaries take effect at the beginning of the "next" fiscal year.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1332, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

**SCRep. 492 Labor on S.B. No. 1424**

The purpose of this measure is to provide income tax credits for businesses that implement parent friendly workplace policies.

Testimony in support of this measure was received from the Hawaii Coalition for Dads and Parents and Children Together.

Testimony in opposition to this measure was received from the Tax Foundation of Hawaii. The Department of Taxation provided comments, but did not take a position on the measure pending further review.

Your Committee finds that in order to promote the importance of the family and parental participation in the lives of children, incentives for businesses to implement parent-friendly policies are needed. However, your Committee believes that further guidelines must be provided in order to direct businesses, and, therefore, amends the measure as follows:

- (1) To provide a \$20 per full-time employee tax credit for employers who implement a parent friendly policy with a \$5,000 maximum credit to be claimed per employer, per year;
- (2) To require a parent friendly policy to allow a minimum of eight hours paid time off per year from work for personal family matters; and
- (3) To limit personal family matters to those relating to the education and health of children.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1424, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1424, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 493 Labor on S.B. No. 1582**

The purpose of this measure is to better define the practice of chiropractic and to specify that reimbursement for chiropractic treatment under workers' compensation shall be limited to treatment of the spinal column.

The Board of Chiropractic Examiners, Massage Therapists Association, and Hawaii State Chiropractic Association submitted testimony supporting this measure. Testimony opposing this measure was submitted by the Chamber of Commerce of Hawaii, ILWU Local 142, State Farm Insurance Companies, Hawaii Medical Association, and the Hawaii Insurers Council. The Department of Commerce and Consumer Affairs submitted comments on this measure.

Specifically, this measure does the following:

- (1) Limits workers' compensation reimbursement for chiropractic services to treatment of the spinal column;

- (2) Clarifies that the practice of chiropractic includes palpating and adjusting the articulations and adjacent tissues of the human body and specifies the specific areas of the spinal column, head, extremities, and rib cage that are involved in the science of chiropractic;
- (3) Authorizes the Board of Chiropractic Examiners to further define chiropractic in its rules;
- (4) Expands the use of necessary patient evaluation, management procedures, and referral for laboratory examinations to include the head, extremities, and rib cage;
- (5) Limits chiropractic extraspinal manipulative treatment to generally accepted chiropractic standards and formal education and training obtained in accredited schools; and
- (6) Clarifies that only a licensed chiropractor is allowed to use the term "doctor of chiropractic" or "chiropractic physician".

Your Committee finds that the definition of the practice of chiropractic was drafted in 1925. Over the past 77 years, the practice of chiropractic has advanced and has surpassed the current written law. This measure provides a definition encompassing the current educational curriculum taught in accredited chiropractic colleges throughout the country. The current chiropractic law is antiquated and does not recognize the current skills of licensed doctors of chiropractic.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1582 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 494 (Joint) Labor and Education on S.B. No. 62**

The purpose of this measure is to allow a faculty member of the University of Hawaii (University) with multiple part-time faculty appointments to meet eligibility requirements for membership in the Employees' Retirement System (ERS).

This measure also exempts faculty and lecturers employed at the University who hold multiple part-time appointments which together aggregate to at least one half of a full-time equivalent position from provisions allowing the ERS board of trustees to deny membership to part-time or temporary employees.

Testimony in support of this measure was submitted by the University of Hawaii. Testimony in support of the intent of this measure was submitted by the ERS and the Hawaii Government Employees Association.

Your Committees find that the University has judiciously refrained from full-time commitments unless the determination of long-term need has been adequately justified. Your Committees also find that given the fluctuating nature of student enrollment, faculty workload issues, unanticipated absences, and the temporal nature of research funding, it is the practice of the University to employ faculty, lecturers, and administrative, professional, and technical employees in multiple appointments or positions as need dictates to maximize the utilization of the employees.

Your Committees determine that the retirement benefits of University employees and retirees should be safeguarded, as there is currently no provision authorizing the aggregation of multiple appointments or positions. Additionally, your Committees believe that University administrative, professional, and technical employees should also be allowed to establish ERS membership through the aggregation of multiple part-time appointments or positions.

Accordingly, your Committees have amended this measure as follows:

- (1) By allowing present and future University lecturers and administrative, professional, and technical employees to qualify for membership in the Employees' Retirement System on the basis of aggregated multiple part-time appointments or positions;
- (2) By allowing past and present University lecturers and administrative, professional, and technical employees to retain the membership benefits for which the University reported them to be eligible prior to the effective date of this Act;
- (3) By exempting University administrative, professional, and technical employees who hold multiple part-time appointments or positions which together aggregate to at least one-half of a full-time equivalent position from provisions allowing the ERS board of trustees to deny membership to part-time or temporary employees; and
- (4) By amending the language of the measure for purpose of clarity and style.

As affirmed by the records of votes of the members of your Committees on Labor and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 62, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 62, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 495 Tourism on S.B. No. 828**



The purpose of this measure is to specify requirements for the size and display of signs advertising time shares from a booth, and to clearly exclude the payment of sums for a tourist activity or to offer a product or service as an inducement to attend a time share promotion as a prohibited practice.

Testimony in support of this measure was received from the American Resort Development Association, SVO Pacific, Inc., and Pahio Resorts. Comments were received from the Department of Commerce and Consumer Affairs.

This measure is intended to clarify existing law with respect to common and current practices in the selling of time shares. Your Committee finds that the sign requirements in time share booths should be simplified from the current minute detail requirements to a reasonable requirement of size and wording. Your Committee further finds that time share developers often make offers of products or services to prospective purchasers as an inducement to attend a time sharing presentation. While this practice is not prohibited, this measure would clarify the current law with regard to conflicting interpretations.

Your Committee has amended this measure by:

- (1) Deleting reference to "interval ownership" and "vacation ownership" as used to sign requirements, as being superfluous with the amendment using "time share" and "time sharing";
- (2) With regard to the sign requirements, clarifying the exemption for a booth that is located within a hotel owned or operated by the developer or affiliate of the time share plan; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 828, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 828, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 496            Tourism on S.B. No. 1210**

The purpose of this measure is to require the Hawaii Tourism Authority (HTA) to establish a registry of groups of state residents who plan to travel out-of-state as a means to market or promote Hawaii as a tourist destination.

Testimony in support of this measure was received from the HTA and Shop Hawaii USA.

This measure is intended to enhance the marketing activity of the HTA. For example, a Hawaii little league team traveled to Japan within the last year to play in a tournament. If the HTA knew about this traveling group in advance, the HTA could have coordinated some tourism promotional activity in Japan to coincide with the visit of the little league team. According to testimony of the HTA, it has long wanted to establish such a registry.

Your Committee believes that the HTA should have the ability to contract with a private entity having experience in tourism promotion and online marketing to establish and maintain the registry. The swift posting of groups on the registry and the constant updating of the registry require constant attention as well as expertise in Internet portal and website development.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1210 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 497            (Joint) Transportation, Military Affairs, and Government Operations and Economic Development on S.B. No. 1078**

The purpose of this measure is to increase the procurement preference percentage for bids and proposals that incorporate Hawaii products.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development and Tourism. The State Procurement Office (SPO) submitted testimony in opposition to this measure.

With our economy sagging in the islands, your Committees believe that the State should take proactive steps to support local companies. Since the State is the largest purchaser of goods and services in Hawaii, one step to help local companies is to encourage state agencies to procure locally made goods.

Your Committees therefore support increasing the procurement preference percentage for bids and proposals that incorporate local products. This will help Hawaii's companies whose products are mined, excavated, produced, manufactured, raised, or grown in the State. It will also level the playing field for businesses that want to utilize Hawaii products but are reluctant out of fear of not being awarded state contracts due to a higher bid price.

At the hearing on this measure the SPO opposed this measure, primarily because it opined that raising the preference percentage would lead to higher overall costs for state purchasing agencies when awarding contracts.

While that may be technically true, your Committees find that the Hawaii products preference serves a different purpose, to support local businesses, and that those benefits must be balanced against the detriment to the State in terms of slightly higher contract prices. Therefore, your Committees support this measure as a valid method to help local companies survive despite the relatively high cost of doing business in Hawaii.

Your Committees were concerned, however, that the SPO testified against this measure without any hard data to support its assertions. Your Committees find that procurement preferences can only be analyzed if relevant data is collected and reviewed comprehensively.

Therefore, your Committees have amended this measure to require the SPO to collect and synthesize data about the number of products on the Hawaii products list, their cost relative to similar products not on the list, how incorporation of Hawaii products affects bid prices, and an evaluation of the overall effect of the Hawaii products preference on the local economy. As the state agency charged with administering the procurement process, your Committees believe that the SPO should be capable of undertaking this task and reporting to the Legislature annually regarding its findings.

Your Committees also made a technical, nonsubstantive amendment for clarity.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1078, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1078, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Baker, Kanno, Trimble, Whalen).

**SCRep. 498      Transportation, Military Affairs, and Government Operations on S.B. No. 1684**

The purpose of this measure is to establish the Urban Honolulu Regional Traffic Task Force to identify the major contributors to traffic congestion in certain parts of Honolulu and to make recommendations to alleviate traffic congestion.

Your Committee received testimony in support of this measure from Citizens Against Reckless Development and three concerned citizens. The Department of Transportation (DOT) submitted testimony in opposition to this measure.

Honolulu's legendary traffic congestion has been discussed ad nauseum, and has also been reviewed by numerous committees, commissions, task forces, and departmental studies over the years. Yet, still nothing has been done.

Your Committee supports this measure even though it establishes yet another task force to study the issue. Unlike other task forces in the past, your Committee believes that this task force may bring the fresh perspective of a new Administration, and representatives from Honolulu will look at traffic congestion in connection with the proposed Bus Rapid Transit (BRT) plan. With additional representation from citizens in the affected areas, your Committee is hopeful that this task force will actually come up with some sound and practical ideas to alleviate traffic in Honolulu.

Your Committee amended this measure to include the Oahu Metropolitan Planning Organization (OMPO) on the task force and to authorize the DOT to work with OMPO in an attempt to secure federal funding for traffic studies and/or alleviation measures. OMPO has been analyzing traffic issues for many years and has the ability to secure federal funding, and your Committee finds their inclusion appropriate.

Your Committee also made technical, nonsubstantive, stylistic changes.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1684, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1684, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 499      (Joint) Education and Economic Development on S.B. No. 9**

The purpose of this measure is to support the development of educational materials produced in Hawaii that align with the Hawaii content and performance standards.

Testimony in support of this measure was submitted by the University of Hawaii College of Education and the Department of Education.

Your Committees find that there are potential opportunities for the development of educational materials here in Hawaii that can be used in Hawaii's public schools and which will more closely align with Hawaii's content and performance standards. Your

Committees further find that this potential market would benefit not only local producers of these materials, but the students who would be using materials more closely tailored to Hawaii's academic requirements.

As affirmed by the records of votes of the members of your Committees on Education and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 9 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 12. Noes, none. Excused, 1 (Kanno).

**SCRep. 500 Education on S.B. No. 631**

The purpose of this measure is to establish monetary fines, community service, and other penalties for students who are truant from school.

The Department of Education submitted comments on this measure.

Your Committee finds that truancy by a student who is compelled by law to attend school may not always be the result of a student not wanting to attend school, but may reflect a parent's negligence or lack of parenting skills. Your Committee further finds that if parents are brought before an administrative hearings officer or a family court judge to explain their child's truancy, they may become more attentive to and responsible for their child's educational needs.

Your Committee has amended this measure by:

- (1) Replacing the terms "child" with "student", "mother and father" with "parent", and "cause" with "summon" to reflect proper statutory terms;
- (2) Deleting the minimum amounts of fines to be imposed in all offense categories;
- (3) Setting the minimum term for community services at fifty hours for all offense categories; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 631, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 631, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 501 Education on S.B. No. 656**

The purpose of this measure is to allow school-level minor repair and maintenance (R&M) accounts to be used for the maintenance, repair, and replacement of components of a school's information infrastructure system.

Testimony in opposition to this measure was submitted by the Department of Education. The Department of Accounting and General Services submitted comments.

Your Committee finds that a school's information system infrastructure is a critical component of today's teaching and learning environment. Your Committee further finds that allowing the school level R&M accounts to be used for repair and maintenance of school information systems, especially for those directly involved in teaching, is a cost-effective and necessary expense to ensure that student learning is not impeded.

Your Committee has amended this measure by:

- (1) Placing a cap of one-third of the total amount available that can be expended from the accounts for information system infrastructure repair and maintenance;
- (2) Adding a definition of "information system infrastructure"; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 656, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 656, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 502 Education on S.B. No. 995**

The purpose of this measure, as received by your Committee, is to change the minimum age requirement for entrance into kindergarten within the public school system.

Your Committee scheduled for public hearing a proposed Senate Draft 1 that deleted the contents of this measure and substituted therefor provisions that:

- (1) Provide for a statewide consolidated textbook and instructional materials list to be developed by the department and from which not more than three textbooks may be used for any course of study and which shall be used consistently within each school complex;
- (2) Authorize the Department of Education to participate in cooperative purchasing agreements to achieve economies of scale and thereby lower price per unit costs;
- (3) Authorize the schools to purchase textbooks for parents who will reimburse the schools for such textbooks; and
- (4) Authorize the Department of Education to assess and collect a textbook and instructional materials fee from each student the beginning of each term, unless they are unable to pay such fee.

The Department of Education submitted testimony supporting the intent but expressing concerns about portions of the proposed Senate Draft 1.

Your Committee finds that many of our public school students do not have adequate supplies of textbooks nor instructional materials, and this problem seems to be exacerbated by the lack of a coherent textbook selection and purchasing policy within our public school system. Your Committee further acknowledges that in some situations, sufficient textbooks may not be available due to lost books and lack of sufficient resources for their replacement. Thus, your Committee believes that a multi-prong response to this problem is necessary, and thus is supporting the provisions as articulated in the proposed Senate Draft 1.

After further discussion regarding this issue, your Committee is recommending further amendments to the proposed Senate Draft 1 as follows:

- (1) Allowing the complexes to select six, rather than three, textbooks for use in a course of study within a school complex;
- (2) Assessing an unspecified amount as a textbook deposit fee upon entering students that will be retained by the school and returned to the student when they leave the school provided that all textbooks have been returned in usable condition;
- (3) Assessing up to a \$20 per student annual textbook and instructional materials fee on students unless they are unable to pay such fee; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 995, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 995, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Hogue).

**SCRep. 503      Education on S.B. No. 1700**

The purpose of this measure is to establish in law a new funding mechanism for the charter schools and to create a charter school education agency to provide administrative oversight of the charter schools.

Testimony in support of this measure was submitted by the Board of Education, Voyager Public Charter School, Ke Kula o Kamakau Charter School, Lanikai Public Charter School, Halau Ku Mana Public Charter School, the Hawaii Business Roundtable, the Hawaii State Teachers Association, and many concerned parents of students enrolled in public charter schools. Testimony in opposition to this measure was submitted by ILWU Local 142. The Hawaii Government Employees Association Local 152 submitted comments.

Your Committee finds that the Legislature authorized the creation of public charter schools to provide students and parents with a choice of educational philosophies and learning environments within the public school system. Your Committee further finds that while many charter schools have been established, the method of determining funding for the schools has been an ongoing challenge, to the extent that it threatens the continuing existence of the public charter schools. Additionally, placing the responsibility for administrative support and oversight of the charters with the Department of Education has only provided an additional burden on the department at a time when it is faced with looming budget cuts and special education requirements that are taxing its infrastructure. Thus, your Committee agrees that in order for the charter schools to succeed, adequate resources and support must be provided to assure that the legislative intent of school choice for Hawaii's students and families is fulfilled. However, your Committee also believes that continuing discussion needs to take place between the appropriate legislative committees, the Department of Education, and the charter schools with regard to certain aspects of this measure, which will result in satisfactory resolution of these issues.

After careful consideration of the testimony presented and continuing discussions with representatives from the charter schools and the Department of Education, your Committee has amended this measure by:

- (1) Deleting the per pupil amounts set-out in statute as the basis for legislative appropriations;
- (2) Requiring the Legislature to consider the biennium budget request and supplemental budget request of the charter school education agency based upon projected enrollment and a breakdown of general education and special education students;
- (3) Requiring the Legislature to appropriate funds based upon the average pupil cost as reported in the Department of Education's consolidated annual financial report for the previous fiscal year;
- (4) Delineating that appropriations to the new century conversion charter schools shall include all categories of funding as are provided to the department of education public schools;
- (5) Delineating that appropriations to the start-up new century charter schools shall include specific categories of funding, and that special education funding shall be based upon a per pupil weighted count formula implemented by the Department of Education and applied to special education students in the new century charter schools;
- (6) Requiring that the allocations of general funds to the charter schools be based upon appropriations by the Legislature to EDN 110, and that these funds may be subject to restrictions or reductions similar to Department of Education public schools;
- (7) Establishing a nine-member board of directors as the governing body of the charter school education agency, which is to be attached for administrative purposes only to the Department of Education;
- (8) Requiring the executive director of the charter school education agency to consult with the governing board of directors and the local school boards of the charter schools, in providing administrative support to and oversight of the charter schools;
- (9) Repealing the existing language of section 302A-1188, Hawaii Revised Statutes, and inserting language delineating the Department of Education's responsibilities to the charter schools with regard to technical assistance, negotiation and purchase of central services, provision of educational and related services to special education students, and providing first right of refusal to the State for assets of charter schools that are dissolved or discontinued;
- (10) Making an appropriation for the new century charter schools and new century conversion charter schools;
- (11) Requiring the Department of Budget and Finance to make direct allocations of EDN 110 appropriations to the charter schools for the fiscal year 2003-2004, prior to the implementation of EDN 100 and the charter school education agency;
- (12) Changing the effective date to May 17, 2054; and
- (13) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1700, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1700, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 504 (Joint) Human Services and Judiciary and Hawaiian Affairs on S.B. No. 1351**

The purpose of this measure is to require the Department of Human Services to establish standards and conduct criminal history record checks on service providers who have direct contact with individuals receiving services under the Department's adult services programs.

Testimony in support of this measure was submitted by the Departments of Human Services and the Attorney General.

Your Committees recognize the need to provide safe environments for individuals receiving services under the Department's adult services programs, who may be especially vulnerable to abuse, neglect, or exploitation, due to age, mental or physical disability, or lack of competency. Your Committees find conducting criminal history background checks of direct service providers is one way to help ensure their safety. Your Committees further find that imposing such a requirement is consistent with existing criminal history background check requirements for providers of home and community-based services under the Medicaid waiver program.

The Department of the Attorney General testified that the Criminal History Record Improvement Revolving Fund (fund) is used as a pass-through to process payments to the Federal Bureau of Investigation (FBI) for national criminal history record checks. Accordingly, your Committees find the \$50,000 appropriation is needed to raise the fund's ceiling to pay the FBI's fees for this program.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1351 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 11. Noes, none. Excused, 1 (Hooser).

**SCRep. 505 (Joint) Judiciary and Hawaiian Affairs and Education on S.B. No. 1597**

The purpose of this measure is to establish a noncontiguous Hawaiian charter school district.

Testimony in support of this measure was received from Halau Lokahi Public Charter School, Ka `Umeke Ka`eo Public Charter School, Halau Ku Mana New Century Public Charter School, Kanu o ka `Aina New Century Charter School, Na Lei Na`auao Native Hawaiian Charter School Alliance, HGEA-AFSCME, and Kanu o ka `Aina NCPCS, and sixty-eight individuals. Testimony in opposition was received from the Board of Education (BOE).

This measure establishes a separate school district comprised of Hawaiian focused charter schools, with local educational agency status to qualify for federal funding. The school district would be independent of and not subject to the control or authority of the Department of Education (DOE), BOE, or Superintendent of Education. The school district would be monitored by an eight-member Hawaiian charter school council to be appointed by the Governor. The council would be a second chartering agency under the BOE. Funding would be provided by a flat per-pupil allocation to be provided by legislative appropriation and also by federal funding. Up to twenty-five schools may be established as Hawaiian focused charter schools.

This measure is intended to provide Hawaiian focused charter schools with a degree of independence and autonomy from the DOE and BOE, without compromise to educational quality or school funding. There currently exists the Na Lei Na`auao, a native Hawaiian charter school alliance to collaborate on the creation of a Hawaiian school district based on the unique needs of each community. According to testimony, the alliance has brought in millions of dollars in grants to Hawaii and has initiated a teacher education program.

Your Committees are satisfied from the testimony of Hawaiian charter school students, parents, and administrators that this measure is warranted and is in the best interests of Hawaiian students, who seem to do very well academically and socially in these schools. Your Committees' passage of this measure is not a reflection on the DOE or the BOE. It is simply the right thing to do. Your Committees are particularly convinced by the testimony that many Hawaiian students in these schools might otherwise not perform well at traditional schools.

Your Committees note that there is another measure related to charter schools, S.B. No. 1700, which has also been passed by the Education Committee, and your Committees agree that provisions in each measure will need to be amended prior to their final passage to assure there is no conflict in laws should both measures pass.

Your Committees have amended this measure by changing the expending agency for the appropriation from the Department of Accounting and General Services to the Department of Education, and making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1597, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1597, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 11. Noes, none. Excused, none.

**SCRep. 506 Energy and Environment on S.B. No. 503**

The purpose of this measure is to strengthen the enforcement provision of the State's Clean Water Act.

Testimony supporting this measure was submitted by the Conservation Council for Hawaii, Life of the Land, Hawaii Audubon Society, Surfrider Foundation Oahu Chapter, Hawaii's Thousand Friends, and one individual. The Department of Health, Land Use Research Foundation, and Hawaii Agriculture Research Center submitted testimony opposing this measure. The Hawaiian Electric Company and its subsidiaries provided comments on this measure.

Specifically, this measure enacts provisions relating to muddy water, underground injection wells, and nutrients, allows citizen suits, and increases the fine for each violation of the water pollution law, or any rule, permit, or variance issued under that law from \$25,000, to \$40,000.

Your Committee finds that this measure will help assure that future developments along our coasts do not produce the devastating polluted runoff into our ocean waters and coral reefs that has been produced by past developments, such as at Ma`alaea Harbor on Maui, Pila`a on Kauai, Kealakekua Bay on the Big Island, and Palaua on Maui.

Your Committee has amended this measure by:

- (1) Requiring "reasonably" necessary precautions to ensure sediment does not enter state waters to allow for a human margin of error;
- (2) Deleting the provision on nutrient removal;
- (3) Adding a part establishing requirements for discharge of effluents in marine waters; and

- (4) Making technical, nonsubstantive changes for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 503, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 503, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 507 (Joint) Economic Development and Health on S.B. No. 725**

The purpose of this measure is to appropriate general funds for an economic development plan to establish the Kahuku area of Oahu as a world class health and wellness center, in cooperation with the Turtle Bay Resort and the Kahuku Hospital.

The Department of Business, Economic Development and Tourism (DBEDT), and two individuals testified in support of this measure.

Your Committees find that the establishment of a health and wellness center in Kahuku could act as a catalyst for the development of a health and wellness industry in the area, bringing new businesses into the region and increasing employment opportunities for residents. DBEDT identified community-based economic development grants as potential sources of funding for nonprofit community groups to avail themselves of; and noted that DBEDT had previously discussed health options with Kahuku Hospital.

As affirmed by the records of votes of the members of your Committees on Economic Development and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 725 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 4 (Ihara, Kanno, Kokubun, Tsutsui).

**SCRep. 508 (Joint) Economic Development and Science, Arts, and Technology on S.B. No. 359**

The purpose of this measure is to expand the motion picture and television film production tax credit to:

- (1) Increase the tax credit by an unspecified percentage of the first \$25,000 of each employee's wages and salaries;
- (2) Exclude those wages and salaries from production costs; and
- (3) Apply the tax credit to commercials that advertise products and services.

Your Committees received testimony in support of this measure from the County of Hawaii, Hawaii Media Inc., Film & Video Association of Hawaii, Makua Pictures, The Reel Studio, Hawaii-TV, Screen Actors Guild, Honolulu Film Office, Pacific Focus, Inc., and Hawaii Media Inc. The Tax Foundation of Hawaii submitted comments regarding this measure. The Department of Business, Economic Development and Tourism (DBEDT) and the Department of Taxation submitted comments.

Your Committees find that since 1997, the State has offered a 4% refundable tax credit to all motion picture and television producers on all Hawaii production expenditures. The credit covers the cost of goods and services, as well as wages and salaries, while filming in the State.

Your Committees find that while this tax credit has provided a sound incentive for motion picture and television film producers to film in the State, generating over \$125 million in film related expenditures in 2000, Hawaii's tax credits are less competitive in comparison with other jurisdictions.

Therefore, your Committees support the intent of this measure, to broaden the tax credit in order to expand production opportunities within the State.

Your Committees have amended this measure by:

- (1) Setting the credit percentage for wages and salaries at 15% of the first \$25,000 of the cost of wages and salaries paid to each employee, and applying the credit to wages and salaries incurred after June 30, 2003;
- (2) Detailing in the measure's legislative findings, the efforts of other states that offer comparable 15% rebates;
- (3) Inserting a section to require the DBEDT Film Board to convene a work group to determine the best means of providing incentives to expand the acquisition, use, and local availability of television and movie production equipment in the State and to report to the Legislature prior to the 2004 Regular Session;
- (4) Disqualifying taxpayers using the motion picture and television film production tax credit from claiming a tax credit under Act 221, Session Laws of Hawaii 2001, the High Technology tax credit; and
- (5) Applying the measure to taxable years beginning after December 31, 2002.

With these amendments, your Committees believe this measure strikes an appropriate balance between the need to provide incentives to expand media production in Hawaii, and the State's interest in collecting an appropriate level of revenue from these businesses.

As affirmed by the records of votes of the members of your Committees on Economic Development and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 359, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 359, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 1 (Kanno).

**SCRep. 509 Economic Development on S.B. No. 509**

The purpose of this measure is to institute additional accountability for economic development programs by requiring the Legislative Analyst to conduct an annual cost-benefit analysis of economic development initiatives funded by the State.

Your Committee received testimony commenting on the measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that the State provides numerous forms of assistance to individuals and businesses with the intent to spur economic development. The assistance is primarily provided in the form of direct appropriations, grants, and subsidies, including tax credits and exemptions. However, there is no adequate tracking of the actual benefits of the economic development program or its cost to the State. Your Committee finds that this measure implements provisions that will provide the State with the necessary information to assess and evaluate economic development programs.

Your Committee has amended this measure by requiring the Legislative Analyst to also perform a cost-benefit analysis of tax credits, exemptions, and other benefits that may be utilized by participants of an economic development program.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 509, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 509, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 510 (Joint) Economic Development and Science, Arts, and Technology on S.B. No. 1704**

The purpose of this measure is to appropriate funds for a study to assess the feasibility of constructing a multi-use film production and cultural and education facility within or near Hee'ia State Park.

Testimony in opposition to this measure was submitted by the Department of Business, Economic Development, and Tourism, the Ahupua`a Restoration Council of Hee'ia, and a resident of Hee'ia Kea.

Your Committees find that our State's film industry is continually seeking new venues in order to attract additional business to our islands. Your Committees further find that this measure would allow for a feasibility study to determine whether film production should be appropriate in this area, given its cultural significance and environmental diversity.

As affirmed by the records of votes of the members of your Committees on Economic Development and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1704 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, none. Excused, 4 (English, Kanno, Hemmings, Trimble).

**SCRep. 511 (Joint) Economic Development and Science, Arts, and Technology on S.B. No. 724**

The primary purpose of this measure is to require the Kaneohe Bay Regional Council (Council) to encourage development of education resources integrating the existing facilities of He'e'ia State Park, King Intermediate School, and the Hawaii Institute of Marine Biology.

Your Committees received testimony in support of this measure from Friends of He'e'ia State Park. The Board of Land and Natural Resources submitted testimony in opposition to this measure. The Department of Education submitted comments.

Your Committees find that the geographic and marine features of the Kaneohe Bay area are unique and should be preserved and protected as much as possible. Public education programs are an important component of environmental protection; since many of our natural resources are open and available to the public, it is important that the public have an awareness and appreciation of the fragility of our ecosystem.

Therefore, your Committees support this measure, which will lead to increased public exposure to, and appreciation of, the ecological and cultural assets of Kaneohe Bay.



Your Committees are mindful that the Division of Boating and Ocean Recreation (DOBOR) has been providing administrative support, without compensation, to the Council. Your Committees further note that the Department of Education may be a more appropriate agency to pursue this initiative. However, your Committees are hopeful that your Committee on Ways and Means will find some funding for DOBOR to support this important program (this measure contains a blank appropriation section).

As affirmed by the records of votes of the members of your Committees on Economic Development and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 724 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, none. Excused, 5 (English, Ihara, Kanno, Hemmings, Trimble).

**SCRep. 512 (Joint) Economic Development and Energy and Environment on S.B. No. 1206**

The purpose of this measure is to allow an aircraft operating lease investment tax credit.

Comments on this measure were received from the Department of Taxation and Tax Foundation of Hawaii.

This measure allows a lessee of an aircraft under an operating lease, to claim an aircraft operating lease investment tax credit of two per cent of the lease rent; provided that the aircraft utilizes "quiet technology", as defined in federal law. It is your Committees' understanding that aircraft includes, among other things, helicopters and small commercial planes.

Your Committees believe that because the State's fiscal outlook is uncertain at this time, this measure should continue in the legislative process to promote further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Development and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1206 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair and Majority Leader on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Baker, Kawamoto, Kokubun).

**SCRep. 513 Science, Arts, and Technology on S.B. No. 376**

The purpose of this measure is to allow resident artists to display their artwork in state buildings, offer it for sale, and to require the State Foundation on Culture and the Arts to serve as agent for the sale.

Testimony in support of this measure was submitted by the introducer of the measure. Testimony in opposition to this measure was submitted by the Department of Accounting and General Services and the State Foundation on Culture and the Arts.

Your Committee finds that the State has a long-standing policy of supporting the display of art works within state buildings. Your Committee agrees that resident artists should be allowed the opportunity to not only display their works, but to sell them to persons who may view them on display in a state building. However, your Committee is concerned about the implementation of many of the provisions of this measure and thus is passing it with a defective date to allow for further discussion of the concept.

Your Committee has amended the measure by changing the effective date to October 25, 2081.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 376, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 376, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 514 (Joint) Science, Arts, and Technology and Economic Development on S.B. No. 425**

The purpose of this measure is to establish a Hawaii instrument pool (HIP) into which individuals and companies may donate usage of their high technology instruments.

Testimony supporting this measure was received from the Department of Business, Economic Development and Tourism, High Technology Development Corporation, Hawaii Technology Trade Association, Hoana Medical, Oceanit, Maui Scientific Research Center, Maui Light, Lasers and Electronic Design, and Pacific Marine/Navatek. The Department of Taxation took no position on this measure but provided comments. The Tax Foundation of Hawaii submitted additional comments.

The measure provides that qualified high technology businesses (QHTB) who donate "industry entry" high technology instruments as designated by the High Technology Development Corporation shall be eligible to receive a tax credit; provided that the QHTB commits to donating the instrument for at least four months of its use per year for five consecutive years.

Your Committees find that a variety of small, start-up technology companies in Hawaii face the problem of acquiring and having access to specialized instruments. These instruments are very costly, rare, or only used occasionally so that purchasing is impractical.

However, these specialized instruments are needed by small companies engaged in electronics, biotechnology, software, computers, telecommunication, and other related technologies. In most instances, access to these instruments is the only barrier for a small company to enter into new industries, diversify its products and services, and rise to the next level of success.

Your Committees find that this measure provides an attractive incentive for companies to make their specialized technology instruments available on loan for smaller companies to use.

Your Committees have amended this measure by:

- (1) Providing that to be a "qualified borrower", the borrower shall not be related to the lender and shall be:
  - (a) A small business with twenty-five or less employees and annual gross revenues of \$5,000,000 or less; or
  - (b) A QHTB as defined pursuant to section 237-7.3(c), Hawaii Revised Statutes;
- (2) Deleting the requirement that a taxpayer must be a QHTB to qualify for the tax credit;
- (3) Clarifying that the taxpayer must commit to donating use of the qualifying instrument to HIP at least four months of use during the five consecutive twelve-month periods following the initial date of donation;
- (4) Providing that the tax credit amount shall be fifty per cent of the basis of the qualifying instrument at the time it is first loaned from HIP;
- (5) Providing that the tax credit shall be claimed in the taxable year in which the qualifying instrument is returned to HIP after its first loan;
- (6) Specifying that if a deduction is taken under section 179 of the Internal Revenue Code (with respect to election to expense depreciable business assets), no credit may be claimed for that portion of the cost of the qualifying instrument for which the deduction was taken; and
- (7) Providing that the tax credit shall be applicable to taxable years beginning after December 31, 2002, and to instruments donated to HIP after September 30, 2003.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 425, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 425, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 2 (Kanno, Kawamoto).

**SCRep. 515      Science, Arts, and Technology on S.B. No. 641**

The purpose of this measure is to amend the Contractors Regulatory Act (Act) to require the establishment of a public database of complaints filed against contractors and to require that the Board of Contractors revoke licenses for certain violations of the Act.

Testimony in support of this measure was submitted by a private citizen. Testimony in opposition to this measure was submitted by the Subcontractors Association of Hawaii and the General Contractors Association of Hawaii. The Contractors License Board and the Department of Commerce and Consumer Affairs (Department) offered comments and expressed concerns about parts of this measure.

Your Committee finds that the regulation by the government of occupations and professions is to protect consumers from either physical or financial harm. Your Committee further finds that an important part of this government function should be the sharing of information with consumers to prevent potential harm that could arise from their hiring of individuals whose record of service has not been satisfactory although they may still retain a license. Your Committee further finds that the Department should, as part of the ongoing development of their electronic information systems, make this information available without charge to the public.

Your Committee has amended this measure by:

- (1) Requiring the Department to establish an electronic database containing a current history of information integrating all complaints about a contractor whether the contractor is doing business as an individual, in partnership, or as a responsible managing employee (RME);
- (2) Requiring that the information be made available without charge to the public through electronic posting on an Internet site established by the Department and allowing the Department to charge a reasonable fee for transmission of printed copies;
- (3) Deleting the requirement for financial information to be part of the database;
- (4) Deleting the provision that would prevent persons who have filed for bankruptcy from obtaining a license; and
- (5) Making technical nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 641, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 641, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 516      Science, Arts, and Technology on S.B. No. 1208**

The purpose of this measure is to require state and county agencies, beginning effective January 1, 2004, to include the Hawaiian language in all letterheads, official documents, emblems, and symbols, when the replacement of such is required.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs.

Your Committee finds that Article XV, section 4 of the Hawaii State Constitution identifies the Hawaiian language as an official language of the State. Your Committee further finds that as such, agencies of the State and its political subdivisions should be required to use the Hawaiian language on official documents in recognition of the significance of our native Hawaiian culture. Your Committee agrees that there could be conflicting interpretations regarding the proper orthography of the language, and thus believes that Hawaiian language experts should be consulted prior to the implementation of this measure.

Therefore, your Committee has amended this measure by establishing a Hawaiian language interim task force to develop an implementation plan, including identifying necessary resources and an official reference to be used by state and county agencies to meet the purposes of this measure.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1208, S.D. 1, and be referred to the Committee on Transportation, Military Affairs, and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 517      (Joint) Science, Arts, and Technology and Transportation, Military Affairs, and Government Operations on S.B. No. 1242**

The purpose of this measure is to require the Governor and the Legislature to ensure fair public access to information, services, and proceedings of the executive and legislative branches, through the establishment of a Fair Access Commission that will review and evaluate government access by neighbor island and rural Oahu residents and make recommendations for improvement.

Testimony in support of this measure was submitted by the League of Women Voters of Hawaii; Akaku: Maui Community Television; Hawaii's Thousand Friends; and the Hawaii Pro Democracy Initiative.

Your Committees find that, through the years, the Legislature has addressed the issue of access to government information and proceedings by all the citizens of Hawaii. Although improvements have been made, more still needs to be done to ensure that records, services, and proceedings are accessible and readily available to residents of the neighbor islands and rural Oahu. Your Committees believe that the establishment of a Fair Access Commission, that will work with the Governor and the Joint Legislative Access Committee to identify areas for improvement and make recommendations to promote and improve access by residents on the neighbor islands and rural Oahu, will help to ensure fair access for all the citizens of Hawaii.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1242 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Baker, English, Kanno, Whalen).

**SCRep. 518      Science, Arts, and Technology on S.B. No. 1263**

The purpose of this measure is to allow the purchase of goods to be made through online electronic procurement.

Testimony in support of this measure was submitted by the State Procurement Office and the Department of Accounting and General Services.

Your Committee finds that a statewide electronic procurement system will enhance the State's and counties' ability to use computer technology to procure goods and services at a more competitive price using a more efficient and transparent process. Your Committee further finds that it is necessary and appropriate for state government agencies to "think electronically" and implement cost-saving strategies as we face continuing fiscal constraints. Thus, your Committee commends the State Procurement Office for proposing this initiative, which will bring Hawaii's procurement law and practices in-line with other electronic procurement systems being used within the federal government and many other jurisdictions.

Your Committee has amended this measure by:

- (1) Authorizing the use of electronic bidding and competitive reverse auctions for the procurement of goods, and providing a process for such use;
- (2) Providing definitions for “electronic bidding”, “competitive reverse auction”, and “real time”;
- (3) Expanding the methods of source selection to include competitive reverse auction;
- (4) Providing that awards of small purchases between \$5,000 and \$25,000, under the small purchase law, will be posted electronically;
- (5) Providing that procurements of \$25,000 to \$100,000 for goods, services, or construction may be made in accordance with small procurement procedures, provided that the procurement is made through electronic bidding;
- (6) Making conforming amendments to sections 103D-302 to -304, Hawaii Revised Statutes, to allow for the exception for purchases between \$25,000 to \$100,000 made through electronic bidding; and
- (7) Making technical, non-substantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1263, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1263, S.D. 1, and be referred to the Committee on Transportation, Military Affairs, and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 519      Science, Arts, and Technology on S.B. No. 1489**

The purpose of this measure is to appropriate funds for the Legislative Reference Bureau for a public access pilot initiative to encourage students to participate in the legislative process.

Testimony in support of this measure was submitted by two students. The Department of Education submitted testimony in support of the intent of this measure.

Your Committee finds that the democratic process is based on and requires the active and involved participation of an informed citizenry in order to properly function. In light of this, your Committee believes it is important for state government to continue to support activities that encourage students and adults to become more civic-minded and facilitate their involvement in the democratic process. Your Committee believes that one of the most effective ways to protect and preserve our democratic system of government is by educating and involving the youth who will eventually become the leaders of tomorrow.

Accordingly, your Committee has amended this measure by inserting new language that:

- (1) Establishes a Student Legislative Participation Pilot Project to increase the involvement of Hawaii students in the legislative process;
- (2) Establishes a steering committee to be appointed by the presiding officers of the Legislature to plan and coordinate the pilot project; and
- (3) Appropriates \$50,000 to the Legislative Reference Bureau for the Student Legislative Participation Pilot Project.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1489, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1489, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 520      (Joint) Science, Arts, and Technology and Transportation, Military Affairs, and Government Operations on S.B. No. 1608**

The purpose of this measure is to establish a public access and education program within the Legislative Reference Bureau (LRB).

Testimony in support of this measure was received from the Maui Community TV, Hawaii Pro Democracy Initiative, The League of Women Voters of Hawaii, and Hawaii’s Thousand Friends. Comments were received from the LRB.

The intent of this measure is to open up the legislative process to the public by enhancing public access and providing public information and education about the Legislature and legislative process. The LRB currently maintains the legislative broadcast program as part of the Legislature’s permanent public access program. This measure would further improve the delivery of these and

related programs by integrating the public access room, legislative information and education program, and legislative broadcast program.

Your Committees have amended this measure by deleting Section 5, which requires the transfer of unexpended funds appropriated for the legislative broadcast program in the 2003 Regular Session to the Legislative Reference Bureau.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1608, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1608, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (Espero, Kanno, Whalen).

**SCRep. 521 Water, Land, and Agriculture on S.B. No. 703**

The purpose of this measure is to allow the counties to petition the Office of Planning to conduct a boundary review by resolution adopted by the appropriate city or county council, if the Office does not conduct required reviews every five years.

Testimony in support of this measure was submitted by Hawaii's Thousand Friends. Testimony in opposition to this measure was submitted by the Department of Business, Economic Development, and Tourism's Office of Planning.

Your Committee finds that the five-year boundary review provides for long-range planning and allows the State to check its land use plans against the counties' plans. Boundary reviews also identify unique and special areas that are part of our heritage: native forest, wetland and stream ecosystems, flora and fauna, historic sites, coastal areas, and scenic and open space resources that must be protected for future generations. The last five-year boundary review was conducted in the early 1990s. It is unfair to all parties -- State, counties, residents, and private developers -- to not have a "big picture" understanding of the direction of growth. A statewide boundary review allows the counties and the State to plan for infrastructure needs and costs, and gives developers and landowners some certainty on how to proceed with future plans.

Your Committee also finds, however, that the cost of such an extensive review is beyond the current resources of the Office of Planning, which is why a statewide boundary review has not been conducted since 1992. The Office testified that by removing the word "mandatory" from the original measure, the intent of the measure would continue without requiring the Office to do what it could not without also appropriating funds. Counties would still be able to request boundary reviews and start discussions with the Office about why and where, specifically, they need the review, and would allow counties to share the costs.

Accordingly, your Committee has amended the measure to reflect this suggestion.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 703, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 703, S.D. 1, and be referred to the Committee on Transportation, Military Affairs, and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

**SCRep. 522 (Majority) Labor on S.B. No. 694**

The purpose of this measure is to extend protection under the Whistleblowers' Protection Act to public employees who report information relating to a condition that poses a danger to public health or safety, unless the employee knows that the report is false.

Testimony in support of the intent of this measure was submitted by the Department of Labor and Industrial Relations, the Department of Human Resources Development, and the Hawaii Nurses Association.

Your Committee finds that public employees, during the course of their work, may observe violations or suspected violations of the law or situations that may pose a danger to public health or safety. Often, however, public employees do not report these alleged violations or situations due to concerns about potential retaliatory discharge, threats, or discriminatory action that may result from their reporting these violations or situations. Therefore, your Committee believes that violations of the laws or situations that may pose a danger to public health or safety go unreported and uncorrected, thus necessitating a revision in the law.

However, your Committee determines that further changes to the law are necessary to account for situations where the aggrieved employee is physically or mentally incapacitated and unable to work. Therefore, your Committee further determines that the statute of limitations should not commence for these incapacitated employees until they are able to return to work.

Accordingly, your Committee has amended this measure as follows:

- (1) By including a purpose clause; and
- (2) By creating an exception to the two-year statute of limitations to require the statute of limitations period to commence upon the return to work of a physically or mentally incapacitated aggrieved employee.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 694, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 694, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 523 (Majority) Labor on S.B. No. 773**

The purpose of this measure is to amend chapter 383, Hawaii Revised Statutes, to permit the use of an alternative base period for the calculation of unemployment insurance benefits.

Testimony in support of this measure was submitted by the ILWU Local 142 and the Hawaii State AFL-CIO. The Department of Labor and Industrial Relations submitted comments on this measure.

Your Committee finds that this measure would allow the Department of Labor and Industrial Relations more flexibility in calculating unemployment insurance benefits, by allowing the base period to be calculated as either: (1) the last four completed quarters before the individual's base period, or (2) the last three completed quarters before the benefit period, plus that portion of the quarter that occurs before the benefit period begins. Your Committee finds that this adjustment would afford the Department more options in determining a base period that best reflects the employee's true earnings. If verification of wage earnings is not available, the employee may submit an affidavit from the employee, together with other supporting payroll information, if available. Your Committee finds that this would enhance the Department's ability to fulfill its function.

Your Committee further finds that twelve jurisdictions have enacted statutes that allow the use of alternative base periods in determining eligibility for unemployment insurance benefits. These states are: Connecticut, the District of Columbia, Georgia, Maine, Minnesota, New Hampshire, New Jersey, North Carolina, Ohio, Oklahoma, Rhode Island, and Washington. On average, benefits paid out of unemployment insurance trust funds have increased by only four to six per cent in states which allow the use of alternative base periods.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 773 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Sakamoto).

**SCRep. 524 Labor on S.B. No. 779**

The purpose of this measure is to convert all new members of bargaining Unit 5, teachers and other personnel of the Department of Education under the same pay schedule, including part-time employees working less than twenty hours a week who are equal to one-half of a full-time equivalent, to class A contributory members of the Employees' Retirement System.

This measure also allows existing members the opportunity to convert from class C to class A membership.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association and six teachers. Testimony in support of the intent of this measure was submitted by the Department of Education.

Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Comments on the measure were provided by the Employees' Retirement System which proposed an alternative to the measure through the proposal of a defined benefit contribution retirement plan with a hybrid feature to balance the needs of the shorter term employees with those of longer term employees.

Your Committee finds that it has, on numerous occasions, reviewed proposed legislation to convert class C noncontributory members to class A contributory members and believes that this piecemeal approach to legislation is an inefficient manner in which to address the needs of the members of the Employees' Retirement System.

Instead, your Committee believes that the more efficient approach would be to provide all class C noncontributory members with the opportunity to convert to a contributory retirement class in the interest of fairness and clarity.

In light of this belief, your Committee has amended this measure by deleting the existing provisions of the measure and replacing them with language that establishes a new class H membership. The measure, as amended:

- (1) Allows class C members, in service on December 31, 2004, the option to convert to class H members;
- (2) Requires all employees, hired after January 1, 2005, to be designated as class H members;
- (3) Establishes the parameters for unreduced retirement allowances, service retirement allowances, minimum cash balance benefits, ordinary disability retirement allowances, service-connected disability retirement allowances, death benefits, post

retirement allowances, retirement allowance options, rollovers, and the determination of members' rights after separation from service.

Your Committee understands that the proposed amendments do not address all issues related to retirement benefits under this new class H membership. However, further clarification from the Employees' Retirement System regarding the establishment, parameters, and benefits of this new class are forthcoming, and your Committee believes this measure should continue in the legislative process as a vehicle for further discussion.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 779, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

**SCRep. 525 Labor on S.B. No. 797**

The purpose of this measure is to require retirees and beneficiaries of bargaining units 5 (teachers) and 12 (police officers) to be paid on a semimonthly basis.

This measure also allows nine, ten, and eleven-month employees, elective officers, and appointees of the governor to specify the effective date of their retirement.

Testimony in support of the measure was received from the Hawaii Fire Fighters Association, the Hawaii State Teachers Association, the Retirees Unit of the Hawaii Government Employees Association, and an individual.

Testimony in opposition to the measure was received from the Employees' Retirement System.

Your Committee finds that Act 128, Hawaii Session Laws of 2002, changed the public employee pension payment law to require all individuals who become retirees or beneficiaries as of January 1, 2003, to be paid on a monthly rather than semimonthly basis. Your Committee believes that, in effect, this change in payment schedule delays payment to retirees because they must wait until the end of the month to receive their only pension payment for that month. As a result, this delay can create a financial burden for retirees, particularly those living on fixed incomes.

Act 128, Hawaii Session Laws of 2002, also amended the law governing when a retiree's retirement becomes effective to require all members to retire on the first day of the month, or on the last day of the year, in order to facilitate the expeditious processing of pension benefits.

Your Committee finds that nine, ten, and eleven-month employees, elective officers, and appointees of the governor, due to their unique situations, should be allowed to specify their own date of retirement to coincide with their work obligations in order to preserve their benefits. This measure accommodates these unique employees by exempting them from the timeframe requirements, thus enabling them to select their own retirement date.

Your Committee also finds that in recognition for dedicated years of service to the State, retirees and beneficiaries deserve timely payment of benefits so as to avoid the creation of financial hardship. Therefore, as the Employees' Retirement System is already equipped to handle the payment of benefits on both a monthly and semimonthly basis, the option should be provided to retirees and beneficiaries to determine which method best serves their needs.

Your Committee has amended the measure by:

- (1) Deleting language from the measure requiring, effective January 1, 2003, all retirees and beneficiaries who retire or become beneficiaries after January 1, 2003, to be paid on a monthly basis;
- (2) Deleting language from the measure requiring unit 5 retirees and beneficiaries to be paid semimonthly; and
- (3) Adding language to the measure to allow all retirees or beneficiaries who become retirees or beneficiaries after January 1, 2003, the option to be paid either monthly or semimonthly.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 797, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 797, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

**SCRep. 526 (Majority) Labor on S.B. No. 799**

The purpose of this measure is to authorize and set forth the requirements for the establishment of a voluntary employees' beneficiary association trust by a public employee organization to provide health benefits for its members, including retirees, who would be exempted from participation in the state Hawaii Employer-Union Health Benefits Trust Fund (EUTF).

Testimony in support of this measure was received by the Retirees Chapter of the Hawaii Government Employees Association, the United Public Workers, the Hawaii State Teachers Association, the Hawaii State Retired Teachers Association, the State of Hawaii Organization of Police Officers, the Hawaii Fire Fighters Association, the University of Hawaii Professional Assembly, three private businesses, and thirty-four teachers.

Your Committee finds that Act 88, Session Laws of Hawaii 2001, established the Hawaii EUTF and created a system in which employer contributions for health benefits would be subject to collective bargaining. Under the existing law, all public employees must participate in the Hawaii EUTF. Your Committee further finds that a voluntary employees beneficiary association trust will provide a necessary option to meet the needs of the employees, with the same cap on cost to the State as is provided for the EUTF under Chapter 87A, Hawaii Revised Statutes.

Your Committee believes that the nature of the participation in a voluntary employees beneficiary association trust should be clarified and has amended the measure as follows:

- (1) By requiring all employees of an applicable bargaining unit whose employee organization has established a voluntary employees beneficiary association trust on their behalf to be members of the voluntary employees beneficiary association trust;
- (2) Changing the effective date to June 30, 2003; and
- (3) By making numerous technical, nonsubstantive amendments to conform the measure to recommended drafting style and for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 799, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 799, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

**SCRep. 527 (Majority) Labor on S.B. No. 896**

The purpose of this measure is to allow employees to use accrued sick leave as family leave to care for a child, spouse, reciprocal beneficiary, or parent with a serious health condition.

The Department of Labor and Industrial Relations, Society for Human Resource Management-Hawaii Chapter, and The Chamber of Commerce of Hawaii testified in opposition to the measure.

Under the State's Family Leave Act, an employee is entitled to four weeks of family leave annually, and may use the leave, for among other purposes, to care for the employee's child, spouse, reciprocal beneficiary, or parent with a serious health condition. However, accrued sick leave may not be used as family leave for any purpose unless the employer normally allows sick leave to be so used or the parties agree to the use of sick leave.

Your Committee finds that the general prohibition against the use of sick leave to care for a seriously ill family member creates an economic hardship for those employees who lack other paid leave such as vacation leave and who are financially unable to take unpaid leave. Further, this financial hardship compounds an already stressful situation for an employee dealing with the serious illness of a loved one. This measure will help employees to better care for their families by allowing them to use paid sick leave when necessitated by the serious illness of a family member.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 896 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 528 Labor on S.B. No. 921**

The purpose of this measure is to entitle employers to obtain temporary restraining orders to protect against harassment in the workplace.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney for the City and County of Honolulu, the Chamber of Commerce of Hawaii, Shell Vacations Club LLC, Shell Management Hawaii, Inc., Sheraton Kauai, the Domestic Violence Clearinghouse and Legal Hotline, the Society of Human Resource Management, the Hawaii State Coalition Against Domestic Violence, and the Hawaii Government Employees Association.

Testimony in opposition to this measure was submitted by the International Longshore and Warehouse Union.

Your Committee finds that under existing law, a business entity is not permitted to obtain a temporary restraining order or injunction. Violence at work is now considered to be a commonplace threat to both employers and employees. Your Committee also



finds that although some incidents involve the violent actions of a disgruntled current or former employee, domestic-related violence in the workplace is one of the most frequent types of occurrence.

Additionally, your Committee determines that domestic abusers will frequently target their spouse or partner's ability to make a living as a means of furthering their agenda of complete control over the victim. Co-workers of abuse victims, as well as the victims themselves are particularly vulnerable to this type of violence since the perpetrator typically knows the exact location and schedule of the victim's employment. Similarly, if the place of employment is an establishment open to the public, it can be very difficult to restrict access to the potential victims. Following the tragic events and loss of life of Xerox employees in Honolulu, many employers in Hawaii have become more aware of the potentially disastrous consequences of a failure to adequately protect their employees on the job. Therefore, your Committee believes that employers should be permitted to obtain protection from harassment and threats of violence in the workplace.

Your Committee believes that this measure should be amended to comply with Hawaii's public policy prohibiting injunctions in labor disputes. Where the "harassment" involves or grows out of the labor dispute as defined in section 380-13, Hawaii Revised Statutes, no court may issue an injunction without full compliance with Chapter 380, Hawaii Revised Statutes, which requires, inter alia, that it first exhaust the services of police officers and other public officers charged with the enforcement of public laws. Your Committee also believes that this measure should also act to level the playing field for the defendant in the event the employer files a petition through payment of attorney's fees in the event that the employee prevails and through the intervention of an employee organization which may represent defendant.

Accordingly, your Committee has amended this measure as follows:

- (1) By requiring the employer to pay for attorney's fees and costs of the defendant if a petition is denied or set-aside on appeal;
- (2) By requiring an employee organization which represents employees to be granted intervention in proceeding under section 604-10.5, Hawaii Revised Statutes; and
- (3) By making several technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 921, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 921, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

**SCRep. 529 Labor on S.B. No. 1371**

The purpose of this measure is to require the state consultants' reports to the employer to be confidential except in limited situations involving harm to worker health and safety.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations (DLIR). Testimony in support of the intent of this measure was submitted by the Office of Information Practices, but subsequently withdrawn.

Testimony in opposition to this measure was submitted by the Consumer Lawyers of Hawaii.

Your Committee finds that confidentiality is necessary to encourage employers to request consultation and other assistance from DLIR for the good of workplace health and safety. Employers have repeatedly voiced concerns regarding the confidentiality of consultants' reports prepared by DLIR. On occasion, some employers have indicated that the concern may lead them to cease from requesting DLIR consultations, which will be detrimental not only to the employees, but also business establishments.

Your Committee determines that confidentiality must be ensured and that disclosure of such consultation reports should only be permitted under the five circumstances enumerated in the measure.

Accordingly, your Committee has amended the measure as follows:

- (1) By extending the effective date to July 1, 2050, to ensure ongoing discussions on this issue;
- (2) By including a sunset date of July 1, 2006, to safeguard against unintended consequences resulting from this measure; and
- (3) By making a technical, nonsubstantive amendment to accurately reflect existing statutory structure.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1371, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1371, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 530 Labor on S.B. No. 1373**

The purpose of this measure is to clarify that positions established by the Department of Labor and Industrial Relations for the purpose of implementing federally-funded employment or training programs shall be exempt from civil service laws.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations. The Hawaii Government Employees Association submitted testimony supporting the general and intent and purpose of the measure.

Your Committee finds that in 1983, section 394A, Hawaii Revised Statutes, was enacted to provide staffing necessary for the State to administer federally-funded training programs under the Job Training Partnership Act. Due to the temporary nature of the positions, they were classified as exempt. In 1998, the Job Training Partnership Act was replaced by the Workforce Investment Act (WIA) of 1998. Subsequently, the Department of Labor and Industrial Relations (DLIR) introduced legislation amending various sections of the law relating to the administration of federally-funded job training programs. However, instead of amending the law to allow exempt positions for staffing of under the WIA, the applicable section was repealed, leaving no statutory basis for the ten exempt positions within DLIR.

Your Committee determines that this measure is necessary to allow DLIR to statutorily restore its six exempt positions to assist in the administration of the WIA. However, so as not to be overly broad or restrictive, your Committee further determines that the current positions or any additional positions utilized or created in the future should not be required to be exempt from civil service status.

Accordingly, your Committee believes that this measure will allow DLIR to execute its duties as the recipient of federal employment and training funds for the State and help to secure the receipt of future federal employment and training funds.

Your Committee has amended the measure as follows:

- (1) By replacing the term "shall" with the term "may", thereby allowing DLIR the discretion to exempt employees from Chapter 76, Hawaii Revised Statutes; and
- (2) By making technical, nonsubstantive amendments to conform with preferred drafting conventions and for clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1373, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1373, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 531 (Majority) Labor on S.B. No. 1493**

The purpose of this measure is to authorize and appropriate funds for a one-time lump sum payment to pensioners who, as of June 30, 2002, were at least 65 years old but less than 70 years old, and who had at least twenty years of service.

Testimony in support of this measure was submitted by the Retirees Unit of the Hawaii Government Employees Association.

The Department of Budget and Finance submitted testimony opposing this measure and the Administrator of the Employees' Retirement System submitted comments on this measure.

Your Committee finds that this measure provides a one-time lump sum bonus to those retirees who were not eligible to receive the \$200 bonuses provided to each state and county retiree in Act 233, Session Laws of Hawaii 2002. Act 233 provided bonuses to retirees who were 70 years of age or older with at least 20 years of credited service as of June 30, 2002, and a general fund appropriation of \$1,465,400 to pay for the bonuses for state retirees.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1493 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 1 (Sakamoto).

**SCRep. 532 (Majority) Labor on S.B. No. 758**

The purpose of this measure is to allow the employer's contribution for health benefits plans to be negotiable as either a percentage or dollar amount.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the United Public Workers of Hawaii, the Hawaii State Teachers Association, and the Hawaii Fire Fighters Association.

The Department of Budget and Finance submitted testimony in opposition to this measure.

Your Committee finds that under existing law, unions are only able to negotiate employer contributions in terms of dollar amounts.

Your Committee determines that more flexibility is necessary to allow the employers and the unions to better negotiate costs in a fair and reasonable manner.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 758 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

**SCRep. 533 Health on S.B. No. 624**

The purpose of this measure is to update the provisions relating to a health care provider's duty to inform a patient regarding medical treatment to provide consistency with the rules adopted by the Board of Medical Examiners (BME).

Your Committee received testimony supporting this measure from the BME, Hawaii Medical Association, HAPI's Physicians' Indemnity Plan, Healthcare Association of Hawaii, Hawaii Association of Osteopathic Physicians and Surgeons, Hawaii Medical Service Association, and two individuals. Consumer Lawyers of Hawaii (CLH) initially submitted testimony opposing this measure but requested that upon review of the testimony, CLH would be allowed to reevaluate its position.

Your Committee finds that Hawaii's laws relating to informed consent are outdated and has not kept up with the changing pace of the medical and legal communities. The existing statutory language originated from rules adopted by the BME in 1979. Since then, the BME has revised their rules many times to reflect the current legal and medical standards. Unfortunately, the statutes have yet to reflect the current standards and practices. Your Committee finds that this measure updates and revises statutory law to reflect current medical and legal standards and practices relating to informing a patient about medical treatments. In reviewing the proposed amendments, your Committee felt it was important to maintain the current patient-oriented standard of informed consent and not revert to a profession-oriented standard.

Your Committee has amended this measure by:

- (1) Replacing the phrase "is not competent" with the more appropriate phrase "lacks capacity" in section 671-3, Hawaii Revised Statutes;
- (2) Clarifying that the information required to be disclosed to a patient prior to consenting to a proposed treatment or procedure shall be as provided in the statute;
- (3) Clarifying that medically recognized substantial risks of serious complications or mortality must be disclosed;
- (4) Deleting the ambiguous language that suggests a health care provider may make a subjective judgment to withhold information from a patient for the patient's best interest;
- (5) Deleting the provisions allowing a patient to elect not to receive information required to be disclosed under the law; and
- (6) Defining "legal surrogate" as an agent designated in a power of attorney for health care or surrogate designated or selected in accordance with chapter 327E, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 624, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 624, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hogue).

**SCRep. 534 Health on S.B. No. 683**

The purpose of this measure is to require diabetes education be provided by a certified diabetes educator or an American Diabetes Association recognized educator for diabetes insurance coverage.

The Hawaii Association of Diabetes Educators and three individuals submitted testimony supporting this measure. The American Association of Diabetes Educators and the Senator from the 18<sup>th</sup> District presented oral testimony in support of this measure. American Healthways, Kaiser Permanente Hawaii, and HMSA submitted testimony opposing this measure.

Your Committee finds that diabetes is a terribly serious disease that affects many people in Hawaii, and is often life threatening. A person with diabetes needs to learn how to manage both the day-to-day and long term consequences of their disease. Education should be provided by a knowledgeable and certified instructor to help a patient better understand the complexities of diabetes and to learn how to manage the complicated treatment plan, equipment, and supplies such as blood glucose meters and test strips. Proper understanding is critical to living with diabetes.

Your Committee notes that there is limited access to appropriate certified diabetes education particularly on the neighbor islands. However, there are other programs with national certification and recognition that provide appropriate diabetes education using teams of professionals, to which your Committee does not intend to preclude access.

Your Committee has amended this measure by rewording the provision for diabetes education as provided by a "program recognized by the American Diabetes Association or the National Committee for Quality Assurance" in addition to a certified diabetes educator. The reason for this amendment is that the American Diabetes Association has created a recognition system for programs rather than individuals.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 683, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 683, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

**SCRep. 535      Health on S.B. No. 747**

The purpose of this measure is to require dental plans to allow patients to choose their own dentists and to provide patients the option of having their insurance reimbursement sent directly to their dentists.

Oral testimony in support of this measure was presented by a private citizen.

The Chamber of Commerce of Hawaii, the Hawaii Medical Service Association, the Mutual Benefit Association of Hawaii, and the Voluntary Employees' Benefit Association of Hawaii submitted written testimony in opposition to this measure. Oral testimony in opposition to this measure was presented by the Plumbers and Pipefitters Union, Local 675.

Your Committee finds that accessibility and affordability of proper dental services are continuing problems in this State. The poor state of dental care can lead to more serious health problems, which may further result in increased medical costs and deteriorating health conditions.

Your Committee believes that the key to combating this problem lies in improved access to quality dental care. Improved access can be achieved by providing patients with greater flexibility in selecting a dental care provider. Additionally, the direct payment of insurance reimbursements to the dental providers will foster better dental care by not requiring patients to pay for such services in advance. Patients with emergencies or those with serious dental problems will also be in a better position to obtain and pay for treatment.

Your Committee finds that concerns over any increase in costs to the patient, associated with the assignment of payment, are unfounded. Your Committee notes that this measure does not require reimbursement parity. Instead, patients will benefit from the assignment of payment by having additional flexibility in paying for dental services without compromising an insurer's accountability protocols. According to a study conducted by the Legislative Reference Bureau in 1997, states with assignment of payment laws have cited no problems with the practice. In addition, assignment does not divest the insurer of ability to determine the scope of benefits and the terms of the contract.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 747 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

**SCRep. 536      (Joint/Majority) Health and Human Services on S.B. No. 1088**

The purpose of this measure is to establish a long-term care social insurance program, setting long-term care income tax rates, manner of payment, and long-term care benefits.

Testimony in support of this measure was submitted by the Temporary Board of Trustees, Long Term Care Financing Act; Hawaii State Commission on the Status of Women; Maui Economic Opportunity, Inc.; ILWU Local 142; Hawaii State Teachers Association (HSTA); Hawaii State Teachers Association-Retired; Hawaii Long-Term Care Association; Coalition for Affordable Long-Term Care; Faith Action for Community Equity; Kokua Council; Healthcare Association of Hawaii; and twelve concerned citizens. Testimony opposing this measure was submitted by the Health Insurance Association of America; NAIFA Hawaii--Association of Insurance and Financial Advisors; Chamber of Commerce of Hawaii; Legislative Information Services of Hawaii; Hawaii Medical Association; and two concerned citizens. The Department of Taxation; Office of Information Practices; and the Tax Foundation of Hawaii submitted comments on the measure.

Your Committees find that the issues surrounding long-term care will continue to challenge our State. Your Committees heard testimony from a number of individuals who stated that they could not afford the cost of long-term care insurance. A recent study shows that the median income for senior citizens in our State is \$18,735, and 41,000 seniors have incomes below 150% of the federal poverty level.

Your Committees find that Act 245, Session Laws of Hawaii 2002, established a Temporary Board of Trustees of the Long-Term Care Financing Act, to study this issue and to propose a tax collection program, a tax rate, and a benefit schedule for an actuarially sound long-term care social insurance program for Hawaii taxpayers. This measure is one result of that effort. Your Committees recognize and commend the members of the Temporary Board of Trustees for their dedication and hard work over the past year.

Your Committees further find that, in developing the proposed long-term care income tax, the Temporary Board of Trustees sought information and advice from one of the two national actuaries engaged by the federal Office of Personnel Services to evaluate long-term care insurance proposals for coverage of federal government employees. The Trustees also sought to respond to questions and issues raised during the 2002 Legislative Session by legislators and others.

Your Committees find that the Legislature must responsibly address the spiraling cost of long-term care, and therefore are passing this measure out to facilitate further discussion of this important issue.

Your Committees have amended this measure by amending section 235-G(c) to state that data and documents used or prepared by the actuary in preparing the actuarial report shall be subject to chapter 92F.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1088, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1088, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, 2 (Hogue, Trimble). Excused, 3 (Fukunaga, Ige, Kokubun).

**SCRep. 537      Health on S.B. No. 1357**

The purpose of this measure is to repeal the public health statistics registration districts.

Testimony in support of this measure was received from the Department of Health (DOH).

According to testimony of the DOH, this measure converts the registration of vital events such as birth, death, and marriage occurring within the State from a decentralized, intermediated process to a centralized, direct process. Current registration involves a paper process with filings made in the county statistics registration district office. The neighbor island offices then forward the paperwork to Honolulu. The DOH is converting to an electronic process with direct filings to a centralized site, thereby eliminating the necessity for registration districts.

Your Committee has amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1357, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1357, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Kokubun).

**SCRep. 538      (Joint) Health and Human Services on S.B. No. 1399**

The purpose of this measure is to encourage the purchase of long-term care insurance by providing a refundable tax credit for payments made by an individual for long-term care insurance premiums.

Your Committees received testimony supporting this measure from the Department of Taxation, Hawaii Long Term Care Association, American Council of Life Insurers, Health Insurance Association of America, Association of Insurance and Financial Advisors-Hawaii, Healthcare Association of Hawaii, Legislative Information Services of Hawaii, Hawaii Medical Association, Chamber of Commerce of Hawaii, and one individual. Opposing testimony was received from the Kokua Council, Hawaii State Teachers Association, Coalition for Affordable Long Term Care, and two individuals. Comments were received from the Tax Foundation of Hawaii.

Your Committees find that Hawaii's aging population should not rely on the social security system or family to provide the necessary resources to sustain a decent and independent quality of life in their golden years. The situation is particularly precarious when an elder individual requires expensive long-term care for health and medical needs. The state of the local, national, and international economy is uncertain. Therefore, individuals must begin planning for their long-term care needs as soon as possible. One viable planning option is to procure long-term care insurance. Long-term care insurance provides individuals access to resources that will cover the costs of long-term care services when needed. Consequently, the overall burden of these services upon the individual, family, and government is reduced. Therefore, your Committees believe that implementing policies that encourage individuals to procure long-term care insurance is appropriate and in the State's interest.

However, your Committees do have concerns that this measure does not present the best solution. Long-term care insurance, in general, is expensive. A tax credit alone, does not mitigate the high premiums that must be paid. In addition, a tax credit is not an adequate incentive to encourage younger individuals to purchase long-term care insurance. Similar to other private insurance policies, individuals will be screened and persons with pre-existing conditions who would most likely require long-term care services would not be issued private long-term care insurance. Moreover, these tax credits directly reduce the revenues deposited in the State treasury for the benefit of a limited number of individuals who can actually afford long-term care insurance premiums.

Your Committees question whether a tax credit will significantly increase the number of individuals purchasing long-term care insurance. Lower income taxpayers are less likely to be able to afford the up-front costs of long-term care premiums or benefit from using a tax credit of this type. Additionally, your Committees were also concerned about enacting a measure that provided tax relief

for individuals capable of purchasing long-term care insurance. Your Committees felt that the incentive might better be focused at the middle to lower middle income levels. As this measure receives further review, your Committees respectfully request the Committee on Ways and Means to consider a credit similar to the Colorado model that provides a separate credit for individuals and married individuals below an established income threshold.

Your Committees prefer the approach taken in S.B. No. 1088, S.D. 1, which was also passed by this Committee. That measure establishes an actuarially sound long-term care social insurance program that will be funded by a long-term care income tax. Your Committees believe that approach guarantees that more individuals will have adequate resources to cover long-term care services.

Regardless, your Committees believe that this measure does provide an option that deserves further discussion and evaluation. Therefore, your Committees have amended this measure by:

- (1) Providing that the credit shall not exceed an unspecified amount in a taxable year. Your Committees defer to your Committee on Ways and Means to determine the maximum amount of the credit;
- (2) Eliminating the possibility of a double tax benefit by clarifying that a taxpayer who takes a deduction under section 213 (with respect to the deduction for long-term care costs and insurance contract premiums paid for taxpayers and their dependents) shall not be allowed a tax credit for that portion of the cost for which the deduction was taken; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1399, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1399, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Ige, Kokubun).

**SCRep. 539 Health on S.B. No. 1469**

The purpose of this measure is to provide that communications made by participants in a peer support counseling session shall be confidential and may not be disclosed by the participants.

Testimony supporting this measure was received from the Honolulu Fire Department, Honolulu Police Department, State of Hawaii Organization of Police Officers, Hawaii Fire Fighters Association, and one individual. The Office of Information Practices submitted comments on this measure. A visiting police psychologist from California submitted oral testimony.

Your Committee finds that law enforcement and emergency services personnel provide a valuable public service for which the residents of our State express tremendous gratitude. However, as they perform their duties, these heroic individuals endure tremendous stress on a daily basis. Stress levels are especially high when law enforcement and emergency services personnel must deal with crises that involve horrendous injuries and fatal incidents. Peer support counseling sessions provide a safe, secure, and supportive venue for law enforcement and emergency services to manage their stress freely without fear of retribution and judgment. Peer counseling sessions have been utilized throughout the country with success. However, there continue to be instances where individuals refuse to participate in these therapeutic sessions because the privacy of their communications was not protected under law. Your Committee finds that this measure sufficiently sets in place safeguards to ensure that individuals can participate in peer counseling sessions freely with their privacy preserved.

Your Committee has amended this measure by:

- (1) Including water safety and emergency medical personnel in the definition of "emergency services personnel" thereby securing for them the privacy safeguards provided by this measure;
- (2) Providing that "peer support counseling sessions" includes critical incident stress management sessions;
- (3) Replacing references to the term "confidential" with "privileged";
- (4) Providing that information relating to spousal abuse shall not be protected by the privilege provided by this measure; and
- (5) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1469, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1469, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

**SCRep. 540 Health on S.B. No. 1519**

The purpose of this measure is to establish a community health centers special fund to provide a dedicated funding source for community health centers and to deposit a percentage of liquor and tobacco taxes into the special fund.

Your Committee received testimony supporting this measure from The Queen's Health Systems, Hana Community Health Center, Waianae Coast Comprehensive Health Center, AlohaCare, Hawaii Primary Care Association, ILWU, Local 142, and one individual. Comments on this measure were received from the Tax Foundation of Hawaii. Opposing testimony was received from the Department of Budget and Finance.

Your Committee finds that community health centers provide needed, high quality primary care services to Hawaii's rural communities. These centers operate only in designated underserved areas and must meet the medical, dental, mental health, preventive, and other service needs of individuals regardless of their ability to pay for those services. Unfortunately, every year Hawaii's community health centers must struggle to find the resources necessary to continue providing services. Thus, every year, residents of these underserved areas are in jeopardy of losing access to health services. Your Committee believes that some method of dedicated and stable funding is necessary to ensure that Hawaii's community health centers continue to provide the medical and health care residents truly need.

Your Committee reviewed the special fund framework proposed by this measure and decided to proceed with a different approach. Therefore, your Committee has amended this measure by replacing its contents with provisions that:

- (1) Increase the percentage of tobacco settlement funds appropriated to the Department of Health and correspondingly decrease the amount appropriated to the emergency and budget reserve fund; and
- (2) Dedicate a percentage of the amounts consequently received by the Department of Health to fund operating expenditures of community health centers.

The actual percentages have not been specified so that they may be determined by your Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1519, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1519, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Hogue).

**SCRep. 541 (Majority) Labor on S.B. No. 205**

The purpose of this measure is to require public employers to provide paid leave for employees of at least eight hours per year for personal matters involving the education or health of their children. This measure also provides that such leave will not be credited against vacation or sick leave benefits.

Testimony in support of this measure was submitted by Parents and Children Together and Hawaii Coalition for Dads. The Office of the Lieutenant Governor submitted testimony supporting the intent of the measure, however, requesting revised language to provide leave without pay.

Testimony in opposition to this measure was submitted by the Department of Human Resources Development.

Your Committee finds that in order to promote parental involvement in the lives of children, public employees should be afforded the benefit of paid leave for personal matters relating to the health and education of children. Paid leave will provide parents with the opportunity to more actively participate in their children's lives while fostering family and child development. Currently, based upon Administrative Directive No. 93-02, public employees are provided up to four hours paid leave to attend parent-teacher or parent-caregiver conferences per school year. Your Committee believes that statutory codification of this policy is necessary to solidify the State's commitment to promoting the well being of children and the family unit as a whole.

However, your Committee believes that the measure should be clarified to allow parents to only attend to matters of health and education of their minor children, and the measure has been amended accordingly.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 205, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.B. No. 205, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Sakamoto).

**SCRep. 542 (Joint) Transportation, Military Affairs, and Government Operations, Science, Arts, and Technology and Judiciary and Hawaiian Affairs on S.B. No. 399**

The purpose of this measure is to appropriate funds for the Honolulu Police Department to establish a Computer Statistics pilot project (COMSTAT) to provide more effective and efficient law enforcement.

Your Committees received testimony in support of this measure from the Police Department of the City and County of Honolulu (HPD). The Judiciary submitted testimony taking no position on this measure but requesting that the effective date be delayed.

Your Committees find that the COMSTAT system will greatly enhance law enforcement in the State. The computer improvements made possible by this measure will provide police commanders with the most current information possible about crime incidents within their areas of responsibility.

In addition, this measure will allow HPD to implement an electronic fingerprint system, which will greatly assist in the identification and tracking of people who commit crimes. Improved intelligence will allow the police to identify criminal trends and take steps to deal with them.

Your Committees understand that COMSTAT has been quite effective in other jurisdictions where it has been implemented. In those jurisdictions, crime statistics have fallen dramatically and the public is more confident in the ability of law enforcement to carry out its vital responsibilities.

For these reasons, your Committees support the institution of COMSTAT in Hawaii.

Your Committees amended this measure to remove the provisions that would have given the counties the proceeds of monetary assessments imposed and collected for traffic infractions. Your Committees also blanked out the appropriation amounts in this measure. Your Committees believe that it is most appropriate for your Committee on Ways and Means to determine the best manner to fund the COMSTAT system.

Your Committees also amended this measure to delay its effective date until January 1, 2004. The Judiciary requested this amendment so that it would have time to devise a program to direct traffic revenues to the counties; although your Committees deleted the traffic fine distribution provisions from this measure, S.B. 1331 is before your Committee on Ways and Means. That measure directs all traffic fine proceeds to the counties, and your Committees intend those funds to pay for COMSTAT.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Science, Arts, and Technology and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 399, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 399, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 4 (Baker, Kanno, Hemmings, Whalen).

**SCRep. 543 (Joint) Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture on S.B. No. 463**

The purpose of this measure is to require the Kaho'olawe Island Reserve Commission (KIRC) to provide the Legislature with a master plan, by July 1, 2003, for the Navy's transfer of administrative authority over the island to KIRC.

The Office of Hawaiian Affairs and KIRC both submitted testimony supporting the intent of this measure, but requesting that the reporting date be moved to September 30, 2003.

Your Committees find that the State will legally assume control of Kaho'olawe on November 12, 2003. For one hundred twenty days after that date the Navy will maintain access while KIRC implements its action plan.

Your Committees believe that since the State will be legally responsible and liable for the island as of November 12, it is vitally important that the Legislature receive KIRC's master plan with sufficient time to study the plan and determine its adequacy. KIRC has had years to work on the plan, and your Committees believe that it is reasonable to expect it to be ready in time for review by the Legislature.

However, based on the concerns raised, your Committees decided to compromise and amend this measure by extending the date for the report to August 1, 2003.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 463, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 463, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (English, Kanno, Whalen).

**SCRep. 544 (Joint) Transportation, Military Affairs, and Government Operations and Human Services on S.B. No. 473**

The purpose of this measure is to require informational meetings as part of the county zoning permit process for group living facilities that house people released from a correctional facility or an institution for mental health treatment, or are receiving substance abuse or sex offender treatment.

Testimony in support of this measure was submitted by the Department of Public Safety and the Community Alliance on Prisons. Testimony in opposition to this measure was submitted by the Hawaii Youth Services Network.

Your Committees find that the community should be involved in the planning and decision to locate a halfway house in their neighborhood. Halfway houses provide a structured, supervised environment for individuals who are making the transition from an



institutionalized setting to living in the community. Your Committees find that the most successful halfway houses are those that develop a positive relationship with their neighbors.

The Hawaii Youth Services Network (HYSN) expressed concerns about this measure, specifically:

- (1) This measure may duplicate existing county zoning ordinances. Current Honolulu zoning ordinances require a permit for group living facilities housing more than a specified number of residents. Larger programs must make a presentation to the Neighborhood Board in order to obtain a conditional use permit for a group living facility. HYSN notes that if the group living facility does not require a conditional use permit to operate, then there should be no need for a public informational meeting. Thus, according to HYSN, this legislation is duplicative and unnecessary.
- (2) This measure may violate the federal Fair Housing Act, by requiring social service organizations serving persons with disabilities to seek usage permits not required for similar groups of unrelated persons without disabilities. According to HYSN, subjecting persons with physical or mental disabilities to special requirements for their living arrangements based on public perception may be unlawful discrimination.

Your Committees believe that the discussion on the legal ramifications of this measure should properly be continued by the Committee on Judiciary and Hawaiian Affairs. Your Committees have made technical, nonsubstantive amendments to this measure for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 473, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 473, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 5 (Espero, Fukunaga, Inouye, Kanno, Whalen).

**SCRep. 545      Transportation, Military Affairs, and Government Operations on S.B. No. 1374**

The purpose of this measure is to provide authority to the State Fire Council (Fire Council) to expend any federal grant money for fire fighting training that the Fire Council receives.

Testimony in support of the measure was submitted by the Department of Labor and Industrial Relations and the State Fire Council.

Your Committee finds that existing law allows the Fire Council to apply for federal grants but does not allow it to administer or expend the funds. This measure provides the Fire Council with the necessary statutory authority to receive, administer, and expend federal assistance for fire fighters across the State and to provide quality public education on fire safety.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1374 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

**SCRep. 546      Transportation, Military Affairs, and Government Operations on S.B. No. 1468**

The purpose of this measure is to reduce from two acres to one acre the maximum size of a parcel of land that qualifies for mandatory lease-to-fee conversion under the Residential Leaseholds Law, and to clarify that the land shall be zoned for residential use.

Testimony in support of this measure was received from the Housing and Community Development Corporation of Hawaii, Kamehameha Schools, and two individuals. The Hawaii Association of Realtors testified in opposition to the measure.

The Land Reform Act of 1967, codified in Chapter 516, Hawaii Revised Statutes (Chapter 516), authorizes the mandatory lease-to-fee conversion of residential leaseholds. However, since the law was enacted, the nature of residential housing has evolved and led to the construction of developments in which residential housing is a component of a commercially zoned mixed use project or agriculturally zoned project.

Your Committee finds that Chapter 516 was not intended to apply to nonresidential leasehold properties. Therefore, this measure effects the intent of the law by reducing the qualifying size of lots under Chapter 516 from two acres to one acre, and by requiring that the lots be zoned for residential use.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1468 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

**SCRep. 547      Transportation, Military Affairs, and Government Operations on S.B. No. 1478**

The purpose of this measure is to require all public contracts for the operation of concessions at airports in the State to contain force majeure terms to absolve the parties of liability for failure to perform due to outside forces.

Your Committee received testimony in support of this measure from the Airport Concessionaires Committee, HMS Host, Greeters of Hawaii, Ltd., APCOA/Standard Parking, Island Shoppers, Inc., ANC Rental Corporation, and DFS Galleria. Testimony in opposition to this measure was submitted by the Department of Transportation (DOT) and the Airlines Committee of Hawaii.

Your Committee, and indeed the entire Legislature, has spent many days over the past sixteen months debating the plight of our airport concessionaires. The terrorist attacks of September 11, 2001, the subsequent decrease in air travel, and heightened security restrictions all combined to severely affect the concessionaires' businesses, putting them at risk of breaching their contracts with the State.

Your Committee finds that the terrorist attacks which led to the concessionaires' problems were not foreseeable, and certainly not the fault of either the concessionaires or the DOT. This is precisely the type of situation a force majeure clause is intended to address: an unforeseeable event beyond the control of either party to a contract, which renders performance under the contract impossible.

Although your Committee is not sure that it would necessarily be appropriate to insert a force majeure clause in every contract as called for by this measure, your Committee believes this measure warrants further review.

Your Committee amended this measure to mandate that the concession for taxi services at the airport be granted to a single management company, which may then subcontract with one or more taxi companies to provide taxi services at the airport.

By contracting with a third party management company and giving that company the authority to subcontract for taxi services, your Committee finds that the provision of taxi services at our airports will be greatly improved.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1478, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1478, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

**SCRep. 548      Transportation, Military Affairs, and Government Operations on S.B. No. 1479**

The purpose of this measure is to make appropriations for the maintenance of veterans cemeteries in the counties of Kauai, Maui, and Hawaii.

Testimony in support of this measure was received from the State Department of Defense, Office of Veterans Affairs Advisory Board on Veterans Services, Hawaii County Department of Parks and Recreation, Oahu Veterans Council, Disabled American Veterans, Hawaii Chapter American EX-POWS, and a Kauai County Council Member.

Your Committee believes this measure pays tribute to the nation's veterans, particularly those in Hawaii, who have sacrificed for the service of their country. Words of gratitude would be patronizing and superficial without action as a symbol of our gratitude. This measure takes that action.

Your Committee has amended this measure by adding an appropriation for the City and County of Honolulu.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1479, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

**SCRep. 549      Transportation, Military Affairs, and Government Operations on S.B. No. 1521**

The purpose of this measure is to ensure that counties utilize their power of eminent domain only for a bona fide, recognized public purpose, and not for a primarily private purpose that only tangentially benefits the public as a whole.

Kamehameha Schools submitted testimony in opposition to this measure. Two concerned citizens testified orally to voice their concerns with this measure.

Your Committee finds that this measure is intended to protect small land owners against the power of the counties and large landowners to collaborate to use eminent domain as a tool to divest small landowners of their holdings.

For example, last year the City and County of Honolulu obtained several parcels of property through eminent domain, largely for the benefit of Outrigger Hotels. Although an expansion of Outrigger Hotels may spur the overall economy, and thereby serve a "public purpose," your Committee finds that under such a standard, any purpose can be considered "public."

Therefore, your Committee supports codification of different statutes and ordinances that have already been determined to be "public purposes." This measure is not intended to broaden a county's eminent domain powers at all; rather, it is intended to restrict those powers by providing a list of examples of purposes that can justify a taking through eminent domain.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1521 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

**SCRep. 550      Transportation, Military Affairs, and Government Operations on S.B. No. 1560**

The purpose of this measure is to authorize counties to condemn and demolish abandoned facilities that have been damaged due to a natural disaster.

The Mayor of Kauai, Poipu Beach Resort Association, Hawaii Hotel Association, Kiahuna Plantation Resort, and one individual submitted testimony supporting this measure.

Additionally, this measure establishes civil penalties for property owners whose property sits in a damaged and dangerous condition and who fail to make reasonable efforts at remediation.

Your Committee finds that Kauai's experience with Hurricane Iniki presented first-hand the loss of revenues and a drastic slump in domestic and international visitors from tourism that took much effort and creativity to regain. This measure will help communities rebuild faster and deal more efficiently with the challenges of recovery in the event of a major natural crisis.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1560 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

**SCRep. 551      Transportation, Military Affairs, and Government Operations on S.B. No. 1636**

The purpose of this measure is to apply the Sunshine Law apply to county advisory groups.

Testimony in support of this measure was received from the Office of Information Practices (OIP), The League of Women Voters of Hawaii, Kailua Neighborhood Board #31, and two individuals. Testimony in opposition was received from the Honolulu Department of Planning and Permitting and the Honolulu Department of the Corporation Counsel.

Testimony of the OIP indicates that this measure is necessary to clarify existing law regarding the applicability of chapter 92, Hawaii Revised Statutes, commonly referred to as the Sunshine Law, to hybrid public-private organizations, such as county vision teams. Testimony indicated that the intent of this measure is to specifically apply the Sunshine Law to county vision teams.

Your Committee has amended this measure by changing "advisory group" to "vision team" and defining vision team.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1636, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1636, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

**SCRep. 552      Transportation, Military Affairs, and Government Operations on S.B. No. 1639**

The purpose of this measure is to specify the standard of care that must be breached before the State and counties may seek reimbursement for search and rescue operation costs from persons who fail to exercise reasonable care or fail to comply with the law or public safety warnings, thereby necessitating the search and rescue operation.

Testimony in support of this measure was submitted by the Honolulu Fire Department and the Kauai Fire Department.

Your Committee finds that although it is a priority of the State to protect the public health and safety of its citizens, the deployment of rescue personnel to aid individuals who have intentionally placed themselves in jeopardy subjects such rescue personnel to the risk of unnecessary harm. Your Committee further finds that the State should be permitted to seek reimbursement of costs associated with a search and rescue operation when an individual necessitates the operation by failing to exercise reasonable care in carrying out an activity or violates the law.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1639 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

**SCRep. 553 (Joint) Health and Education on S.B. No. 668**

The purpose of this measure is to establish a center for nursing within the University of Hawaii to, among other things, report on the current and future status and trends of the nursing workforce in Hawaii, develop a strategic plan to ensure an adequate nursing workforce, and analyze and report on nurse staffing issues.

Your Committees received testimony supporting this measure from the University of Hawaii School of Nursing and Dental Hygiene, Hawaii Nurses Association, Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO, and two individuals. The Board of Nursing supported the intent of this measure but did not support the funding source for activities of the center for nursing. The Department of Budget and Finance similarly opposed this measure due to its creation of a special fund. Healthcare Association of Hawaii and Kaiser Permanente submitted testimony supporting establishment of the center for nursing but subsequently opposed the scope of its activities.

Your Committees find that a nursing shortage exists and will continue into the next decade unless actions are taken to reverse the trend. It is anticipated that Hawaii will need to produce four hundred nurses each year for the next fifteen years to replace the number of nurses leaving the profession. Nurse shortages directly reduce the availability and quality of all health care services thereby threatening the health and welfare of the public. The State must make every effort to ensure that Hawaii's residents have adequate and high quality health care at all times. Your Committees find that the nursing shortage is a public health crisis. The establishment of a center for nursing will centralize data, research, and overall efforts to find a solution to this crisis.

Your Committees have amended this measure by:

- (1) Providing that the activities of the center for nursing shall be directed by the dean of the University of Hawaii School of Nursing and Hygiene;
- (2) Converting the governing board of directors proposed in this measure into an advisory board;
- (3) Clarifying that three members of the advisory board shall represent the Hawaii Nurses Association professional component;
- (4) Restating that the functions of the center for nursing shall be to:
  - (a) Monitor current and future status and trends of the nursing workforce;
  - (b) Conduct research on best practices and quality outcomes;
  - (c) Develop a plan for implementing strategies to recruit and retain nurses; and
  - (d) Research, analyze, and report data related to the retention of the nursing workforce;

and
- (5) Changing the funding source for the center for nursing special fund to funds collected to implement the center for nursing, including federal and private grants and appropriations authorized by the Legislature.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 668, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 668, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Inouye, Kawamoto, Kokubun).

**SCRep. 554 Health on S.B. No. 792**

The purpose of this measure is to prohibit malpractice insurers from imposing a surcharge or otherwise discriminating against a physician who enters into a professional collaboration with an advanced practice registered nurse (APRN). Further, this measure clarifies that such collaborations impose no duty upon the physician to supervise the APRN.

Hawaii Nurses' Association and two individuals submitted testimony supporting this measure. The Department of Commerce and Consumer Affairs, and the Hawaii Association for Physicians Indemnity submitted comments on this measure. Consumer Lawyers of Hawaii and Hawaii Medical Association submitted testimony opposing this measure.

Your Committee finds that the laws regulating APRNs imply that a collegial relationship or collaboration with a physician is required for an APRN to practice legally in the State. To allow discrimination by insurance companies would, in effect, cause physicians to abandon their collegial relationships with APRNs and therefore prevent APRNs from practicing.

The "no duty to supervise" provisions were added to clarify the autonomy of each party in a collaborative arrangement. However, your Committee finds that further discussion is needed to develop appropriate language on this issue and has therefore amended the measure to delete the provisions altogether.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 792, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 792, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

**SCRep. 555 Economic Development on S.B. No. 519**

The purpose of this measure is to appropriate matching funds to create a public-private partnership to market and promote high technology business investment incentives, as provided by Act 221, Session Laws of Hawaii 2001.

Testimony in support of this measure was submitted by the Hawaii Technology Trade Association (HTTA). Testimony in support of the intent of the measure was submitted by the Department of Business, Economic Development, and Tourism.

Your Committee finds that the provisions of Act 221, Session Laws of Hawaii 2001, have made Hawaii a more viable location for establishing and expanding high technology business, and that enhancing public awareness of these opportunities would help stimulate growth in our technology sector.

Your Committee has amended this measure by inserting \$250,000 as the amount appropriated for each fiscal year of the 2003-2005 fiscal biennium. Your Committee has also amended this measure by removing references to HTTA as the specified private partner in an agreement with the State to allow normal procurement procedures to be followed.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 519, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 519, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 556 Economic Development on S.B. No. 1053**

The purpose of this measure is to appropriate funds for planning, designing, and construction of improvements at He`eia Beach Park in Kaneohe, including a study of the cost and impact of moving Kamehameha Highway inland to accommodate the park.

Your Committee received a petition from ninety-eight residents in support of this measure, and seventeen individuals in opposition. Your Committee also received testimony in opposition to this measure from the Board of Land and Natural Resources and two concerned citizens.

Your Committee finds that the growing Kaneohe community lacks viable beach access similar to Waimanalo, Kailua, and Kualoa. The present Kaneohe Beach Park is a small park fronting a mud and sand area.

Your Committee further finds that prior to construction of Kamehameha Highway in its present location, there was a beautiful beach fronting He`eia Kea, north of He`eia State Park in Kaneohe. Your Committee finds that if it is feasible to move the highway inland, there would still be room for a public beach in that spot.

Your Committee notes that further discussion on this issue is warranted.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1053 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 557 Economic Development on S.B. No. 1253**

The purpose of this measure is to require the Department of Business, Economic Development, and Tourism (DBEDT) to establish an industry tracking program and provide a tax credit for businesses that participate in the program.

DBEDT submitted testimony supporting the intent of this measure and deferred to the Department of Taxation (DOT) with respect to the budgetary impact. DOT took no position on this measure, but submitted comments regarding the tax credit portion of the bill. Additional comments were received from the Tax Foundation of Hawaii.

Your Committee finds that repositioning Hawaii to compete in today's new economy requires a new public-private agenda. As articulated by the various neighbor island economic development boards and Enterprise Honolulu, Hawaii must develop its economic

strategy in a new way. In order to create high-skill, high wage jobs and globally competitive businesses, policymakers and business leaders need to know what Hawaii's strengths and weaknesses are.

In 2000, the State Legislature recognized the value of good benchmarks against which to measure Hawaii's progress in becoming a new economy and funded *A New Economy in Hawaii: Benchmarking Hawaii's Progress in the New Economy (2002)*. Advance copies of the report benchmark Hawaii's strengths and weaknesses, and identify areas in which inadequate data exists to monitor future progress.

Your Committee has amended this measure by:

- (1) Deleting the provisions that establish a tax credit for businesses that participate in the industry tracking program;
- (2) Requiring DBEDT to track and annually report on new economy indicators;
- (3) Requiring DBEDT to collaborate with higher education institutions, economists, and other public-private partners to make its new economy indicators available to the widest extent possible using Internet, educational and economic forums, and other media distribution channels; and
- (4) Changing the effective date section to remove the provision regarding applicability to tax years, and to provide that the measure takes effect upon its approval.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1253, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1253, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 558 Economic Development on S.B. No. 1648**

The purpose of this measure is to appropriate funds for deposit into the Hawaii Strategic Development Corporation Revolving Fund to be utilized for increased investment in Hawaii venture capital activity.

Your Committee received testimony supporting this measure from Hawaii Technology Trade Association, Hawaii Venture Capital Association, HMS Hawaii Management, MN Capital Partners, LLC, Hawaiian Electric Industries Corporate Venturing Group, Allegis Capital, and three individuals.

Your Committee finds that the availability of venture capital in Hawaii directly affects the economic growth potential of the State's innovative high technology companies. Most of Hawaii's budding companies require a number of rounds of funding before they can grow substantially. However, this funding must come from professional venture capital firms with the leverage to provide the high capital investments required. If these venture funds are not readily available in the State, Hawaii's most promising companies must find the funding elsewhere thereby increasing the likelihood that they will relocate outside of Hawaii. Your Committee believes that the Hawaii Strategic Development Corporation (HSDC) has done a superior job in leveraging its limited resources to attract substantial investments in Hawaii's companies. Your Committee finds that the State must make further efforts to continue and support the successes of the HSDC and ensure that Hawaii's businesses have immediate access to the resources they need to be successful.

Your Committee has amended this measure by replacing the appropriation with provisions that provide that any professional investor that invests in the HSDC shall be considered a taxpayer that has invested in a qualified high technology business pursuant to section 235-110.9(e), Hawaii Revised Statutes. This measure, as amended, will attract private sector resources to the HSDC to fund the corporations programs. In return, investors shall be eligible to claim the high technology business investment tax credit under section 235-110.9, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1648, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 559 (Joint) Transportation, Military Affairs, and Government Operations and Health on S.B. No. 684**

The purpose of this measure is to amend the statewide program on parking for persons with disabilities by:

- (1) Clarifying definitions;
- (2) Deleting statutory language that is duplicative of language already contained in administrative rules;
- (3) Making standards for replacement of a stolen placard consistent with those for the replacement of lost and mutilated placards;
- (4) Clarifying that disabled parking privileges at metered spaces only apply to public metered spaces;

- (5) Expanding the enforcement provisions by establishing penalties for illegally parking in a disabled parking space without a permit and for entities that fail to provide parking spaces that are in compliance with statutory requirements; and
- (6) Authorizing the Disability and Communication Access Board to adopt rules for the revocation of disabled parking permits, decertification process, ID card design, and fees.

Testimony in support of this measure was submitted by the Disability and Communication Access Board and the Honolulu Police Department.

Your Committees find that this measure makes necessary improvements to the statewide program on parking for persons with disabilities, by amending chapter 291, Hawaii Revised Statutes. Your Committees further find that the Disability and Communication Access Board, an agency administratively attached to the Department of Health, currently has authority over the administrative rules governing the program.

Your Committees find that this measure would make it a violation to park in a disabled access aisle. In the past, people would park in the access aisle, impeding individuals with disabilities from entering or exiting their vehicles, but the police were unable to take any action because the conduct did not violate a specific statute or ordinance. Your Committees believe that the expanded enforcement provisions will help to ensure that the parking spaces and access aisles remain reserved for the use of individuals with disabilities.

Your Committees have amended this measure by:

- (1) Providing that citations may be mailed to the violator;
- (2) Amending section 291C-165(b) by providing a procedure for disposing of the summons or citation issued under this section;
- (3) Deleting section 12 of the measure, leaving section 291-58, Hawaii Revised Statutes, unamended; and
- (4) Making technical nonsubstantive stylistic and formatting amendments.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 684, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 684, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 5 (Espero, Inouye, Kanno, Kokubun, Whalen).

**SCRep. 560      Education on S.B. No. 338**

The purpose of this measure is to authorize the University of Hawaii to certificate public schools from which the graduates may be admitted to the University of Hawaii without required entrance or placement examinations.

Testimony in opposition to this measure was submitted by the Department of the Attorney General and the University of Hawaii.

Your Committee finds that the concept of providing an "early" admission for public high school students to the University of Hawaii, based upon certain qualifications, may provide an additional incentive for these students to seek higher education. Your Committee further finds that the rigor of this certification process will also require our public schools to set higher standards for their students, and thereby benefit all students.

Your Committee has amended this measure by:

- (1) Placing a cap on admissions under this program at no more than one thousand students per academic year;
- (2) Requiring the University to work in consultation with the Department of Education in the adoption of certification standards;
- (3) Requiring the Department of Education to base the student certification upon class rank within a graduating class or successful completion of a specified course of study approved by the department;
- (4) Removing the standards related to educational officer and para-professional personnel serving at a school; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 338, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 338, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 561      Education on S.B. No. 339**

The purpose of this measure is to establish a Council on Educational Data and Accountability Indicators (Council) to be administratively attached to the Research Corporation of the University of Hawaii.

The Department of Education submitted testimony in opposition to this measure. The University of Hawaii submitted testimony expressing concerns about this measure. The Office of the Auditor and the Office of Information Practices submitted comments on this measure.

Your Committee finds that there are myriad sources of information and data that report on our public education system, but it is not presented in a manner that is very useful to state policy-makers. Your Committee further finds that it is important for education information to be analyzed and reported on a statewide basis to support the P-20 initiative that seeks to align and integrate elementary and secondary education programs with higher education.

Your Committee has amended this measure by:

- (1) Creating the Council as a temporary entity rather than creating it in Chapter 307, Hawaii Revised Statutes;
- (2) Requesting the Council to compile a database of longitudinal data;
- (3) Deleting the Auditor from the Council and recomposing the Council to comprise eleven members;
- (4) Providing for the President of the Senate and the Speaker of the House of Representatives to appoint two members each to the Council;
- (5) Repealing the Council on June 30, 2005; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 339, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Hogue).

**SCRep. 562 Education on S.B. No. 353**

The purpose of this measure is to propose various education system reforms that would reconfigure the education finance system to align it with complex-based management, clarify the roles and responsibilities of education administrators within the Department of Education, establish community collaboration initiatives, and establish various quality school and teaching initiatives, including a system of rewards and assistance.

Testimony in support of the intent of this measure was submitted by the Department of Education and the Hawaii Government Employees Association Local 152. Testimony in opposition to this measure was submitted by the Department of Budget and Finance. The Office of Information Practices and the Hawaii State Teachers Association submitted comments on this measure.

Your Committee finds that this measure reflects discussions held during the 2002 interim involving various stakeholders and constituencies within the public education community. Your Committee further finds that many issues were raised with regard to achieving positive results within our public education system, and the issues included in this measure represent a summation of those discussions and are being proposed for further consideration during this legislative session as part of the larger discussion of systemic education reform.

Your Committee has amended this measure by:

- (1) Deleting the section of the measure that repeals the learning support centers;
- (2) Deleting the section of the measure that establishes recruitment and retention incentives for hard-to-fill teaching positions;
- (3) Deleting the section of the measure establishing the school administrator training academy;
- (4) Deleting the section of the measure that establishes the council on education data and accountability indicators, and the appropriation therefor;
- (5) Changing the effective date to upon approval, except for Parts II and III of the measure which shall take effect on July 1, 2005; and
- (6) Making technical nonsubstantive changes to conform to the above changes.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 353, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 353, S.D. 1, and be referred to the Committee on Ways and Means.



Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 563 Education on S.B. No. 350**

The purpose of this measure is to: authorize public schools to participate in partnerships with private businesses or community organizations; and to establish a statewide community partnerships coordinating council within the department of education.

Your Committee finds that our public schools are being asked to “do more, with less” due to continuing fiscal challenges within our State. Your Committee further finds that in discussions with private business owners, many agree that they share in the responsibility for supporting our public schools, but not if their contributions are used to supplant rather than supplement state financial support. Thus, your Committee agrees that this measure is necessary to provide a clear assurance to private business partners that their contributions will be valued and that government support will not be diminished by their contributions. Your Committee further believes that a coordinating council will assist in leveraging limited state resources with private and community resources, and acknowledges the commitment of the Department of Education to continue to dedicate resources to this effort.

Testimony in support of this measure was submitted by the Hawaii Parent Teacher Student Association, the Hawaii State Teachers Association, and the Chamber of Commerce of Hawaii. Testimony in support of the intent of this measure was submitted by the Department of Education. Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 350 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Menor).

**SCRep. 564 Education on S.B. No. 1073**

The purpose of this measure is to make an appropriation to provide a salary increase for public school teachers of one increment pursuant to the negotiated teacher salary schedule.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association, numerous public school teachers, and a spouse of a public school teacher. The Department of Education submitted testimony in support of the intent of this measure.

Your Committee finds that our State continues to face a shortage of certified teachers within our public schools and therefore, we need to continue to find ways to recruit and retain teachers. Your Committee further finds that this salary adjustment recognizes the hard work and dedication of public school teachers and is one way to encourage them to continue to serve as educators in the public school system.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1073 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 565 (Joint) Education and Economic Development on S.B. No. 1433**

The purpose of this measure is to make an appropriation for career and technical education programs within the Department of Education (Department).

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii Career and Technical Education program director, a student attending Farrington High School, two students attending Leilehua High School, a teacher at Leilehua High School, and a teacher at Pahoa High School. Late testimony supporting this measure was submitted by numerous teachers and students from across the State.

Your Committees find that career and technical education programs are critical links between students and the workforce, and ensure that students who choose to enter a career pathway are as well-prepared as those students who pursue post-secondary studies. Your Committees further find that because of the widespread use of information technology within most industries, those who choose the career and technical education pathway need access to updated facilities and equipment within their learning environments. Your Committees strongly support this initiative and commend the Department on its efforts to restructure these programs so they are better integrated with the Department’s core curriculum.

Your Committees have amended this measure by deleting the appropriation for facilities renovation and equipment purchases, pending the submission by the Department of a plan including such details as where the capital improvements will be made and what types of equipment will be purchased.

As affirmed by the records of votes of the members of your Committees on Education and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1433, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1433, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 12. Noes, none. Excused, 1 (Kanno).

**SCRep. 566 Health on S.B. No. 736**

The purpose of this measure is to provide trained psychologists limited authority to prescribe medications to patients at federally qualified health centers or in appropriately licensed health clinics in a federally designated medically underserved area.

Testimony supporting this measure was submitted by the American Psychological Association, Lamalama Ka `Ili Community Health Services, Hawaii Psychological Association, Hawaii Nurses' Association, National Association of Social Workers, Argosy University, Papa Ola Lokahi, Waianae Coast Comprehensive Health Center, Hana Community Health Center, and thirteen individuals.

Testimony opposing this measure was submitted by the Department of Commerce and Consumer Affairs, Hawaii Medical Association, NAMI Oahu, Committee Against Medicalizing Psychology, American Association of Applied and Preventive Psychology, Hawaii Psychiatric Medical Association, and twenty-one individuals. The Board of Psychology submitted comments on this measure.

Your Committee finds that the demand for mental health care services in the State exceeds the resources currently available. Of particular concern is the number of individuals with mental health problems who are not receiving the medications they need to maintain a productive lifestyle. This problem is especially severe in areas served by federally qualified health centers, areas within which the residents have reduced access to quality health care. Psychologists in the State working within these areas treat these mentally ill patients daily but have no authority to immediately dispense the medication they need. This measure allows psychologists limited authority to prescribe medications, thereby providing patients the medication they require in a more timely basis.

Your Committee acknowledges that psychologists need to complete thorough training and educational requirements before they may begin prescribing medications. However, your Committee believes that if the appropriate standards are set forth, the risks of inappropriate treatment can be mitigated.

Your Committee has amended this measure by:

- (1) Increasing the number of hours of psychopharmacological training an applicant must complete from four-hundred fifty hours to six hundred hours;
- (2) Specifying that the psychopharmacological training must be post-doctoral training;
- (3) Requiring that the applicant's one year of supervised practicum involve treating a diverse population of patients with mental disorders;
- (4) Requiring the applicant to pass a national proficiency examination, rather than a national certification examination;
- (5) Allowing the Board of Psychology to waive education and examination requirements if the applicant maintains a license to prescribe medications in another state; provided that the State has standards substantially similar to or higher than that of the State;
- (6) Clarifying that the applicant must be employed or contracted by, and will practice the prescribing authority in, a federally qualified health center or licensed health clinic located in a federally designated medically underserved area;
- (7) Deleting provisions that established a prescription certificate, leaving only the provisions for a conditional prescription certificate;
- (8) Requiring psychologists to inform the Board of Psychology of the name of the federally qualified health center or licensed health clinic in which the psychologist practices;
- (9) Replacing references to a "health care practitioner" with "doctor of medicine";
- (10) Excluding a prescribing psychologist from the definition of "prescribing mental health professional";
- (11) Requiring the Board of Psychology to report to the 2011 Legislature on their evaluation of the status of mental health care in the State after providing conditional prescriptive authority to psychologists pursuant to this measure, recommendations as to whether the prescriptive authority should be modified, eliminated, or continued, and on any other related matter to assist the Legislature in assessing the viability of psychologists maintaining prescriptive authority; and
- (12) Repealing this measure on July 1, 2011.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 736, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 736, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hogue).

**SCRep. 567 (Joint) Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture on S.B. No. 235**

The purpose of this measure is to provide a tax credit of up to \$5,000,000 per taxable year, up to an aggregate total of \$25,000,000, for a taxpayer that incurs qualified costs in the development of law enforcement, emergency medical services, and public safety training facilities at Kalaeloa.

DynCorp and two individuals submitted testimony supporting this measure. The Department of Taxation and Tax Foundation of Hawaii submitted comments on this measure.

Your Committees find that this measure provides the necessary funds to develop a virtual training center where emergency response and other enforcement personnel can train in a simulated environment without ever leaving the classroom. This type of training would greatly enhance public safety training and ensure that emergency responders are truly prepared.

Your Committees amended this measure by making a technical, nonsubstantive change for clarity.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 235, S.D. 1, as amended herein, recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.B. No. 235, S.D. 2.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 3 (English, Kanno, Whalen).

**SCRep. 568 Economic Development on S.B. No. 1599**

The purpose of this measure is to establish a Diamond Head state monument special fund into which fees for related user fees, concession agreements, and other funding sources shall be deposited. The funds will be used for the planning and development of construction and repairs, operations and maintenance, and other educational programs at Diamond Head state monument.

This measure also authorizes the issuance of general obligation bonds and makes a corresponding appropriation for the planning, design, and construction of a Diamond Head state monument interpretive center.

Your Committee received testimony supporting this measure from the Waikiki Improvement Association and one individual. The Department of Land and Natural Resources (DLNR) submitted testimony supporting the intent of this measure but could not provide its full support due to its possible adverse impact on the proposed Executive Biennium Budget. The Department of Budget and Finance did not support the measure on the same basis.

Your Committee finds that Diamond Head state monument (Diamond Head) is an international landmark that immediately conveys Hawaii's identity. As a result, Diamond Head is one of Hawaii's most popular tourist attractions. However, its popularity comes at a price. Diamond Head endures tremendous wear and requires constant, diligent maintenance. A dedicated source of funding for Diamond Head is necessary to ensure it is protected and preserved for enjoyment by the entire world. Your Committee reviewed the proposed special fund established in this measure and decided on adopting a different approach.

Your Committee has amended this measure by:

- (1) Deleting the provisions establishing the Diamond Head state monument special fund; and
- (2) Providing that proceeds received by the state parks special fund from Diamond Head user fees, leases, concession agreements, DLNR sales of Diamond Head-related article sales, gifts, donations, contributions, grants, and appropriations for Diamond Head shall be used for the benefit of Diamond Head; and
- (3) Providing that the issuance of general obligation bonds and corresponding appropriation provided by this measure shall be for the planning and design of a Diamond Head state monument interpretive and visitors center.

The Diamond Head State Monument Master Plan Update, which was accepted by the Board of Land and Natural Resources in December, 1999, increases visitor opportunities by creating new hiking trails, new lookouts, new interpretive facilities, new picnic areas, and a wetland pond. An integral part of the Master Plan Update is the Visitor/Interpretive Center (Center) which will serve as a focal point for visitor orientation. Since the existing Diamond Head park attracts at least 600,000 visitors annually, your Committee finds that investment into the Center is a timely investment that will offset its costs in term of long-term revenue gains.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1599, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1599, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 569 (Joint) Transportation, Military Affairs, and Government Operations and Science, Arts, and Technology on S.B. No. 690**

The purpose of this measure is to require all candidates for the State Senate and the State House of Representatives to file electronic campaign financing reports, and to strengthen administrative and criminal penalties for candidates and committees that show a significant pattern of abuse and violation of campaign spending laws.

Testimony in support of this measure was submitted by the State Campaign Spending Commission; League of Women Voters of Hawaii; Hawaii Pro Democracy Initiative; and the Mestizo Association.

Your Committees find that requiring State Senate and House candidates to file campaign financing reports electronically will help to ensure accountability in the elections process by facilitating timely public access to these records. In the 2002 elections, 117 candidates filed campaign financing reports using customized software to prepare a report on diskette. An additional 88 candidates completed and submitted their reports on-line by simply hitting the "send" key. The electronically-filed reports were available to the public instantaneously; the reports filed by diskette were available on the Internet in a matter of days.

Your Committees find that the Campaign Spending Commission is in the process of improving its electronic filing system. The next generation of electronic filing is planned to be a web-based filing system. Using software embedded in the Commission's computer system, candidates will be able to log onto the State's web page, complete and electronically send their campaign financing report--and the results will be available to the public instantaneously.

Although your Committees support utilizing technology as a means to improve public access, your Committees recognize that there may be candidates who do not have reasonable access to an Internet-ready computer or the capability to electronically file. As the intent of this measure is not to penalize such candidates, but, rather, to encourage the use of technology to improve public access to government, your Committees have amended this measure by:

- (1) Providing an exception from the electronic filing requirement for candidates that do not have reasonable access to an Internet-ready computer or the capability to electronically file; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 690, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 690, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 5 (English, Espero, Kanno, Hemmings, Whalen).

**SCRep. 570 (Joint) Education and Science, Arts, and Technology on S.B. No. 349**

The purpose of this measure is to support the development of quality schools and teachers through enhanced information technology, recruitment and retention incentives for teachers, and a system of rewards for achieving performance goals and assistance for failing to achieve performance goals.

Testimony in support of the intent of this measure was submitted by the Department of Education. Testimony expressing comments and concerns was submitted by the Hawaii State Teachers Association and the Hawaii Government Employees Association.

Your Committees find that this measure is part of a package of measures that reflects discussions held during the 2002 interim involving various stakeholders and constituencies within the public education community. Your Committees further find that with regard to improving quality schools and teaching, ideas such as lengthening the school day and school year and establishing coherent school schedules within a school complex were advocated, however, existing authority to undertake these initiatives rests with the Board of Education and the Department of Education. Other issues, such as those included in this measure, are being proposed for further consideration during this legislative session as part of the larger discussion of systemic education reform.

Your Committees have amended this measure by:

- (1) Deleting the provisions providing for recruitment and retention of teachers in hard-to-fill positions; and
- (2) Deleting the provisions establishing the school administrator training academy.

As affirmed by the records of votes of the members of your Committees on Education and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 349, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 349, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 2 (English, Menor).

**SCRep. 571 (Joint) Education and Water, Land, and Agriculture on S.B. No. 559**

The purpose of this measure is to appropriate general funding to assist the University of Hawaii at Hilo (UH-Hilo) in developing the Pacific Aquaculture and Coastal Resources Center.

Your Committees received testimony in favor of this measure from the County of Hawaii, Department of Agriculture, University of Hawaii, Hawaii Island Economic Development Board, Hawaii Aquaculture Association, and Ahi Nui Tuna Farming Company.

The Pacific Aquaculture and Coastal Resources Center (Center) is a joint project of UH-Hilo, the local community, the County of Hawaii, the State, and the federal government. The Center's facilities will provide much needed basic infrastructure for world class aquaculture and marine science programs at UH-Hilo. In addition to providing teaching and research facilities, the Center will provide a focus for programs and studies related to the sustainable development of aquaculture and the stewardship of marine and coastal resources in East Hawaii and the Pacific region.

An additional \$1.5 million to \$2 million is needed to complete construction of the Center. Failure to obtain this funding will jeopardize the receipt of \$2 million in federal funds and result in the termination of the project. This measure will enable the project to proceed.

Your Committees find that the University of Hawaii cannot receive financial support for a project of this nature as an addition to its base budget. Therefore, your Committees have amended this measure by replacing the general funding authorization with authorization for the issuance of \$2 million in general obligation bonds, and for appropriation of a sum between \$1.5 million and \$2 million therefrom for fiscal year 2003-2004, with the specific amount to be determined by the Committee on Ways and Means. Your Committees also made conforming amendments to the findings and purpose section of this measure.

As affirmed by the records of votes of the members of your Committees on Education and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 559, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 559, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (English, Kawamoto, Menor, Tsutsui, Whalen).

**SCRep. 572 (Joint) Transportation, Military Affairs, and Government Operations and Energy and Environment on S.B. No. 1290**

The purpose of this measure is to provide incentives in the procurement code to encourage state purchasing agencies to use locally-produced recycled products.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development and Tourism, and Hawaiian Earth Products, Ltd.

Your Committees find that the procurement of recycled products made in Hawaii encourages the diversion of recyclable materials from our limited landfills and supports the local economy.

Therefore, your Committees support this measure, which will encourage all agencies to procure locally-produced recycled-content products whenever feasible. This measure also broadens the scope of the recycled-material preference to include nonpaper office products, vehicular and transportation products, parks and recreation products, and construction products.

In addition, this measure allows the existing procurement preference for in-state taxpayers to be used in conjunction with the recycled-content products preference and the Hawaii products preference. By combining these preferences, your Committees find that state purchasing agencies, with their enormous purchasing power, will seek out locally-made and recycled products.

Your Committees amended this measure by inserting a provision that makes only Hawaii corporations that provide recycled-content products eligible for a preference. Your Committees believe that more local companies will be encouraged to create recycled-content products with this amendment.

Your Committees also made several technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs and Government Operations and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1290, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1290, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Baker, Kanno, Menor).

**SCRep. 573 Science, Arts, and Technology on S.B. No. 1334**

The purpose of this measure is to extend the life of the Access Hawaii Committee (AHC), established pursuant to Act 292, Session Laws of Hawaii 2000, to provide continued oversight of the State's Internet portal management and related issues.

Testimony in support of this measure was submitted by the Department of Accounting and General Services, the Office of Information Practices, and the Hawaii Information Consortium.

Your Committee finds that the AHC comprises a broad spectrum of state and county agencies possessing myriad data and performing government transactions that need to be coordinated through the State of Hawaii's Internet portal. Your Committee further

finds that the AHC provides the necessary guidance to Hawaii's portal manager to enhance dissemination of information and access to government functions through electronic means.

As affirmed by the record of votes of the members of your Committee on Science, Art and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1334 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 574 Economic Development on S.B. No. 126**

The purpose of this short form measure is to amend the Hawaii Revised Statutes relating to economic development.

Your Committee has amended this measure by inserting provisions that:

- (1) Expand the scope of the State Ombudsman's jurisdiction and investigative authority to include pursuing complaints by small businesses against government agencies;
- (2) Impose a penalty of \$1,000 per day against agencies that do not take any appropriate action compliant with the opinion and recommendations of the State Ombudsman; and
- (3) Require the State Ombudsman to report annually on the number and nature of small business complaints received and the disposition of each complaint.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 126 as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 126, S.D. 1, and be recommitted to the Committees on Economic Development and Transportation, Military Affairs, and Government Operations, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 575 Health on S.B. No. 157**

The purpose of this short form measure is to amend the law relating to health.

Your Committee has amended this measure by inserting language that requires health insurance plans for groups of more than fifty persons and that provide pregnancy-related benefits, to include coverage for the medically necessary expenses of infertility diagnosis and treatment, subject to an exemption for health plans provided to their employees by religious employers.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the action to report out S.B. No. 157, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 157, S.D. 1, and be recommitted to your Committees on Health and Labor and Commerce, Consumer Protection and Housing for further reconsideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Hogue).

**SCRep. 576 Water, Land, and Agriculture on S.B. No. 255**

The purpose of this short form bill is to amend the law relating to agriculture.

Your Committee has amended this measure by inserting substantive provisions to prevent agricultural uses from being restricted by any servitudes placed on lands classified as agricultural, unless the restrictions are to protect environmental or cultural resources.

Your Committee finds that the amended measure prohibits subdivision covenants from restricting normal farming practices in the agricultural districts. For example, in a region of Kauai, a covenant restricts farmers from growing anything above a certain height. This type of covenant is normally found only in housing subdivisions and is overly restrictive for a normal farming operation in the agricultural district.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 255, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 255, S.D. 1, and be recommitted to your Committee on Water, Land, and Agriculture, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Aduja, English).

**SCRep. 577 Ways and Means on S.B. No. 1394**

The purpose of this bill is to effectuate its title.

S.B. No. 1394 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the action to report out S.B. No. 1394, S.D. 1, as amended herein, and recommends that it be recommitted to the Committee on Ways and Means, for the purpose of holding a public hearing thereon, in the form attached hereto as S.B. No. 1394, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Inouye, Kanno, Sakamoto).

**SCRep. 578 (Joint) Transportation, Military Affairs, and Government Operations and Economic Development on S.B. No. 42**

The purpose of this measure is to require watercraft operating more than one mile from shore to carry a properly functioning VHF-FM radio or an Emergency Position Indicating Radio Beacon (EPIRB).

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, the Maritime Committee of the Chamber of Commerce of Hawaii, and the Hawaii Boaters Political Action Association.

Your Committees find that many of the boating fatalities that have occurred over the past several years could have been avoided if an EPIRB or VHF radio had been carried on board the vessel. Many boating fatalities occur simply because rescue personnel are unable to locate stranded boaters in time.

In addition, when a search and rescue operation continues for a long period of time, the State incurs enormous expense. In the past year, two separate search and rescue operations cost the State approximately \$1 million each. In comparison, an EPIRB retails for about \$600, and a VHF radio for \$100. Your Committees find that the cost of these instruments is exceedingly low given their ability to save lives and to save the State millions of dollars.

Your Committees amended this measure to replace the term "jet ski" in the exception provisions with the term "thrill craft," which is the proper term to refer to all makes and models of such craft.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 42, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 42, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Baker, Kanno, Trimble, Whalen).

**SCRep. 579 Education on S.B. No. 69**

The purpose of this measure is to include a representative of the Hawaii Teacher Standards Board (HTSB) on the membership of the Teacher Education Coordinating Committee (TECC).

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii College of Education, and the Hawaii Teacher Standards Board.

Your Committee finds that the present structure of the TECC does not formally include the Hawaii Teacher Standards Board, even though they are the official licensing entity of all teachers in the State. Your Committee further finds that the TECC chairs have invited the HTSB to participate in TECC meetings and thus HTSB should be named as an official member of the TECC.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 69, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 69, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Hogue).

**SCRep. 580 Education on S.B. No. 1245**

The purpose of this measure is to allow students to be included, as appropriate, in the evaluation program of classroom teachers.

Testimony in support of this measure was submitted by the Hawaii State Parent Teacher Student Association. Testimony in opposition to this measure was submitted by the Department of Education. The Hawaii State Teachers Association submitted comments.

Your Committee finds that our students are our most important consumers of educational services and student achievement is the public education system's most important product. Your Committee further finds that our students should have a voice in the evaluation of teachers to the extent that their feedback can provide constructive criticism regarding the effectiveness of a teacher's instructional methods and curriculum choices. Your Committee believes that student input as part of teacher evaluations should not be used solely to adversely affect the employment status of any one teacher nor should it be used other than as agreed upon through the collective bargaining process.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1245 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Hogue).

**SCRep. 581 Energy and Environment on S.B. No. 840**

The purpose of this measure is to authorize the Office of Environmental Quality Control (OEQC) to review and override an agency's determination on whether its proposed action requires an environmental impact statement.

The Sierra Club Hawaii Chapter and Hawaii's Thousand Friends submitted testimony supporting this measure. Hawaii Renewable Energy Alliance submitted testimony supporting the intent of this measure. Animal Rights Hawaii and Covanta Energy Group submitted comments on this measure. The Board of Water Supply and the Department of Transportation submitted testimony opposing this measure.

In addition, this measure requires an environmental assessment for proposed wastewater facilities, waste-to-energy facilities, landfills, oil refineries, and power generating facilities.

Your Committee finds that as the State's population grows, so does the need for public facilities. Requiring that public facilities be included in the environmental assessment process gives citizens the opportunity to participate in the planning process, including the siting of these facilities.

Your Committee has amended this measure by limiting OEQC's review and determination authorization to instances where a conflict may exist because the proposing agency and the agency making the determination are the same.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 840, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 840, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kanno, Hemmings).

**SCRep. 582 (Joint) Energy and Environment and Economic Development on S.B. No. 1080**

The purpose of this measure is to ensure that allowable waivers or reductions of penalties for small businesses will not apply to any laws protecting the environment or cultural resources.

Sierra Club Hawaii Chapter submitted testimony supporting this measure.

Your Committees find that penalties serve as an important deterrent to violating state and federal laws. Without penalties, the impetus to comply with the law and to take necessary precautions to ensure violations do not occur is significantly reduced. The penalties under chapters 6E, 340A, 340E, 341, 342B, 342C, 342D, 3432E, 342F, 342G, 342H, 342I, 342J, 3432L, and 342P should not be compromised once issued to help ensure a clean and healthful environment and to protect cultural resources.

Your Committees have amended this measure by:

- (1) Removing the reference to chapter 342N, Hawaii Revised Statutes, relating to used oil, since that chapter was repealed in 1996;
- (2) Moving the amended language to subsection (b) of §201M-8, Hawaii Revised Statutes, rather than creating a new subsection (c), for purposes of clarity; and
- (3) Making a technical, nonsubstantive amendment for the purpose of accurately reflecting existing statutes.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1080, as amended herein, and recommend that it pass Second Reading in the form attached here to as S.B. No. 1080, S.D. 1, and be placed on the calendar for Third Reading.



Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Baker, Kawamoto, Kokubun).

**SCRep. 583 Commerce, Consumer Protection and Housing on S.B. No. 394**

The purpose of this measure is to extend for an additional four years the law that allows condominium associations to assess the purchaser of a condominium unit for unpaid common expenses attributable to that unit and to eliminate the prerequisite of the filing of a lien against the delinquent unit.

The Hawaii Independent Condominium and Cooperative Owners, Hawaii Bankers Association, and Hawaii Council of Associations of Apartment Owners testified in support of this measure. The Mortgage Bankers Association of Hawaii and Community Associations Institute-Hawaii Chapter opposed the measure in favor of a similar measure being heard by the House of Representatives.

Act 39 (Act 39), Session Laws of Hawaii 2000, authorizes condominium associations to specially assess purchasers of condominium units for unpaid common expenses attributable to the purchased units. Act 39 is scheduled to sunset on December 31, 2003, and this measure extends the sunset date to December 31, 2007. This measure also replaces the requirement of the filing of a lien against the delinquent unit with a requirement that the association make available at no charge to prospective purchasers a notice of the association's intent to claim a lien against the unit that states the amount of the special assessment, the method of calculation, and the unit's legal description.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 394 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Whalen).

**SCRep. 584 Commerce, Consumer Protection and Housing on S.B. No. 678**

The purpose of this measure is to increase the records retention requirement for insurance adjusters and independent bill reviewers from five years to eight years.

The Hawaii Insurers Council testified in support of this measure. The Department of Commerce and Consumer Affairs and Hawaii Independents Insurance Agents Association took no position on the measure.

Currently, many insurance claims records are shipped out of the State after five years and are not subject to production under a subpoena should a claim be reopened. This measure would facilitate the resolution of reopened claims by requiring that adjusters and independent bill reviewers retain records of their transactions for eight years, rather than five years.

Your Committee finds that while this measure would assist in the adjudication of workers' compensation claims which are subject to reopening within an eight-year period, it creates an unnecessary burden on licensees who transact business in other lines of insurance. Therefore, your Committee has amended this measure to require the longer retention period only for records relating to workers' compensation claims.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 678, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 678, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 585 Commerce, Consumer Protection and Housing on S.B. No. 1077**

The purpose of this measure is to codify existing practices of the Insurance Commissioner with regard to processing of applications for certification of continuing education courses and course providers.

Testimony in support of this measure was submitted by the Insurance Commissioner, the Continuing Education Advisory Committee of the Department of Commerce and Consumer Affairs, the Hawaii Independent Insurance Agents Association, the Professional Insurance Agents of Hawaii, and the National Association of Insurance and Financial Advisors Hawaii.

Your Committee finds that the Insurance Commissioner, through the Department of Commerce and Consumer Affairs' Continuing Education Advisory Committee, has developed standard practices and procedures for the review and approval of continuing education requirements for licensed insurance agents. Your Committee agrees that these practices should be reflected in the Insurance Code provisions governing continuing education for licensees.

Your Committee has amended this measure by making technical nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1077, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1077, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

**SCRep. 586 Commerce, Consumer Protection and Housing on S.B. No. 1314**

The purpose of this measure is to clarify the licensing requirements for engaging in the practice of psychology.

Testimony in support of this measure was received by Department of Commerce and Consumer Affairs (DCCA), the Board of Psychology, and the Hawaii Psychological Association.

According to testimony of the DCCA, this measure would:

- (1) Allow the Board of Psychology to accept the Certificate of Professional Qualification in Psychology (CPQ) or the credential issued by the National Register of Health Service Providers in Psychology as evidence of meeting the minimum qualifications for psychologist licensure;
- (2) Delete overly burdensome education and experience requirements for senior psychologist licensure;
- (3) Delete the open-book jurisprudence examination and replace it with a self-attestation statement on the application; and
- (4) Make housekeeping amendments relating to licensure of state employed clinical psychologists.

Your Committee's utmost concern is for the health, safety, and protection of the general public. Your Committee is satisfied from the testimony that the proposed changes, intended to conform Hawaii law to the current trend in other state laws, would streamline and expedite the licensing process for applicants holding the credentials. The effect is to bring the practice of psychology in step with other professions by breaking down cumbersome licensing requirements between states.

By removing the requirement for a "written" examination, it is not the intent of your Committee to authorize oral examinations, but to allow the use of computer-based exams.

Although this measure would likely increase the number of licensed psychologists in the State, particularly with regards to alleviating the demand for mental health professionals to counsel Felix children, your Committee finds that the changes in licensure requirements present no harm to the public.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1314 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Whalen).

**SCRep. 587 Commerce, Consumer Protection and Housing on S.B. No. 1319**

The purpose of this measure is to update the laws governing limited partnerships in Hawaii.

The Department of Commerce and Consumer Affairs (DCCA) testified in support of this measure.

This measure replaces the Hawaii Uniform Limited Partnership Act, codified in chapter 425D, Hawaii Revised Statutes, with a version of the 2001 Uniform Limited Partnership Act that has been modified to conform to DCCA's filing procedures and practices, but that retains the current fee schedule. Your Committee finds that this measure will help to improve Hawaii's business climate by modernizing the limited partnership laws and making them more consistent with the laws of the other states.

Your Committee has amended this measure by making technical amendments for purposes of clarity and consistency, to reflect preferred drafting style, and to conform related statutory provisions.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1319, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1319, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Whalen).

**SCRep. 588 Commerce, Consumer Protection and Housing on S.B. No. 1323**

The purpose of this measure is to grant the Insurance Commissioner the authority to waive the filing of documents by foreign health maintenance organizations (HMOs) seeking a certificate of authority to transact business in this State.

The Department of Commerce and Consumer Affairs testified in support of this measure.

This measure authorizes an expedited certification process for foreign HMOs, a process currently available to health insurers organized under chapter 431, article 10A, Hawaii Revised Statutes. Your Committee finds that allowing HMOs to fast track the certification process will facilitate the entry of more HMOs into the Hawaii market, thereby increasing competition and the availability of affordable health insurance for Hawaii's consumers.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1323 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 589 Commerce, Consumer Protection and Housing on S.B. No. 1325**

The purpose of this measure is to exclude banks, savings institutions, and trust companies from Hawaii's securities dealer's registration requirements and thus conforming state law to the federal Uniform Securities Act.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs and the Hawaii Bankers Association.

Your Committee finds that providing alignment of state law with federal law promotes uniform understanding and enforcement of such provisions within the industry. Your Committee further finds that Hawaii is amongst only three states that have yet to adopt this alignment of regulatory structures.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1325 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Whalen).

**SCRep. 590 Commerce, Consumer Protection and Housing on S.B. No. 1630**

The purpose of this measure is to clarify that if a nonprofit corporation's officers or board of directors are elected by its members, the election may be conducted by mail in accordance with the corporation's bylaws or as provided by the board.

Testimony in support of this measure was submitted by a law firm representing hundreds of nonprofit corporations in Hawaii.

Your Committee finds that the Hawaii Nonprofit Corporations Act, Chapter 414D, Hawaii Revised Statutes (HRS), does not presently allow for election by mail unless a corporation's bylaws specifically permit mail balloting. Your Committee further finds that the amendments proposed by this measure were contained in Hawaii law (Chapter 415B, HRS) prior to the recodification under Chapter 414D, HRS, and believes that this provision to allow elections by mail if so determined by the board of directors, was inadvertently deleted and should be re-inserted into Chapter 414D, HRS.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1630 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Whalen).

**SCRep. 591 Judiciary and Hawaiian Affairs on S.B. No. 368**

The purpose of this measure is to include "knowingly" as a state of mind option for the crimes of criminal property damage in the first or second degree.

Your Committee received testimony in support of this measure from the Honolulu Police Department. The Office of the Public Defender opposed the bill.

Your Committee finds that there have been cases where the defendant knows damage to another's property will occur as a result of the defendant's actions, but property damage is not the motivating factor behind the defendant's actions. In these cases, the defendant is acquitted of the charge of criminal property damage because the defendant lacked the necessary intent to commit the crime. Your Committee believes that in such cases, defendants should be held accountable for their actions and finds that including the word "knowingly" as a state of mind option will accomplish this goal.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 368 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 592          Judiciary and Hawaiian Affairs on S.B. No. 390**

The purpose of this measure is to authorize expungement of a juvenile arrest record if a person who was arrested under §§ 571-11(1) or 571-11(2), Hawaii Revised Statutes, was counseled and released by police and is now an adult.

Your Committee Received testimony in support of this measure from the Department of the Attorney General, the Office of the Public Defender, the Honolulu Police Department, and the Juvenile Justice Information Committee.

Your Committee finds that in order to be eligible for counseling and release, the juvenile must first admit to the offense. It is usually advantageous for first time juvenile offenders to admit their mistake, recognize how their actions impact the community, and accept appropriate corrective action. Police usually use the "counsel and release" option only for first time offenders, thus necessitating a record that the "counsel and release" option has already been used for a particular offender.

Your Committee further finds, however, that because the "counseling and release" option is currently ineligible for expungement, some juveniles are being advised not to admit to the offense and to go through the justice system. Because your Committee believes law enforcement and court resources can be better utilized in other areas, your Committee agrees "counseling and release" cases should be eligible for expungement when the juvenile reaches the age of majority.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 390 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 593          Judiciary and Hawaiian Affairs on S.B. No. 616**

The purpose of this measure is to amend the hate crime reporting and sentence enhancement laws to include crimes committed based on gender identity or expression.

Your Committee received testimony in support of this measure from Hawaii Civil rights Commission, the ACLU, the Hawaii State Commission on the Status of Women, the Civil Union – Civil Rights Movement, the Gay, Lesbian, Bisexual, and Transgendered Caucus of the Democratic Party of Hawaii, the Hawaii Hate Crimes Task Force, the Hawaii State Teachers Association, PFLAG-Oahu, The Center, Life Foundation, and nine concerned individuals. The Department of the Attorney General and the Office of the Public Defender commented on the bill.

Your Committee finds that one child out of two hundred is born with noticeable gender ambiguity, and one child out of one hundred has hidden ambiguity. These persons often struggle with their gender identity and are ridiculed, harassed, and sometimes assaulted by others for being different. The United States Department of Justice reports that hate crimes directed against gay, lesbian, bisexual, and transgender citizens are especially violent.

Your Committee further finds that persons in this class often have low self-esteem resulting in higher than heterosexual rates of suicide, mental health issues, substance abuse, failure in school, and other self-destructive behavior.

Your Committee notes that currently, Hawaii's definition of "hate crime" includes "hostility toward the actual or perceived race, religion, disability, ethnicity, national origin, or sexual orientation of any person." As pointed out in testimony, "sexual orientation" is not the same as "gender identity." Your Committee therefore believes that this class of persons should be included and afforded protection under Hawaii's hate crime laws.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 616 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 594          Judiciary and Hawaiian Affairs on S.B. No. 617**

The purpose of this measure is to convene the Judicial Council of Hawaii for the purpose of reviewing and recommending "best practices" in criminal charging procedures.

Your Committee received testimony in support of this measure from the Office of the Public Defender. The Department of the Prosecuting Attorney and the Judiciary opposed the bill.

Your Committee finds that in the last election, the people of Hawaii approved a constitutional amendment allowing for information charging. A case challenging the vote process on the constitutional question is pending before the Hawaii Supreme Court.

Your Committee believes it is prudent at this time to review and evaluate criminal charging procedures that would best serve Hawaii's needs including, but not limited to, cost effectiveness, time efficiencies, and preservation of defendants' constitutional rights.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 617 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 595      Judiciary and Hawaiian Affairs on S.B. No. 685**

The purpose of this measure is to prohibit voters' social security numbers from appearing in poll books.

Your Committee received testimony in support of this measure from a concerned citizen. The Chief Election Officer provided comments on the bill.

Your Committee finds that identity theft is a real concern to citizens, and one way to prevent identity theft is to limit disclosure of one's social security number. Your Committee further finds that poll books contain voters' names, addresses, and social security numbers that are not shielded from other voters' view. Your Committee further finds that the voter registration system uses social security numbers to identify voters and to distinguish between voters with identical names. Your Committee believes, however, and the Chief Election Officer agrees that removing social security numbers from poll books is reasonable in light of privacy concerns.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 685 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 596      Judiciary and Hawaiian Affairs on S.B. No. 830**

The purpose of this measure is to clarify and eliminate conflicting language in sections 831-3.1, 378-2.5, and 831-3, Hawaii Revised Statutes, regarding when criminal history records may be considered in the hiring process, and adopting standard language in program statutes for criminal history record checks.

Your Committee received testimony in support of this measure from the Judiciary, the Department of Public Safety, the Department of Human Resources Development, the Department of Human Services, the Hawaii Association of Independent Schools, the Hawaii Civil Rights Commission, the Department of Education, and the Honolulu Police Department. The Department of the Attorney General, the Chamber of Commerce of Hawaii, and the Society for Human Resource Management supported the bill and proposed amendments. The Community Associations Institute had concerns over certain sections of the bill.

Your Committee finds that Senate Concurrent Resolution No. 122 from the Regular Session of 2000 requested the Legislative Reference Bureau (LRB) to conduct a study on statutory authorization for criminal history record information as part of employment background checks, certifications, and licensing. The LRB study reported that Hawaii's criminal history record check laws governing access and use of criminal history records, and authorizing criminal history record checks are often redundant, unnecessary, duplicative, or inconsistent, overlapping in some areas and conflicting in others. Moreover, the study found that there is little common understanding of what the term "criminal history record check" means, what criminal history records are available to employers or the general public, and how those records can be used in employment and licensing decisions. Accordingly, the study recommended that a criminal history record check working group of all stakeholders be formed to resolve policy issues relating to access and use of criminal history record information for employment and licensing determinations.

Your Committee further finds that Act 263, Session Laws of Hawaii 2001 established the criminal history record check working group. Your Committee further finds that this bill is intended to implement the working group's recommendations. Your Committee had concerns, however, about the bill's effect on the bargaining agreement rights of existing civil service employees and employees in civil service positions who have not completed their probationary periods but who are covered by the collective bargaining laws. Therefore, your Committee amended the bill by:

- (1) Amending the purpose section to make clear that terminations and nonlicensures due to criminal history check findings apply to prospective employees, and collective bargaining agreements for existing civil servants and employees fulfilling their probationary requirements are not superceded. Additionally, the term "applicant" does not include existing state employees who move within the state system unless so agreed to in collective bargaining;
- (2) Inserting language on page 13, line 15; page 14, line 15; page 51, line 16; page 53, line 16; page 53, line 18; page 54, line 21; page 56, line 8; and page 56, line 12 to make clear that the provisions of chapters 76 and 89, Hawaii Revised Statutes apply to civil service employees and probationary employees covered by chapter 89, Hawaii Revised Statutes;
- (3) Replacing the word "Identification" with "Investigation" on page 17, line 1;
- (4) Replacing the word "imprisonment" with "incarceration" on page 42, lines 20 and 21, and on page 43, line 4;
- (5) Deleting the reference to section 353-5.5 and replacing it with the correct section number, 352-5.5 on page 44, line 22;

- (6) Inserting language into §378-2.5(d) on page 43, line 6 to clarify that the ten-year limitation on researching criminal convictions for employment disqualification does not apply to entities statutorily authorized to inquire into an individual's criminal history background;
- (7) Amending sections throughout the bill by using the phrase "terminate an employee or deny employment to an applicant" for consistency; and
- (8) Making technical, nonsubstantive amendments for clarity and style.

Your Committee finds that there is an inconsistency in the tenure of employees who are exempted from background checks in the Department of Education and other state agencies. Department of Education employees employed continuously prior to July 1, 1990 are exempt from background checks whereas other agencies' existing employees are only exempt from July 1, 2000. Your Committee notes, however, that the Department of Education's criminal history background check authority was enacted in 1990 and applied prospectively.

Your Committee has concerns about the working group's testimony that "applicant" includes existing civil service employees transferring or moving to another position within the state system. Your Committee clarifies that it is the legislative intent that the term "applicant" as used in this bill does not include civil service employees or probationary employees covered by chapter 89, Hawaii Revised Statutes, who move to other positions within the state system unless an agreement to the contrary is reached in collective bargaining.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 830, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 830, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 597          Judiciary and Hawaiian Affairs on S.B. No. 1130**

The purpose of this measure is to authorize the courts to accept debit cards as a form of payment for certain obligations owing to the courts.

Your Committee received testimony in support of this measure from the Judiciary.

Your Committee finds that debit cards are becoming a commonly used method of payment. Moreover, financial institutions are encouraging their customers to switch from paper checks to debit cards to draw from checking accounts. Your Committee notes that court staff have encountered members of the public who were willing but unable to make payments owing to the court because the courts were not authorized to accept debit card payments. Your Committee believes that allowing courts to accept debit card payments will enable the courts to better serve the public.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1130 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 598          Judiciary and Hawaiian Affairs on S.B. No. 1131**

The purpose of this measure is to repeal the requirement that a postage paid envelope be included with notices of traffic infractions.

Your Committee received testimony in support of this measure from the Judiciary.

Your Committee finds that the Judiciary spent \$57,769 in fiscal year 2002 on postage paid envelopes that accompany traffic infraction notices. Your Committee further finds that eliminating the requirement that postage paid envelopes accompany traffic infraction notices may result in an increase in the public on-line payment option available on the Judiciary's website.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1131 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 599          Energy and Environment on S.B. No. 29**

The purpose of this measure is to direct the Department of Health (DOH) to establish a cathode ray tube recycling program.

Testimony supporting this measure was submitted by Life of the Land and one individual. The DOH submitted testimony opposing this measure, however, after further discussion between your Committee and the DOH, it was agreed that DOH's goals are in line with administering a cathode ray tube recycling program.

Your Committee finds that cathode ray tubes are found in computer monitors, televisions, oscilloscopes, and similar scientific equipment.

Your Committee also finds that each cathode ray tube contains lead, mercury, cadmium, silver, gold, arsenic, and hexavalent chromium. These contaminants may leach into the groundwater or be burned at H-Power plants and be released into the air. A sound recycling program should limit the potential hazard of cathode ray tube disposal.

Your Committee has amended this measure by requiring DOH to report to the Legislature beginning in 2005, and annually thereafter on the progress of the recycling program.

Further, your Committee notes that the Maui County cathode ray tube recycling program provides a successful model that DOH can duplicate aspects of for statewide application.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 29, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 29, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Kanno).

**SCRep. 600 Energy and Environment on S.B. No. 1611**

The purpose of this measure is to provide a waiver application process for dealers required to operate bottle redemption centers.

Testimony supporting this measure was submitted by Life of the Land and Hawaii Food Industry Association. The Department of Health, The Pepsi Bottling Group, Coca-Cola Bottling Company of Hawaii, and Retail Merchants of Hawaii submitted testimony supporting the intent of this measure.

Your Committee finds that this measure attempts to lessen the burden of Act 176, Session Laws of 2002, better known as the "Bottle Bill", placed on Hawaii's retail industry by allowing for a waiver based on a less costly or more efficient plan for redemption of empty beverage containers. The measure requires the Department of Health to establish criteria to obtain such a waiver.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1611 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Kanno).

**SCRep. 601 Water, Land, and Agriculture on S.B. No. 538**

The purpose of this measure is to provide that when public lands are transferred to the Agribusiness Development Corporation (ADC), the ADC will not be subject to the procurement Code (103D, Hawaii Revised Statutes, (HRS)), the chapter on public Lands, Management and Disposition (171, HRS), and similar laws that would otherwise apply to a state agency with respect to the transferred lands.

Testimony in support of this measure was submitted by the Hawaii Agriculture Research Center, Gay & Robinson, the Hawaii Farm Bureau, Maui County Farm Bureau, and the Hawaiian Commercial and Sugar Company. Testimony in support of the intent of this measure was submitted by the ADC, which also submitted suggested amendments.

Your Committee finds that this measure would give ADC the same special exemptions to state lands being transferred or leased from another state agency to the ADC as private lands being acquired by the ADC. This exemption allows the ADC to negotiate subleases with potential tenants instead of having to put the land through the auctioning process.

Your Committee also finds that the Legislature established ADC to facilitate the transfer of agricultural lands vacated by the sugar and pineapple industries to new, productive agricultural enterprises. To carry out its legislative mandate and make optimal use of agricultural assets, the ADC needs the flexibility to administer these lands and corresponding infrastructure systems in a timely and meaningful manner. Exempting public lands leased from a State agency will allow the ADC that flexibility and control.

Your Committee finds that the amendments suggested by the ADC came from the Attorney General's office, which found that the exemption would be better situated in section 171-2, HRS, than section 163D-6, HRS. Accordingly, your Committee has amended this measure by replacing its contents with the amendments suggested by the ADC.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 538, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 538, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Espero).

**SCRep. 602 (Joint) Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations on S.B. No. 1403**

The purpose of this measure is to give the Harbors Division of the Department of Transportation greater flexibility to lease its harbor lands and facilities to a broader variety of users.

Testimony in support of this measure was submitted by the Department of Transportation, the Chamber of Commerce of Hawaii's Maritime Committee. Testimony in support of the intent of the measure was submitted by the Hawaii Government Employees Association.

Your Committees find that this measure will expand the definition of activities for which the Harbors Division may lease lands under its control, which will help to diversify harbor revenue. This, in turn, will help reduce the pressure to raise wharfage fees and help keep the cost of goods in Hawaii lower. As the most geographically isolated state in the nation, Hawaii is critically dependent on its harbors and harbor infrastructure for receipt of life-sustaining supplies and as an economic driver with the rapidly growing passenger cruise and ocean tourism industries.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1403 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, none. Excused, 4 (English, Kanno, Menor, Whalen).

**SCRep. 603 (Joint) Commerce, Consumer Protection and Housing and Health on S.B. No. 958**

The purpose of this measure is to expand the practice of pharmacy under the pharmacist licensing law to include the dispensing of emergency contraceptives in accordance with a collaborative agreement approved by the Board of Pharmacy between a physician and an appropriately trained pharmacist.

Your Committees received testimony in support of this measure from the following: Department of Health, Board of Pharmacy, Board of Medical Examiners, Hawaii Medical Service Association, The Queen's Medical Center, Hawaii Pharmacists Association, Planned Parenthood of Hawaii, Hawaii State Commission on the Status of Women, Community Alliance on Prisons, American Friends Service Committee, The First Unitarian Church of Honolulu, American Civil Liberties Union of Hawaii, Healthy Mothers, Healthy Babies Coalition of Hawaii, Kaiser Permanente, Hawaii Medical Association, and eight individuals.

Your Committees find that emergency contraceptives reduce a woman's risk of pregnancy by seventy-five to eighty-five per cent if used within seventy-two hours of unprotected sex, and are most effective when taken within twenty-four hours thereof. Your Committees further find that there are barriers to accessing emergency contraceptives within these critical time periods, such as the lack of availability of a patient's physician during nonoffice hours or the lack of a physician on site at pharmacies. This measure would improve access to emergency contraceptives and help to reduce the incidence of unplanned pregnancies by allowing appropriately trained pharmacists to prescribe the drugs pursuant to a collaborative agreement with a physician.

Your Committees have amended this measure:

- (1) To clarify that the collaborative agreement involves a practitioner as defined in section 461-1, Hawaii Revised Statutes;
- (2) By deleting reference to the Board of Osteopathic Examiners in the proposed definition of "licensed physician" since osteopathic physicians are licensed by the Board of Medical Examiners; and
- (3) By making technical amendments for purposes of clarity and consistency, to reflect the language of the Hawaii Revised Statutes, and to reflect preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 958, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 958, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 5 (Ige, Inouye, Kim, Kokubun, Whalen).

**SCRep. 604 Commerce, Consumer Protection and Housing on S.B. No. 1058**

The purpose of this measure is to allow a captive insurance company to invest in agency paper, in mutual funds comprised solely of public obligations or agency paper, or in investments that are a combination of both.

The Hawaii Captive Insurance Council, GWPA Actuaries Consultants, and Bank of Hawaii testified in support of this measure. The Insurance Commissioner (Commissioner) supported the general intent, but opposed the substance of the measure.



This measure authorizes captive insurance companies to invest in instruments issued by agencies or instrumentalities established or chartered by the United States Congress, commonly referred to as "agency paper", in mutual funds comprised solely of public obligations or agency paper, or in investments that are a combination thereof. This measure would provide captive insurance companies with a broader range of safe investment instruments and allow Hawaii to compete with other captive insurance domiciles that already permit these type of investments.

Your Committee finds that this measure would effectively circumvent the Commissioner's authority to determine the appropriate investment requirements for each captive licensee. Therefore, your Committee has amended this measure by replacing the proposed new language with language authorizing the Commissioner to approve, as the Commissioner deems appropriate, a captive licensee's investments beyond those specifically allowed under article 6 of the Insurance Code.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1058, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1058, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 605 Commerce, Consumer Protection and Housing on S.B. No. 1200**

The purpose of this measure is to authorize additional persons to act as signatories on a captive insurer's letter of financial condition, clarify the applicability of certain insurance code provisions to captives, and make other clarifying amendments, including the replacement of existing language with more appropriate terminology.

The Hawaii Captive Insurance Council and Bank of Hawaii testified in support of this measure. The Department of Commerce and Consumer Affairs presented comments on the measure.

Your Committee finds that this measure will establish greater internal consistency within article 19 of the insurance code and further enhance Hawaii's attractiveness as a captive insurance company domicile.

Your Committee further finds that additional clarification is necessary with respect to the amendment proposed in this measure that would allow any two officers of a captive insurer, rather than only its president and secretary, to act as signatories on the letter of financial condition filed with the Insurance Commissioner. Your Committee notes that captives that are formed as reciprocal insurers are unincorporated associations without officers and utilize an attorney-in-fact to conduct their operations. Therefore your Committee has amended this measure to authorize the attorney-in-fact for a captive insurance company formed as a reciprocal insurer to act as a signatory on the company's financial condition statement. Your Committee also made a technical amendment to correctly cite the Hawaii Revised section references in section 8 of the measure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1200, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1200, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 606 Commerce, Consumer Protection and Housing on S.B. No. 1306**

The purpose of this measure is to provide the Public Utilities Commission (PUC) with greater flexibility to establish and administer requirements for the provision of telecommunications relay services to the hearing and speech impaired.

Testimony in support of this measure was submitted by the PUC, Consumer Advocate, Aloha State Association of the Deaf, Assistive Technology Resource Centers of Hawaii, and three individuals. Another individual provided favorable oral testimony.

Telecommunications relay services (TRS) are telephone transmission services that allow a hearing or speech impaired individual to communicate by wire or radio with a hearing individual. Currently, these services are provided by Verizon Hawaii, Inc. (Verizon) and funded through a PUC-approved surcharge assessed against Verizon customers, charges paid to Verizon by intrastate telecommunications providers under interconnection agreements, and teletypewriter rental fees assessed against users.

This measure authorizes the PUC to establish a surcharge for TRS and to adopt rules to establish a mechanism to recover costs for the provision of TRS, updates TRS terminology to conform to federal law, and repeals inconsistent statutory provisions. Your Committee finds that the proposed changes to the TRS laws will enable the PUC to better address the issues raised by the provision of TRS to the hearing and speech impaired, including the equitable allocation of costs and the accommodation of advances in TRS technology.

Your Committee further finds that this measure raises related TRS issues that are not addressed herein, but that merit further review and discussion. Your Committee heard a proposal to establish a volunteer advisory committee to monitor TRS with respect to quality, cost, and conformance to technical and outreach requirements. Additionally, your Committee was informed that the provider's records on TRS use are protected from disclosure to the public as confidential commercial and financial information, even though many members of the public are compelled to pay for TRS through an involuntary surcharge, and despite the fact that such information is highly relevant to an assessment of TRS delivery in the State. Therefore, your Committee respectfully requests the House of Representatives to consider these issues as they conduct their deliberations on this measure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1306 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Whalen).

**SCRep. 607 Commerce, Consumer Protection and Housing on S.B. No. 1589**

The purpose of this measure is to authorize and establish procedures for the termination of memberships or cancellation of membership classes of a nonprofit corporation, to allow members to resign, and to allow a nonprofit corporation to authorize the indemnification of its directors in advance of the establishment of any liability.

Testimony in support of this measure was submitted by Unity House, its president, and three of its employees. The Community Associations Institute-Hawaii Chapter, Neely and Anderson LLP, Waikoloa Village, Naia Properties, Inc., and Villages of Kapolei Association opposed section 2 of this measure, as received, relating to enabling a member of a nonprofit to resign at any time from the corporation.

This measure allows nonprofit corporations with large memberships to undertake more streamlined procedures for the termination of memberships should the nonprofit corporation opt to convert to a nonmembership type of nonprofit corporation. These procedures also provide members who oppose the proposed conversion with an opportunity to be heard. Additionally, this measure allows members of a nonprofit corporation to resign at any time and allows nonprofit corporations to authorize in advance of any liability arising, the indemnification of its board of directors.

Your Committee received testimony from condominium associations and other interested parties, opposing language in this measure that allows a member of a nonprofit corporation to resign at any time. Since many condominium and planned community associations are nonprofit corporations, this language would allow the members of these homeowners associations to resign and relieve themselves of the duties and obligations of the association, including responsibility for the association's common expenses. Therefore, your Committee has amended this measure by clarifying that the right to resign a membership does not apply to members of condominium associations and planned community associations.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1589, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1589, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Whalen).

**SCRep. 608 Commerce, Consumer Protection and Housing on S.B. No. 345**

The purpose of this measure is to require any person who sells more than three motor vehicles in a calendar year to be licensed by the Motor Vehicle Industry Licensing Board (Board).

Testimony in support of this measure was submitted by the Motor Vehicle Industry Licensing Board, Hawaii Insurers Council, and two officers of the Hawaii Independent Auto Dealers Association.

Your Committee finds that licensure of motor vehicle dealers promotes accountability within the industry and ensures that a motor vehicle being sold is legitimately registered and titled. This is especially important in Hawaii which has one of the highest auto theft rates in the nation. Your Committee further finds that this measure will provide parity and legitimacy to licensed motor vehicle dealers whose sales prices include the costs of licensing and deter private individuals who seek to sell motor vehicles at prices far less than those offered by licensed dealers.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 345, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 609 Commerce, Consumer Protection and Housing on S.B. No. 373**

The purpose of this measure is to establish the time in which a nonjudicial power of sale foreclosure becomes effective for acquiring title and paying common expenses of an apartment, pursuant to a foreclosure of a lien by the association of apartment owners.

Testimony in support of this measure was received from the Mortgage Bankers Association of Hawaii, Community Associations Institute, and Hawaii Council of Associations of Apartment Owners.

Under existing law, a lien is statutorily placed on an apartment for the nonpayment of common expenses in favor of the association of apartment owners. In a mortgage foreclosure proceeding, the mortgagee of record or other purchaser of the apartment is deemed to acquire title and is required to pay the apartment's share of common expenses and assessments beginning at effective dates. Current

law does not cover the situation of a nonjudicial power of sale by an association of apartment owners for unpaid assessments of common expenses, which is addressed by this measure.

Your Committee has amended this measure with regard to the date upon which the title to the property is deemed transferred for purposes of paying the assessments by:

- (1) Clarifying current law with regard to the sixty day period after a court hearing to confirm a sale, to provide that the sixty day period does not apply under specified circumstances;
- (2) Adding a thirty day period after the auction in a nonjudicial power of sale foreclosure, and specifying exceptions; and
- (3) Deleting the clarifying amendment to the language regarding the repeal and reenactment, as being unnecessary.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 373, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 373, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Whalen).

**SCRep. 610 Commerce, Consumer Protection and Housing on S.B. No. 562**

The purpose of this measure is to clarify that a motor vehicle or trailer lease transaction does not create a sale or security interest because the lease allows or requires an adjustment in the vehicle's rental price based upon its value at the end of the lease period.

The Hawaii Bankers Association testified in support of this measure.

Terminable rental adjustment clause (TRAC) vehicle leases are utilized in the leasing of commercial fleets of motor vehicles by one business to another. Generally, a TRAC lease permits or requires an upward or downward adjustment of rent to compensate for the difference between the projected value of a vehicle and the actual value upon lease termination, thereby providing the lessee an incentive to keep the vehicle in good condition.

This measure clarifies that a TRAC vehicle lease does not create a sale or security interest, thereby giving recognition to its legal status as a true lease. This clarification will facilitate the planning and prices of TRAC leases since according to the American Automotive Leasing Association and the Equipment Leasing Association, lease rates are higher in states where the TRAC lease's legal status is uncertain. In addition, this measure will clarify a lessor's rights should a lessee enter into bankruptcy, since if a TRAC lease is deemed to be a true lease, the lessor is entitled to full rental payments and recovery of the vehicles from the trustee in bankruptcy. Finally, your Committee finds that this measure will establish greater uniformity in the treatment of TRAC vehicle leases, as forty states and the District of Columbia have enacted similar legislation.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 562 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 611 Commerce, Consumer Protection and Housing on S.B. No. 676**

The purpose of this measure is exempt motor vehicle rental companies that periodically ship vehicles in quantities of ten or more from the requirements governing the removal or shipping of vehicles from the State or between the counties.

Avis Rent A Car, Catrala-Hawaii, JN Car & Truck Rental, and ANC Rental Corporation testified in support of this measure.

Your Committee finds that the documentation requirements for shipping vehicles out of the State or between the counties place an undue burden on motor vehicle rental companies that deal in the shipment of quantities of vehicles. Titles to the vehicles must be retrieved from the mainland where they are stored and sent to Hawaii for presentation to the shipper, resulting in thousands of cars sitting on the docks for a week or more while the paperwork is in transit. By exempting these companies from the documentation requirements, this measure will facilitate business and commercial activity in the State.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 676 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 612 Commerce, Consumer Protection and Housing on S.B. No. 1468**

The purpose of this measure is to reduce from two acres to one acre the maximum size of a parcel of land that qualifies for mandatory lease-to-fee conversion under the Residential Leaseholds Law, and to clarify that the land shall be zoned for residential use.

Testimony in support of this measure was received from the Housing and Community Development Corporation of Hawaii, Kamehameha Schools, Small Landowners of Oahu, and three individuals.

Chapter 516, Hawaii Revised Statutes (HRS), relating to residential leaseholds, authorizes the mandatory lease-to-fee conversion of residential leaseholds. The nature of today's residential housing development is such that residential housing is frequently a component of a commercially zoned mixed use project or agriculturally zoned project. Proponents of this measure have argued that mandatory conversion was intended to apply only to residentially zoned land, not to agricultural land or mixed-use properties. This measure would limit mandatory conversions to properties zoned for residential use.

Your Committee has amended this measure by deleting the qualification that the condemned property be of one acre or less, because it is the original purpose of chapter 516, HRS, to apply to residential properties of all sizes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1468, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1468, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Whalen).

**SCRep. 613 Commerce, Consumer Protection and Housing on S.B. No. 550**

The purpose of this measure is to include silvicultural products within the definition of "agricultural commodity" for the purposes of reporting agricultural theft and to require certificates of ownership for agricultural commodities of any weight or dollar value.

Testimony in support of this measure was submitted by the Board of Agriculture, the Pineapple Growers Association of Hawaii, the Hawaii Farm Bureau, and the Hawaii Forest Industry Association.

Your Committee finds that silvicultural products – logs, timber, and processed wood – are similarly affected by agricultural theft as other agricultural commodities. Your Committee further finds that deleting the weight and dollar amount requirements for certificates of ownership will close a loophole in the law, and thereby strengthen the protections against agricultural theft that this regulatory mechanism provides.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 550, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 614 (Joint/Majority) Judiciary and Hawaiian Affairs and Ways and Means on S.B. No. 38**

The purpose of this measure is to authorize the Hawaii Tourism Authority (HTA) to retain private legal counsel in addition to the legal counsel provided by the Department of the Attorney General (AG).

Your Committees received testimony in support of this measure from the President and CEO of the Hawaii Tourism Authority. Testimony in opposition was received from the Department of the Attorney General.

Your Committees find that the HTA sometimes requires specialized legal expertise in business and commercial areas at a level that cannot be provided by the AG. Additionally, the steps required by the AG to approve requests for private counsel and then to obtain private counsel through the procurement process is a lengthy process and may not be a wise use of AG manpower in a department already handling a heavy client load. Your Committees note that the AG reviews and approves the legality of contracts negotiated by private counsel thus limiting state liability.

Your Committees also note that the HTA is not requesting an appropriation for private counsel expenses, and will bear the expense of private counsel fees from its existing funds.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 38 and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, 4 (Hemmings, Hogue, Slom, Trimble). Excused, 6 (Aduja, Espero, Ihara, Inouye, Kanno, Sakamoto).

**SCRep. 615 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 1002**

The purpose of this measure is to amend article X, section 2 of the Constitution of the State of Hawaii to allow the student member of the Board of Education to vote.

Your Committee received testimony in support of this measure from the Board of Education, Maui County Council, and four students. The Hawaii State Teachers Association opposed the measure.

Your Committee finds that the student board member represents more than 187,000 students ranging from kindergarten to twelfth grades. Student members provide valuable perspective and insight into the real life educational needs of students, and enhances the Board's understanding of current school issues and student concerns. Your Committee notes that the student member is an official member of the Board participating in all executive sessions with all the same responsibilities and duties as other Board members. Your Committee further notes that the Board supports voting rights for its student member. Your Committee further notes that the Senate has supported previous bills of this nature and believes the student member deserves the right to vote.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1002 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (English). Excused, 1 (Kawamoto).

**SCRep. 616            Judiciary and Hawaiian Affairs on S.B. No. 1242**

The purpose of this measure is to require the Office of the Governor and the Legislature to ensure fair access by residents on neighbor islands and in rural Oahu to government information.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii.

Your Committee finds that access to government has improved over the years, especially for those citizens with internet access. Your Committee recognizes, however, that many citizens on neighbor islands or in rural Oahu do not have convenient access to computers and would benefit from innovative solutions that could be devised by a Statewide Fair Access Commission or by the Joint Legislative Access Committee.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1242 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 617            Judiciary and Hawaiian Affairs on S.B. No. 1449**

The purpose of this measure is to require that notices for videoconferencing of board meetings subject to the open meetings laws include the format of the meeting and the necessary arrangements that must be made by members of the public wishing to present testimony.

Your Committee received testimony in support of this measure from the Office Information Practices. The Hawaii Health Systems Corporation supported the bill and proposed an amendment.

Your Committee finds that videoconferencing facilitates participation in board meetings not only by board members for discussion and quorum purposes, but also by members of the public residing statewide. Videoconferencing also results in travel time and cost savings.

Your Committee further finds, however, that videoconferencing is being under utilized due to existing law that deems meetings terminated and proceedings nullified if both video and audio communication cannot be maintained. For this reason, your Committee amended the bill by:

- (1) Setting out § 92-3.5 in its entirety;
- (2) Amending § 92-3.5(c) to allow the continuation of a meeting if teleconferencing is established at all remote sites; and
- (3) Clarifying that a meeting is terminated if all remote sites cannot establish audio communication.

Your Committee notes that the Chair of the Committee on Science, Art, and Technology concurs with the amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1449, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1449, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 618            Judiciary and Hawaiian Affairs on S.B. No. 1415**

The purpose of this measure is to clarify that the Department of Land and Natural Resources may impose fines for each violation, require payment of restorative costs, and provide verbal notification to violators.

Your Committee received testimony in support of this measure from the Board of Land and Natural Resources and the Maui Invasive Species Committee.

Your Committee finds that protection of Hawaii's natural ecosystems is essential for sustaining the State's economic and recreational interests, as well as maintaining the health, safety, and welfare of the State. Your Committee further finds that many large parcels of conservation land have been purchased by entities who fail to heed conservation district restrictions, or decide that it is cheaper to pay fines than to deal with permit processes. Your Committee believes that the Department's ability to impose additional fines may help to deter future purposeful violations.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1415 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 619      Judiciary and Hawaiian Affairs on S.B. No. 1594**

The purpose of this measure is to add one more member to the Commission on Water Resource Management who has substantial experience in traditional Hawaiian water resource management techniques and in traditional riparian usage.

Testimony in support of this measure was received from the Office of Hawaiian Affairs, Ka Lahui Hawaii, and Life of the Land. Testimony in opposition was received from the Commission on Water Resource Management (Commission).

Section 174C-101, Hawaii Revised Statutes (HRS), relating to native Hawaiian water rights, requires, among other things, that:

- (1) Traditional and customary rights of ahupua'a tenants and those descendants of native Hawaiians who inhabited the Hawaiian Islands prior to 1778 not be abridged or denied; and
- (2) Appurtenant water rights of kuleana and taro lands, along with those traditional and customary rights not be diminished or extinguished by a failure to apply for or to receive a permit under chapter 174C, HRS.

This measure ensures that such mandate is fulfilled. Your Committee's intent is that the Commission have sufficient expertise in making decisions that could impact native Hawaiian water rights. The intended result is to avoid possible lawsuits stemming from the Commission's decisions.

Your Committee notes the opposition of the Commission, based on the "broad mandate to weigh many interests". However, your Committee believes that the one additional member under this measure is complementary rather than supplementary, in that the Commission should have one member who could provide input on issues that may affect water rights under section 174C-101, HRS, while at the same time serve the broader interests of the general public.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1594 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 620      Commerce, Consumer Protection and Housing on S.B. No. 792**

The purpose of this measure is to prohibit malpractice insurers from imposing a surcharge or discriminating against a physician who enters into a professional collaboration with an advanced practice registered nurse (APRN).

The Hawaii Nurses' Association and a private citizen submitted testimony supporting this measure. Comments on the measure were submitted by the Department of Commerce and Consumer Affairs and the Hawaii Association for Physicians Indemnity.

Your Committee finds that the promotion of collegial relationships between APRNs and physicians is a desired practice within the State. However, the current practices of insurance providers to either charge physicians a surcharge or otherwise penalize them through such means as canceling malpractice coverage defeats this objective of collegiality. To facilitate the ability of APRNs to provide services within the community, insurance providers should be prohibited from continuing their current discriminatory practices.

Your Committee has amended the measure by extending the effective date to July 1, 2050 to ensure ongoing discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 792, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 792, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

**SCRep. 621      Commerce, Consumer Protection and Housing on S.B. No. 1318**

The purpose of this measure is to facilitate the administration of the State's business registration laws by clarifying ambiguities and correcting errors, repealing unnecessary requirements, conforming requirements among different types of business entities, and conforming business registration laws to other business-related laws.

The Department of Commerce and Consumer Affairs testified in support of this measure.

This measure makes numerous amendments to the business registration laws, including amendments to:

- (1) Prohibit the issuance of stocks by nonprofit corporations;
- (2) Authorize name changes for limited liability companies;
- (3) Correct terminology in the nonprofit corporations law;
- (4) Simplify signatory requirements for articles of incorporation filings;
- (5) Conform registered agent and registered office requirements for the various business entities;
- (6) Adopt a trademark filing fee schedule and make other amendments consistent with the new trademark law; and
- (7) Establish greater consistency and uniformity in the merger laws.

Your Committee has amended this measure by:

- (1) Adding to the Hawaii Nonprofit Corporations Act a definition for "department" that means the Department of Commerce and Consumer Affairs;
- (2) Inserting language amending section 425D-1204(d), Hawaii Revised Statutes, that was inadvertently not included in the measure, as introduced; and
- (3) Making technical amendments for purposes of clarity, consistency, and style, and to reflect the language of the Hawaii Revised Statutes.

Your Committee also made numerous technical amendments to reflect preferred drafting style, including the renumbering and reordering of bill sections.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1318, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Whalen).

**SCRep. 622 Commerce, Consumer Protection and Housing on S.B. No. 1320**

The purpose of this measure is to enable private insurers, mutual benefit societies, and health maintenance organizations to offer high-deductible health insurance policies in conjunction with medical savings accounts in Hawaii.

The Governor, the Department of Commerce and Consumer Affairs, the Department of Labor and Industrial Relations, the Legislative Information Services of Hawaii, the Hawaii Medical Service Association, and the Hawaii Medical Association submitted testimony in support of this measure.

Your Committee finds that Congress passed the Health Insurance Portability and Accountability Act of 1996 that created a pilot program for federal tax-free medical savings accounts (MSA). MSAs are tax-deferred savings accounts designed for health care. MSAs operate in conjunction with a high-deductible insurance policy in that money in the MSA may be used to pay for health-related costs not covered under the insurance policy.

Your Committee further finds that although MSAs are recognized under existing law, no references to MSAs exist outside of the tax code, thus, creating confusion as to whether insurers are permitted to offer high-deductible health insurance policies in conjunction with MSAs in Hawaii. The ability of insurers to provide high-deductible health insurance policies in conjunction with MSAs will offer employers and employees less expensive health coverage, the ability to utilize money in the MSA for health-related costs not covered under such policies, and the ability to save unused money in the MSA for future usage.

Your Committee has amended the measure by making numerous technical, nonsubstantive amendments to conform the measure to recommended drafting style and for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1320, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1320, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

**SCRep. 623 Water, Land, and Agriculture on S.B. No. 254**

The purpose of this short form measure is to amend the law relating to agriculture.

Your Committee has amended this measure by inserting substantive provisions to amend an existing appropriation of capital improvement funds to provide for the demolition of the bridge in the Puukapu Homesteads, Second Series, Puukapu, South Kohala, Island of Hawaii, and the construction of a new bridge.

Your Committee finds that the subdivision in the Puukapu Homesteads is facing a serious safety problem with the wooden bridge used by nearby residents to access their property that is in serious disrepair. It is in the State's interest to demolish the bridge and construct a new bridge to alleviate the immediate safety concerns for affected residents, and prevent the State from exposure to liability.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 254, S.D. 1, and be recommitted to your Committee on Water, Land, and Agriculture, for further consideration.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 624 Transportation, Military Affairs, and Government Operations on Gov. Msg. No. 3**

Recommending that the Senate advise and consent to the nomination of the following:

COMPTROLLER OF THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

RUSS SAITO, for a term to expire December 4, 2006;

Your Committee received testimony from forty-six individuals in support of Mr. Saito's nomination; there was no testimony submitted in opposition. Among those who testified in support of the nomination were a representative of the Office of the Governor, eighteen current employees of the Department of Accounting and General Services (DAGS), and many individuals from the private sector.

Your Committee finds that the nominee has years of experience as an engineer, manager, and director responsible for engineering, construction, planning, service staff, operations, and product development. Every testifier highlighted the nominee's skills and dedication in each of these areas.

Your Committee finds that the nominee will work diligently to improve DAGS in two important areas: restoring trust in government, and making our government work more efficiently. Importantly, your Committee notes that the State Procurement Office operates under DAGS, and hopes that the nominee can improve state procurement procedures.

Upon review of the statements submitted by the nominee, your Committee finds that the nominee will work with compassion and commitment in heading DAGS. In his previous professional experience, the nominee demonstrated the ability to lead and to carry out the responsibilities of his position. Your Committee finds that the nominee has been appointed based upon his credentials, integrity, and a desire to make Hawaii better through his participation as Comptroller.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 625 Transportation, Military Affairs, and Government Operations on Gov. Msg. No. 8**

Recommending that the Senate advise and consent to the nomination of the following:

ADJUTANT GENERAL/DIRECTOR OF CIVIL DEFENSE

ROBERT G.F. LEE, for a term to expire December 4, 2006,

The Office of Veterans Services, Oahu Civil Defense Agency, Chief of Staff of the Hawaii Army National Guard, Judge Advocate General, The Chamber of Commerce of Hawaii, and seven individuals testified in support of the nomination.

Mr. Robert G.F. Lee holds the rank of brigadier general in the United States Army Reserve. As Commanding General of the 9<sup>th</sup> Regional Support Command, General Lee is responsible for all Army Reserve forces in the Pacific region, which consists of over 3,000 soldiers in Alaska, Hawaii, American Samoa, Guam, Saipan, Japan, and Korea.



General Lee received his commission through the University of Hawaii ROTC program in 1971. Upon completion of the air defense artillery basic course, he was assigned to the Army Reserve and served successive assignments as platoon leader in the 411<sup>th</sup> Engineer Battalion and the 322d Civil Affairs Group.

In 1972, General Lee was assigned to the 100<sup>th</sup> Battalion, 442d Infantry, and served as mortar platoon leader, company executive officer, company commander, assistant battalion operations officer, and battalion operations officer. In 1980, General Lee served two years on active duty as assistant air operations officer.

In 1982, General Lee was reassigned as ground liaison officer, corps operations staff, with the IX Corps (Reinforcement). In 1988, he returned to the 100<sup>th</sup> Battalion, 442d Infantry as its commanding officer. In 1991, he served as assistant chief of staff for operations and training (G-3), IX Corps (Reinforcement)/9<sup>th</sup> Army Reserve Command. General Lee was appointed Chief of Staff of the 9<sup>th</sup> Army Reserve Command/9<sup>th</sup> Regional Support Command in 1996.

General Lee holds a bachelor's degree in mechanical engineering and a master's degree in business administration from the University of Hawaii and is licensed in mechanical and nuclear engineering. He is a graduate of the Army War College, the command and general staff officers course, the infantry officer advanced course, and the Air Force air ground operations school. General Lee's awards and decorations include the Meritorious Service Medal, Army Commendation Medal, and Army Achievement Medal.

Prior to his nomination, General Lee was employed by Perot Systems Government Services as its General Manager of Pacific Operations. He has more than twenty-five years of experience in the maintenance and testing of nuclear systems and associated support systems for the United States Navy.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 626      Transportation, Military Affairs, and Government Operations on Gov. Msg. No. 102**

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION

RODNEY HARAGA, for a term to expire December 4, 2006;

Your Committee received testimony from thirty-seven individuals in support of Mr. Haraga's nomination; there was no testimony submitted in opposition. Among those who testified in support of the nomination were many representatives of agencies at both the State and county levels, and many individuals from the private sector.

Your Committee finds that the nominee is a civil and structural engineer licensed in California and Hawaii who has decades of experience working in the public sector on transportation issues, primarily with the Department of Public Works, Bureau of Engineering for the City of Los Angeles. Although the nominee spent most of his professional life away from the islands, your Committee finds that he can quickly familiarize himself with local transportation issues.

Many testifiers highlighted the nominee's skill in interacting with people, and his tireless approach to problem solving. Your Committee finds that this can-do attitude will be very important as Director of Transportation, as so many critical state issues are under the purview of the Department of Transportation (DOT).

Upon review of the statements submitted by the nominee, your Committee finds that the nominee will work with compassion and commitment in heading the DOT. In his previous professional experience, the nominee demonstrated the ability to lead and to carry out the responsibilities of his position. Your Committee finds that the nominee has been appointed based upon his credentials, integrity, and a desire to make Hawaii better through his participation as Director of Transportation.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs and Government Operations that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

**SCRep. 627      Judiciary and Hawaiian Affairs on Gov. Msg. No. 1**

Recommending that the Senate advise and consent to the nomination of the following:

ATTORNEY GENERAL

MARK J. BENNETT, for a term to expire December 4, 2006,

Upon review of the resume, written statement of the nominee, and testimony, your Committee finds that Mark J. Bennett holds a B.A. degree in Political Science, summa cum laude, from Union College, and a J.D. degree, magna cum laude, from Cornell Law School. He was most recently a partner at McCorriston Miho Miller Mukai MacKinnon, LLP, and previously served as Assistant United States District Attorney in Hawaii and as Special Assistant Prosecuting Attorney, City and County of Honolulu. He was a law clerk to the Honorable Samuel P. King, Chief Judge, United States District Court, District of Hawaii, and an Adjunct Professor of Law at the William S. Richardson School of Law.

Testimony in support of the nominee was received from Judiciary; Federal Public Defender; City and County of Honolulu Department of the Prosecuting Attorney, Hawaii County Department of the Prosecuting Attorney, Kauai County Department of the Prosecuting Attorney; Office of Hawaiian Affairs; Hawaii Medical Association, Alston Hunt Floyd & Ing, HGEA-AFSCME, Galiher DeRobertis Nakamura Ono Takitani; Roeca Louie & Hiraoka; Cronin, Fried, Sekiya, Kekina & Fairbanks; Hosie Frost Large & McArthur; Jackson Godbey Griffiths; Godbey & Griffiths; Matsui Chung Sumida & Tsuchiyama; Kobayashi Sugita & Goda; Ashford & Wriston; Winer Meheula & Devens; Goodsill Anderson Quinn & Stifel; McCorriston Miller Mukai MacKinnon LLP; Price Okamoto Himeno & Lum; and eighteen individuals. Testimony in opposition was received from the Hawaii Political Action Council of Hawaii and one individual. The Hawaii State Bar Association stated that it is presently evaluating the process by which comments on appointments are made and is unable to provide comment on the appointment.

Your Committee diligently questioned the nominee regarding his qualifications and objectivity to be Hawaii's chief law enforcement officer. Your Committee also questioned the nominee on his administrative skills and his plans for the organizational structure of the Department of the Attorney General. Your Committee further questioned the nominee in particular about his assistance to the Department of Hawaiian Home Lands regarding the recent evictions and his plans to help guide the Child Support Enforcement Agency, two difficult and controversial areas. Your Committee is satisfied with the nominee's responses and objectivity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 628      Judiciary and Hawaiian Affairs on Gov. Msg. No. 5**

Recommending that the Senate advise and consent to the nomination of the following:

CHAIRPERSON OF THE HAWAIIAN HOMES COMMISSION

MICAH A. KANE, for a term to expire December 4, 2006,

Upon review of the resume, written statement of the nominee, and testimony, your Committee finds that Micah A. Kane graduated from the Kamehameha Schools, received a Bachelor's Degree in Business Administration from Menlo College, and received an MBA degree from the University of Hawaii at Manoa. He has been the Government Affairs Liaison for the Building Industry Association of Hawaii and a legislative aide for the Honolulu City Council.

Testimony in support of the nominee was received from the Lieutenant Governor, Department of Hawaiian Home Lands (DHHL), Office of Hawaiian Affairs, Federal Public Defender, Land Use Research Foundation of Hawaii, Hidano Construction, Inc., Contractors Association of Kauai, Royal Order of Kamehameha, Oahu Council of the Association of Hawaiian Civic Clubs, Hawaii Operating Engineers Industry Stabilization Fund, Waianae Homesteaders Association, Nanakuli Homesteaders Association, Waiahole Homesteaders Association, Winer Meheula & Devens, Hana Engineering, Inc., HGEA-AFSCME, State Council of Hawaiian Homestead Associations, Kamehameha Schools, Bays Deaver Lung Rose & Baba, Association of Hawaiian Civic Clubs, The Estate of James Campbell, Pacific Management Consultants, Inc., Kalawahine Streamside Association, Honolulu Shipyard, Inc., Building Industry Association, Native Hawaiian Legal Corporation, Armstrong Builders, Ltd., and fifteen individuals. Testimony in opposition was received from the Hawaiian Political Action Council of Hawaii.

Your Committee diligently questioned the nominee on his background and qualifications and was impressed with the nominee's candor, straightforwardness, sincerity, and the fact that he is a native Hawaiian. Your Committee notes the nominee's testimony indicates that he intends to place all waiting Hawaiian home land beneficiaries onto Hawaiian home lands within five years. In his written statement, the nominee noted that, "Hawaii has experienced more than 100 years of varying leadership that provided only 'band aid' solutions to the problems that exist in the Hawaiian community. Under our State's current leadership, we are committed to creating long-term and long-lasting solutions to problems. It is critical that we take advantage of this opportunity to allow our State to move forward to give Hawaiians what they are entitled to – hope for the future." The nominee further noted that he has developed the framework of a strategic plan which "lays out a clear direction" for the DHHL over the next four years, and that he envisions the DHHL to serve as an "economic engine for our State, attracting new industries through our general leasing capabilities, as well as attracting much needed federal dollars."

As to the sovereignty issue, your Committee agrees with the nominee's written statement that native Hawaiians must achieve federal recognition during this administration's tenure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 629            Judiciary and Hawaiian Affairs on S.B. No. 552**

The purpose of this measure is to encourage landowners' to allow persons onto their property by limiting landowner liability for invasive species control and eradication programs.

Your Committee received testimony in support of this measure from the Maui Invasive Species Committee, The Nature Conservancy of Hawaii, the Board of Land and Natural Resources, the Board of Agriculture, the Coordinating Group on Alien Pest Species, Pineapple Growers Association of Hawaii, and Na Leo Pohai. The Consumer Lawyers of Hawaii provided comments on the bill.

Your Committee finds that Island Invasive Species committees (IISC) have been formed on Oahu, Maui, Kauai, Hawaii, Molokai, and Lanai to conduct control and eradication programs against a number of non-native invasive species in our islands. IISC are voluntary partnerships between government, private, and non-profit organizations, and interested individuals. IISC coordinate management efforts to eradicate plants and animals that threaten native ecosystems, watersheds, and the economy if not controlled.

Your Committee further finds that sometimes IISC programs are hindered by landowners who fear liability for IISC personnel injuries occurring on landowner property. This bill protects landowners from IISC personnel lawsuits occurring on landowner property when IISC personnel are on the property for IISC purposes.

Your Committee amended the bill as recommended by the Consumer Lawyers of Hawaii, by removing IISC related landowner liability from chapter 520, Hawaii Revised Statutes, placing it in newly created chapter 520A, and including a section that sets forth the purpose of the chapter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 552, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 552, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 630            Judiciary and Hawaiian Affairs on S.B. No. 658**

The purpose of this measure is to require hospitals that provide emergency care to sexual assault survivors to inform survivors of and provide access to emergency contraception.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, The Sex Abuse Treatment Center, Planned Parenthood of Hawaii, Healthy Mothers, Healthy Babies, the Community Alliance on Prisons, Women and Children of Domestic Violence, the ACLU, and nine concerned citizens. Two individuals from the Roman Catholic Church in the State of Hawaii, the American Center for Law & Justice of Hawaii, Pro-Family Hawaii, and St. Francis Healthcare System of Hawaii opposed the bill.

Your Committee finds that more than 300,000 women are sexually assaulted in the United States each year. Of these, an estimated 32,000 become pregnant as a result of the assault.

Your Committee further finds that currently, emergency contraceptives are part of the treatment protocol for all sex assault victims in Hawaii. Identified sex assault survivors are taken to a hospital with medical personnel trained in this area. Your Committee further finds, however, that some victims choose not to identify themselves as having been sexually assaulted and seek treatment for assault symptoms.

Your Committee notes that use of emergency contraceptives in sexual assault cases is endorsed by the American Medical Association, the American College of Obstetricians and Gynecologists, and the Hawaii Medical Association. Your Committee is sensitive, however, to other religious, social, and moral views on contraception. Therefore, after balancing the needs of victims with the religious beliefs of care providers, your Committee amended the bill by:

- (1) Amending the purpose section to clarify that only nonreligious hospitals are required to offer and provide emergency contraceptives to sexual assault survivors;
- (2) Adding a definition for "religious hospital"; and
- (3) Adding a new section that exempts religious hospitals from the requirement of offering and providing emergency contraceptives while retaining the requirement that they provide unbiased information on the risks of pregnancy.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 658, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 658, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 631          Judiciary and Hawaiian Affairs on S.B. No. 881**

The purpose of this measure is to require public safety officers, sheriffs, and deputy sheriffs to report incidents of suspected child abuse or neglect, and authorize them to take protective custody of the child victim.

Your Committee received testimony in support of this measure from the Volunteer Consumer Advocate. The Department of Public Safety supported the intent of the bill but, together with the Department of Human Services, asked that the bill be deferred to next year.

Your Committee finds that currently, public safety officers, sheriffs, and deputy sheriffs are not statutorily authorized to take abused children into protective custody, nor are they mandated to report incidents of suspected child abuse. Your Committee further finds that public safety officers, sheriffs, and deputy sheriffs appointed under §353C-4, Hawaii Revised Statutes, have all of the powers of police officers including the power of arrest. These police powers, however, are limited depending on the officer's duties and assignment.

Your Committee believes that incidents of suspected child abuse should be handled expeditiously by any law enforcement officer present. Therefore, your Committee amended the bill by:

- (1) Including public safety officers, sheriffs, and deputy sheriffs in the category of law enforcement agencies required to orally report suspected child abuse;
- (2) Amending the definition of "police officer" under § 587-2, Hawaii Revised Statutes, to include public safety officers, sheriffs, and deputy sheriffs;
- (3) Deleting the amendments in §587-22, Hawaii Revised Statutes, that added references to public safety officers, sheriffs, or deputy sheriffs since the new definition of "police officer" includes these officers.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 881, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 881, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 632          Judiciary and Hawaiian Affairs on S.B. No. 1234**

The purpose of this measure is to impose civil social host liability on adults for damages caused by the intoxication of persons under the age of twenty-one years.

Your Committee received testimony in support of this measure from eight members of Mothers Against Drunk Driving Hawaii and the Hawaii Food Industry Association. The Consumer Lawyers of Hawaii provided comments and suggested amendments.

Your Committee finds that underage drinking is a serious problem in Hawaii. Youth who begin drinking before reaching the age of fifteen are four times more likely to develop alcohol dependence than those who begin drinking at age twenty-one. The average age at which children begin drinking is twelve years. By the time Hawaii teenagers are seniors in high school, seventy-seven percent have used alcohol. In the past five years, an average of twenty-six fatalities resulted from crashes involving drivers fifteen to twenty years old, many of these were alcohol related.

Your Committee notes that this bill is based on a recently passed Minnesota measure that requires that a host knowingly or recklessly permitted consumption. Your Committee amended the bill by:

- (1) Replacing "knowingly or recklessly" as the standard for liability with "knows or reasonably should know";
- (2) Rewording subsection (a) and using the present tense;
- (3) Deleting the language in subsection (b) relating to payment of recovery, and inserting the exemption from subsection (a) for commercial enterprises that serve liquor into subsection (b); and
- (4) Deleting reference to nonrecovery by insurance companies under section 663-B.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1234, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1234, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 633      Judiciary and Hawaiian Affairs on S.B. No. 1360**

The purpose of this measure is to establish new requirements for persons authorized to certify, witness, and maintain "comfort care only" documents, and deletes the requirement that the patient must be terminally ill.

Your Committee received testimony in support of this measure from the Department of Health, the East Maui County Council Member, and the Policy Advisory Board for elder Affairs.

Your Committee finds that individuals should have the autonomy to make decisions or to designate persons to make decisions on their behalf regarding health care choices. The requirement that physicians must first diagnose a person as terminally ill in order for a person to choose comfort-care only protocols usurps the person's self-determination rights.

Your Committee further finds that this measure provides consistency with other advanced care directive provisions and allows persons to make their own decisions concerning end-of-life care.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1360, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 634      Judiciary and Hawaiian Affairs on S.B. No. 1469**

The purpose of this measure is to establish that communications between firefighters and counselors providing peer support counseling are privileged and may not be disclosed except in certain circumstances.

Your Committee received testimony in support of this measure from the Hawaii Fire Fighters Association, the State of Hawaii Organization of Police Officers, and the Honolulu Fire Department.

Your Committee finds that emergency personnel respond to and encounter stressful incidents and situations that sometimes result in post traumatic stress disorder. Critical Incident Stress Management teams have been established to provide peer support counseling to firefighters who have been through unusually traumatic experiences. Your Committee further finds that although confidentiality and privacy are critical to the success of counseling programs, peer support counseling communications are not statutorily protected. Your Committee further finds that this measure provides such protection.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1469, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 635      Judiciary and Hawaiian Affairs on S.B. No. 630**

The purpose of this measure is to authorize the court to assume supervision and control over persons committed to the custody of the Department of Public Safety who qualify for an alternative program under §706-605.1, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from a Maui County Council member, Impact Drug and Alcohol Treatment Center, the National Association of Drug Court Professionals, the National Drug Court Institute, The Queen's Medical Center, the Housing and Community Development Corporation of Hawaii, and four concerned citizens. The Office of the Public Defender and the Department of Public Safety opposed the measure. Choices Group, Inc. offered comments and the Judiciary took no position on the measure.

Your Committee finds that the Maui Drug Court program is the only Drug Court program in Hawaii that is authorized to implement a Track IV phase. The Track IV phase serves incarcerated individuals hand-picked by the Drug Court using stringent criteria and demonstrated motivation. A Maui County funded twenty-four bed dormitory on Maui Community Correctional Center grounds is the site designated for the in-custody phase of the program.

Your Committee further finds that the Track IV phase has not been successfully implemented due to a lack of clarity as to who has jurisdiction and responsibility over the Track IV participants. Your Committee notes, however, the concerns voiced by the Department of Public Safety regarding operational difficulties and lack of resources. Therefore, your Committee amended the bill by:

- (1) Amending §706-605.1, Hawaii Revised Statutes, to give the Judiciary authority to assume supervision and control over a person committed to the custody of the Department of Public Safety if the person qualifies for the Track IV phase of a Drug Court program;
- (2) Amending §706-672, Hawaii Revised Statutes, to specify the court's authority to assume supervision and control over a committed person qualifying for the Track IV phase of a Drug Court program;
- (3) Adding a purpose section; and

- (4) Adding a sunset date of June 30, 2006.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 630, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 636            Judiciary and Hawaiian Affairs on S.B. No. 1041**

The purpose of this measure is to provide limited liability from civil damages to hospitals operating a helicopter landing pad for medical evacuation helicopters or other helicopter medical transport services.

Your Committee received testimony opposing the bill as drafted from the Consumer Lawyers of Hawaii.

Your Committee finds that the bill as written unintentionally gives hospitals immunity from civil law suits for its negligent acts or omissions if the hospital operates a helicopter landing pad for medical evacuation helicopters. The actual intent is to provide immunity to community health centers for injuries attributable to operation of a helicopter landing pad. Therefore, your Committee amended the bill by inserting language provided by the Consumer Lawyers of Hawaii that:

- (1) Replacing references to "hospital" with "community health center";
- (2) Referencing the Health Center Consolidation Act of 1996 definition for "community health center";
- (3) Rewording the section to provide limited liability to community health centers for personal injury resulting from the operation of the helicopter pad where the helicopter involved is a Military Assistance to Safety and Traffic helicopter;
- (4) Including liability for wilful, malicious, or intentional acts or omissions; and
- (5) Amending the title of the section to reflect these changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1041, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 637            Judiciary and Hawaiian Affairs on S.B. No. 1107**

The purpose of this measure is to update the crimes of disorderly conduct and violation of privacy in the first and second degrees to punish "video voyeurism" in public places.

Your Committee received testimony supporting this measure and proposing an amendment from the Department of the Prosecuting Attorney and the Honolulu Police Department. The Office of the Public Defender commented on the bill.

Your Committee finds that Act 278, Session Laws of Hawaii, Regular Session of 1999 created the criminal offenses of violation of privacy in the first and second degrees to deal with "video voyeurism" in private places. Your Committee further finds that through technological advancements, recording and broadcasting devices are easily concealed. Incidents of "video voyeurism" in public places have occurred but are not chargeable under existing laws. Your Committee has concerns, however, that the definition of "intimate areas underneath clothing" as written is overly broad. Therefore, your Committee amended the bill by inserting the Department of the Prosecuting Attorney's proposed amendments that:

- (1) Add the words "or intimate areas exposed in public" to the end of the "intimate areas underneath clothing" definition; and
- (2) Authorize the courts to order destruction of the recording if a person is guilty of the crime of violation of privacy in the second degree.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1107, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 638            Judiciary and Hawaiian Affairs on S.B. No. 1132**

The purpose of this measure is to statutorily clarify that the family court may procure the services of court-appointed counsel and guardian ad litem (GAL) pursuant to procurement laws at reasonable rates of compensation.

Your Committee received testimony in support of this measure from the Judiciary.

Your Committee finds that in Family Court, Child Protective Act cases may continue for years with regular statutorily mandated hearings. Your Committee further finds that the Judiciary has not received sufficient legislative appropriations to pay all court-appointed counsel and GAL fee requests and has had to limit awards of excess fees. The Judiciary has also experimented with a pilot project that privatizes these services.

Your Committee commends the Judiciary for developing alternative ways of providing services in fiscally challenged times. Your Committee believes, however, that compensation should be based on statutorily set fees. Therefore, your Committee amended the bill by requiring that compensation be based on statutorily established fees rather than on discretionary rates of compensation.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1132, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1132, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 639 (Joint) Education and Transportation, Military Affairs, and Government Operations on S.B. No. 11**

The purpose of this measure is to exempt temporary school facilities from state or county laws exceeding the requirements of the Americans with Disabilities Act, and building requirements to provide hurricane protection.

Testimony in support of the intent of this measure was submitted by the Department of Education.

Your Committees find that state laws or county building codes that exceed federal law related to providing accommodations for disabled persons are especially costly when applied to temporary structures. Your Committees further find that state laws and county building codes related to "hurricane-proofing" of permanent structures were never intended to be applied to structures of a temporary nature, and thus a specific exemption is appropriate.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 11 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 2 (Espero, Kanno).

**SCRep. 640 (Joint) Human Services and Health on S.B. No. 1061**

The purpose of this measure is to codify licensing qualifications and personnel, staff, and family requirements for Type I and Type II adult residential care homes (ARCHs) and expanded ARCHs, and to require unannounced annual inspections of ARCHs and expanded ARCHs during or outside of normal business hours.

Testimony in support of this measure was submitted by the State Long-Term Care Ombudsman; the Hawaii Long-Term Care Association; Kokua Council; AARP Hawaii; and twenty-two concerned citizens. Testimony in opposition to this measure was submitted by the Department of Health; the United Group of Home Operators; the Hawaii Coalition of Care Home Administrators; and two concerned citizens.

Your Committees find that about 8,400 elders live in licensed nursing homes, assisted living facilities, and adult residential care homes in the State of Hawaii, according to the State Long-Term Care Ombudsman. Your Committees find that unannounced inspections can help to ensure the safety of vulnerable elders in adult residential care homes. According to a February 17, 2003, Honolulu Advertiser article, at least twenty-five other states have enacted laws that allow unannounced inspections of adult residential care homes. Your Committees further find that proposed changes to the Department of Health's administrative rules that would permit unannounced inspections have been debated for over four years now, with no resolution in sight. Therefore, your Committees recommend passing this measure to facilitate further discussion of this important issue.

Your Committees have amended this measure as follows:

- (1) Amending the requirements for a Type I adult residential care home (ARCH) by requiring that the primary caregiver be at least a nurse aide;
- (2) Requiring each individual over eighteen years of age who either resides in or provides care or services to residents in a Type I ARCH to submit documented evidence of an initial criminal background check as a condition of licensure, and allowing the Department of Health to deny or revoke an application for a Type I ARCH license if an individual's past criminal conviction places the residents at risk;
- (3) Requiring a Type II ARCH with eight or more residents to have a registered nurse on duty twenty-four hours a day;
- (4) Requiring the administrator of a Type II ARCH to provide at least thirty days written notice prior to a forthcoming closure;
- (5) Requiring the primary caregiver in an expanded ARCH be a licensed nurse;

- (6) Requiring the Department of Health to conduct unannounced inspections, during or outside of regular business hours, of adult residential care homes on an annual basis and at such intervals as required to determine compliance with licensing requirements; and
- (7) Making other technical, nonsubstantive amendments for the purposes of clarity, consistency, and formatting.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1061, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1061, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Inouye, Hogue)

**SCRep. 641 Energy and Environment on S.B. No. 1505**

The purpose of this measure is to provide a two-year ban on all plants shipped into the State that may contain the Coqui frog or fire ants.

Matson Navigation Company and the Nature Conservancy of Hawaii submitted testimony supporting the intent of this measure. Testimony opposing this measure was submitted by the Hawaii Farm Bureau. The Department of Land and Natural Resources, Division of Forestry and Wildlife, Oahu Wildlife Branch submitted comments on this measure.

Your Committee finds that invasive insects, disease organisms, snakes, weeds, and other pests are one of the greatest threats to Hawaii's economy, natural environment, and the health and lifestyle of its people. Your Committee is aware of the recent dengue fever outbreak, the Coqui frog infestation, the Miconia forest weed invading the watersheds that recharge fresh water aquifers, and the Salvinia infestation choking Lake Wilson and Kawainui Marsh. Thus, your Committee finds that a more general approach to invasive species control and eradication is appropriate.

Your Committee has amended this measure by:

- (1) Deleting the two-year ban on all plants shipped into the State that may contain the Coqui frog or fire ants;
- (2) Providing statutory authority for the Hawaii Invasive Species Council to deal with the invasive species problem as authorized by Executive Order 2002-03;
- (3) Authorizing the Departments of Agriculture, Health, and Land and Natural Resources to enter private and public premises to eradicate invasive species;
- (4) Banning the import, offer for sale, or selling of any Salvinia plant within the State; and
- (5) Extending the effective term of any interim rule by the Department of Agriculture for plant and non-domestic animal quarantine from 180 days to one year.

Your Committee emphasizes that the statutory establishment of the Hawaii Invasive Species Council requires no additional funding, rather, it takes existing resources and uses them wisely.

Further, your Committee notes that the ban on the sale or import of any Salvinia plant within the State has been added to this measure for immediate control and eradication in places such as Lake Wilson and Kawainui Marsh. Your Committee understands that the Department of Agriculture already possesses the authority to immediately prohibit the importation of any plant or animal into the State through the adoption of interim rules that are not subject to the Chapter 91, Hawaii Revised Statutes, rulemaking process, pursuant to Section 150A-9.5, Hawaii Revised Statutes. However, these interim rules are only effective for 180 days. Your Committee is concerned, given the lengthy Chapter 91, Hawaii Revised Statutes, rulemaking process, that any ban on the importation of a noxious plant or animal may lapse prior to the adoption of more permanent administrative rules. By extending the effective term of any interim rule by the Department of Agriculture for plant and animal quarantine, the Department will be provided sufficient time to develop appropriate rules for invasive species control and eradication.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1505, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 642 Transportation, Military Affairs, and Government Operations on S.B. No. 51**

The purpose of this measure is to authorize the Director of Transportation (Director) to grant an intrastate waiver to enable an insulin user to obtain a commercial driver's license (CDL).

Your Committee received testimony in support of this measure from the Department of Transportation, the American Diabetes Association, and a doctor specializing in diabetes treatment.



Your Committee finds that under existing law, all insulin users are flatly prohibited from obtaining a CDL. This blanket prohibition presents many diabetics with a difficult choice: either not take insulin to treat their diabetes, or take insulin and give up the opportunity to obtain a CDL. Since many jobs in the State require a CDL, many diabetics are forced to choose between their health and their livelihood.

Your Committee further finds that medical and technological advances have produced many new treatments and supplies to enable diabetics to manage their condition without any complications. Your Committee believes that the broad ban preventing insulin users from obtaining a CDL is antiquated in light of recent technology.

Your Committee notes that, under this measure, before the Director may grant a waiver, the applicant must undergo a screening process, including examination by a licensed physician. Your Committee believes that this measure strikes an appropriate balance between the need to keep our roadways safe and the rights and abilities of insulin users.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 51 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 643      Transportation, Military Affairs, and Government Operations on S.B. No. 302**

The purpose of this measure is to require the counties to provide pro-rated refunds of registration fees when motor vehicle registrations are surrendered prior to their expiration date.

Your Committee received comments on this measure from the Honolulu Department of Customer Services.

Your Committee finds that there is no provision of law requiring that a county refund a portion of motor vehicle registration fees when the vehicle registration is surrendered prior to its expiration date.

Your Committee believes that since vehicle registration fees must be paid up front for an entire year, it is reasonable to require pro-rated reimbursements if the registration is surrendered earlier.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 302 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 644      Transportation, Military Affairs, and Government Operations on S.B. No. 460**

The purpose of this measure is to include dune buggy replica vehicles within the special interest vehicle registration requirements, thereby removing such vehicles from the reconstructed vehicle registration law.

Your Committee received testimony in support of this measure from the Volkswagen Club of Hawaii and a dune buggy enthusiast. The Department of Transportation submitted testimony in opposition to this measure.

Your Committee finds that since 1986, when Hawaii enacted its reconstructed vehicle registration law, owners of reconstructed vehicles have had to submit a certificate of safety from a qualified engineer in order to register their cars. "Special interest vehicles", defined by statute, are not subject to the same requirement.

Your Committee believes this has led to disparity in the treatment of dune buggy or kit car owners, and owners of other similar special interest vehicles. Specifically, it is much easier to register a special interest vehicle than a dune buggy or kit car, even though both are substantially similar in structural and mechanical integrity.

Your Committee sees no reason not to include dune buggies within the special interest vehicle registration laws, and therefore supports this measure.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 460 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 645      Transportation, Military Affairs, and Government Operations on S.B. No. 689**

The purpose of this measure is to authorize and regulate the operation of golf carts on state roads on the island of Lanai.

Your Committee received testimony in support of this measure from the Department of Transportation.

Your Committee finds that golf carts are a viable means of transportation that can be used safely in sparsely populated areas, such as Lanai. This measure regulates golf cart users in a reasonable manner, and your Committee supports limited use of golf carts for transportation on Lanai.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 689 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 646      Transportation, Military Affairs, and Government Operations on S.B. No. 1266**

The purpose of this measure is to restore language regarding the illegal display or possession of a fictitious or fraudulent driver's license, and language prohibiting the use of a false name on a driver's license application, that was repealed by Act 224, Session Laws of Hawaii 2002.

Your Committee received testimony in support of this measure from the Department of Transportation and the State Attorney General.

Your Committee finds that this measure restores the ability of counties to prosecute the offenses of display or possession of a fraudulent driver's license and use of a false name in a driver's license application.

Apparently, these two offenses existed prior to the 2002 Regular Session, during which a measure passed to erroneously delete these two criminal offenses. Your Committee therefore supports this measure to restore state law.

Your Committee made technical, nonsubstantive amendments to this measure.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1266, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1266, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 647      Transportation, Military Affairs, and Government Operations on S.B. No. 1405**

The purpose of this measure is to require applicants for a commercial driver's license (CDL) to show proof of their residency in Hawaii.

Your Committee received testimony in support of this measure from the Department of Transportation and the Honolulu Department of Customer Services.

Your Committee finds that in its review of Hawaii's CDL program in June, 2001, the Federal Motor Carrier Safety Administration recommended that the State require proof of domicile in Hawaii before issuing a CDL. Under federal law, states are only authorized to issue CDLs to persons domiciled in the State. Therefore, your Committee supports this measure to reconcile the State's CDL law with federal law.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1405 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 648      Transportation, Military Affairs, and Government Operations on S.B. No. 1406**

The purpose of this measure is to delete the requirement that Commercial Driver's Licenses (CDL) bear the social security number of the licensee.

Your Committee received testimony in support of this measure from the Department of Transportation and the Honolulu Department of Customer Services.

Your Committee finds that a new driver's license numbering system took effect on January 1, 2001, and that since that time social security numbers are no longer used as driver's license numbers. Therefore, your Committee supports this measure to conform the State's CDL law with current practice.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1406 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 649      Transportation, Military Affairs, and Government Operations on S.B. No. 1407**

The purpose of this measure is to waive the knowledge and skills tests required to obtain a Hawaii State Commercial Driver's License (CDL) for persons with a valid CDL issued by another state or Canadian province.

Your Committee received testimony in support of this measure from the Department of Transportation and the Honolulu Department of Customer Services.

Your Committee finds that drivers with a valid CDL issued by another state or Canadian province have already been tested in accordance with the minimum federal standards for issuance of a CDL.

In addition, the states and Canadian provinces are electronically linked to allow licensing officers to check on the validity and driving status of CDL holders licensed in other states and Canada. Based on this information, your Committee agrees that it is unnecessary to require those persons to also undergo testing in Hawaii.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1407 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

**SCRep. 650      (Joint) Labor and Transportation, Military Affairs, and Government Operations on S.B. No. 363**

The purpose of this measure is to designate any county Board of Water Supply serving a population of 500,000 or more persons as a "jurisdiction" under the civil service laws of the State, with the ability to establish an experimental modernization project and determine whether specific changes in its human resources program are desirable.

Testimony in support of this measure was submitted by the Board of Water Supply for the City and County of Honolulu, the United Public Workers, and the Hawaii Government Employees Association.

Your Committees find that over the past few years, efforts have been made to transform the Honolulu Board of Water Supply into a competitive water utility service provider. These changes have been part of a program designed around the involvement of both employer and unions. Your Committees further find that these changes have resulted in vast improvements, including cost savings due to a reduced work force achieved through attrition.

However, your Committees determine that it is necessary to provide qualifying Boards of Water Supply with greater flexibility to evaluate and pilot new human resources systems in order to achieve and sustain maximum performance levels.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 363 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 5 (Baker, Menor, Sakamoto, Taniguchi, Whalen).

**SCRep. 651      Transportation, Military Affairs, and Government Operations on S.B. No. 299**

The purpose of this measure is to exempt elected officials from the requirement of filing multiple ethics disclosure forms during a calendar year, if the elected official has already filed at least one form during the year.

The Hawaii State Ethics Commission (Commission) submitted testimony in opposition to this measure.

Your Committee finds that under existing law, certain state officials, particularly those who are subject to candidate filing requirements because they are running for elective office, must file up to three ethics disclosure forms a year. Failure to file properly can lead to monetary penalties and an unfair appearance that the official has "something to hide."

Your Committee agrees that if an elected official has filed a form during the year, then that person should not be required to file additional forms throughout the year unless there has been a change in financial circumstances for the official.

Although the Commission opposed this measure, at the hearing it became clear that the change in law proposed by this measure is administratively feasible, and therefore your Committee believes that this measure is prudent.

Your Committee amended this measure so that any state official who is required to report to the Commission, and not only elected officials, may rely on a report filed earlier in the year. Your Committee also inserted a provision to require subsequent filings by an official whose financial condition has changed since the previous filing.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 299, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 652            Transportation, Military Affairs, and Government Operations on S.B. No. 713**

The purpose of this measure is to expand the definition of "pollution control project" in chapter 48E, Hawaii Revised Statutes, to include the closure of landfills so that such closures will qualify for special purpose revenue bond funding.

The County of Hawaii, Department of Environmental Management submitted testimony in support of this measure.

Your Committee finds that throughout the counties, the closure of landfills is both imminent and expensive. Special purpose revenue bonds provide counties with an immediately available option for financing landfill closures.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 713 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 653            Transportation, Military Affairs, and Government Operations on S.B. No. 527**

The purpose of this measure is to authorize counties to permit solar energy facilities in State Land Use Agricultural Districts.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Office of Planning, the Land Use Commission, the Hawaii County Planning Department, and the Hawaiian Electric Company.

Your Committee finds that wind machines and wind farms that are compatible with agricultural uses and cause minimal adverse impact on agricultural land, already are permissible uses in agricultural districts. Your Committee believes that solar energy facilities meeting those criteria should be treated the same and that including such use in agricultural districts would be consistent with existing law.

Your Committee also finds that solar energy facilities may hold some advantages over wind energy facilities. For example, solar facilities are quiet, with no moving parts, and while the initial cost may be high, there may be tax credits to offset the cost and operating costs may be extremely low.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 527 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 654            Ways and Means on S.B. No. 41**

The purpose of this measure is to increase public access to information concerning government contracts.

This bill requires that all subcontracts and partnership agreements entered into by a contractor using public funds be available for public inspection as provided in chapter 92F, Hawaii Revised Statutes, the Uniform Information Practices Act.

Your Committee finds that this measure will ensure openness and government accountability to the public.

Your Committees on Tourism and Transportation, Military Affairs and Government Operations received testimony in support of this bill from the Office of Information Practices and the Hawaii Tourism Authority.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 41 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 655            (Majority) Ways and Means on S.B. No. 248**

The purpose of this measure is to raise the limit on the amount of revenues that can be deposited into the convention center enterprise special fund from \$31,000,000 to \$34,000,000.

Your Committee finds that Act 253, Session Laws of Hawaii 2002, established the convention center enterprise special fund, codified as section 201B-8, Hawaii Revised Statutes, to receive a portion of revenues from the transient accommodations tax and other sources. Act 253 also provided that amounts in excess of \$31,000,000 derived from the transient accommodations tax were to be deposited into the general fund.

Your Committee finds that the limit on the amount of transient accommodations tax revenues that are deposited into the convention center enterprise special fund was established to provide the Hawaii Tourism Authority with sufficient revenues to operate the Hawaii Convention Center.

Your Committee finds that \$34,000,000 should be sufficient for the Hawaii Tourism Authority to meet the major maintenance requirements for the Hawaii Convention Center.

Upon further consideration, your Committee has amended this bill by:

- (1) Specifying that the new \$34,000,000 limit on deposits into the convention center enterprise special fund is to commence on January 1, 2003, rather than retroactive to January 1, 2002; and
- (2) Making a technical, nonsubstantive change for the purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 248, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 248, S.D. 3.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, 2 (Slom, Trimble). Excused, none.

**SCRep. 656            Ways and Means on S.B. No. 1210**

The purpose of this measure is to require the Hawaii Tourism Authority to establish a registry of groups of state residents traveling to out-of-state destinations to enlist their assistance in marketing or promoting Hawaii as a tourist destination.

In addition, this measure requires the Authority to promote this registry, to be known as the "Hawaii tourism registry", and advertise how groups may be included, including through the establishment of an internet website. Groups intended for inclusion in the registry must consist of five or more Hawaii resident individuals who intend to travel to out-of-state destinations for purposes that are not solely tourism-related, such as attending conventions, meetings, or other functions relating to professional, business, cultural, or fraternal organizations or associations.

This measure also allows the authority to: contract with a private entity or individuals to implement or assist in the implementation of the registry; and enter into agreements with groups in the registry, either directly or through a private contractor.

Your Committee finds that the people of Hawaii who travel out-of-state are often the State's finest "ambassadors of aloha", and represent an untapped potential to market and promote Hawaii and its people. Your Committee agrees with the intent of this measure to enhance the marketing activity of the Hawaii Tourism Authority.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1210 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 657            (Majority) Ways and Means on S.B. No. 1461**

The purpose of this measure is to require the counties to earmark two per cent of their transient accommodations tax allocations to tourism promotions and visitor industry enhancements.

Your Committees on Tourism and Transportation, Military Affairs and Government Operations previously received favorable testimony from the Hawaii Tourism Authority and the Maui Hotel Association. Testimony was also received from the Department of Taxation, and a Kauai county council member. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that reinvestment of transient accommodations tax revenues into tourism promotions and visitor industry enhancements ensure that the State's primary economic engine remains strong and vital. By requiring the counties to join the State in this objective, tourism promotion and visitor industry enhancement costs are more equitably apportioned between the counties and the State for the mutual benefit of both.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1461 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 4 (Hooser, Hemmings, Slom, Trimble). Excused, none.

**SCRep. 658      Ways and Means on S.B. No. 1533**

The purpose of this measure is to provide a general excise tax exemption for amounts received in reimbursement of sums paid for common expenses by the manager or board of directors of an association of owners for a time share plan under chapter 514E, Hawaii Revised Statutes.

Your Committee notes that similar exemptions already exist for associations of apartment owners for condominiums under chapter 514A and nonprofit associations incorporated under chapter 514D. This provision would provide parity for time share plans. Your Committee finds that reimbursement for common expenses in this situation should not be taxable as no specific good or service is being purchased.

Your Committee has amended this bill by changing the effective date to July 1, 2005 for the purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1533, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1533, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 659      (Majority) Ways and Means on S.B. No. 319**

The purpose of this measure is to require counties with a population of five hundred thousand or more to establish a program for recycling food waste.

Under this bill, food establishments, which include restaurants, food courts, markets, food manufacturers and processors, catering establishments, hospitals serving prepared patient meals, schools who serve a certain number of meals, and businesses that produce food waste must participate. There are exceptions if a facility generates less than fifty gallons of food waste per week or if the disposal charge for disposing of the food waste at a recycling facility exceeds the tipping fee or disposal charge for the waste. The bill also allows the counties to assess a food waste recycling surcharge to partially cover the costs of this program, and makes a blank appropriation for start up costs for the initial staffing and program establishment.

Your Committee finds that the food waste recycling program will provide much-needed help in reducing waste and conserving our limited landfill space.

Your Committee has amended the bill by making technical amendments to further clarify the purpose of the bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 319, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 319, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, 2 (Hemmings, Slom). Excused, none.

**SCRep. 660      Ways and Means on S.B. No. 492**

The purpose of this measure is to authorize the issuance of \$100,000,000 in general obligation bonds to fund energy efficiency and renewable energy technologies in state facilities and schools.

Specifically, this measure provides financing for sea water air conditioning, wind energy systems, solar thermal technology systems, photovoltaic systems, and other energy efficient measures including more efficient lighting, motors, air conditioning, energy management systems, and electric and hybrid motor vehicles.

Your Committee finds that part II of Act 77, Session Laws of Hawaii 2002, requires the State to significantly improve its energy management in state facilities in order to save taxpayer dollars and reduce emissions that contribute to air pollution and global climate change.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 492 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 661      Ways and Means on S.B. No. 505**

The purpose of this measure is to appropriate funds for the Research Corporation of the University of Hawaii to continue the emergency environmental workforce established under Act 4, Third Special Session Laws of Hawaii 2001.

This bill also requires the Department of Land and Natural Resources, Department of Health, and Department of Agriculture to work with the Research Corporation of the University of Hawaii to effectively deploy the workforce.

Your Committee finds that the emergency environmental workforce has made great strides in addressing public health issues by increasing public awareness and reducing potentially harmful environmental factors. The workforce has also provided an important avenue for economic recovery in the aftermath of September 11, 2001, by creating new jobs for Hawaii's citizens.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 505 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 662            Ways and Means on S.B. No. 848**

The purpose of this measure is to appropriate funds for the development and implementation of a strategy for the use of alternative energy resources for the island of Kahoolawe.

Specifically, the bill:

- (1) Establishes ten data collection sites;
- (2) Develops an alternative energy system for a model encampment; and
- (3) Continues the evaluation of long-term alternative energy solutions.

Your Committee finds that the Hawaii renewable energy community has made significant strides in increasing our ability to utilize alternative energy resources to protect Hawaii's fragile environment and reduce Hawaii's dependence on imported fossil fuels. The development of renewable energy resources on Kahoolawe would further these endeavors.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 848 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 663            Ways and Means on S.B. No. 857**

The purpose of this measure is to establish an administrator position for invasive species to coordinate the fight against alien invasive species.

Your Committee finds that the invasion of alien species in Hawaii has caused widespread havoc and the expenditure of millions of dollars in public and private funds. From the recent dengue fever outbreak and the Coqui frog infestation, to the Miconia forest weed invasion and Salvinia devastation of Lake Wilson, these alien invaders have but one objective -- to destroy Hawaii's environment.

A major problem in the fight against invasive species is the lack of coordination between government agencies assigned to rid the State of these invading pests. The Coqui frog, the Miconia plant, and the Salvinia water plant are all examples of invasive species that were left unattended, primarily due to the lack of government coordination and accountability.

This bill provides that coordination and accountability by establishing an invasive species coordinator whose responsibility is to designate certain state departments to act as lead agencies in the fight against invasive species. Only with this lead agency designation can the public hold the responsible state agencies accountable and expect a quicker and more concerted response to alien invasive species.

After due consideration, your Committee has amended the bill by deleting provisions relating to the invasive species coordinator and replaced it with an invasive species council. Your Committee finds that the council will be better able to jointly coordinate invasive species activities and provide experienced and knowledgeable strategies to fight alien invasive species.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 857, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 857, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 664            Ways and Means on S.B. No. 919**

The purpose of this measure is to appropriate general funds to the University of Hawaii for biotreatability evaluation and research and small-scale testing of contaminated sediment from the Ala Wai canal and other waterways.

Your Committee finds that the research and testing is necessary preparation for the development of full-scale commercial application of bioremediation technologies for the treatment of contaminated sediments in statewide waterways.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 919, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 665 (Majority) Ways and Means on S.B. No. 1517**

The purpose of this measure is to increase the conveyance tax to provide a stable funding mechanism for the natural area reserves system and address the problem of invasive species.

In particular, this measure provides for a conveyance tax allocation increase of 20 cents per \$100 of full consideration for all transfers or conveyances of real property valued at \$400,000 or greater. This measure also increases the allocation of conveyance tax revenues to the Rental Housing Trust Fund and the Natural Area Reserve Fund from the existing twenty-five per cent per fund allocation to a thirty-five per cent per fund allocation. Finally, this measure requires that funds in the Natural Area Reserve fund also be used for the management of natural area reserves and an early detection and rapid response program for invasive species.

Your Committee finds that despite the value of Hawaii's natural resources to its economy, culture, and quality of life, there are very limited resources available to protect our natural capital base. This bill provides much needed additional resources to protect state-managed natural area reserves. The conveyance tax is already used to fund the conservation of natural resources on private land by dedicating twenty-five per cent of the current assessment to the natural area partnership program and forest stewardship program, which assist private landowners in managing important natural resources on private land.

Your Committee finds that there is a need to increase the conveyance tax to provide a stable funding mechanism for the natural area reserves system and protect Hawaii's natural resources from the onslaught of invasive species.

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

- (1) Increasing the new conveyance tax threshold to transfers or conveyances of realty with a value of \$600,000 or greater, rather than \$400,000 or greater;
- (2) Changing the effective date from upon approval to July 1, 2003; and
- (3) Making technical nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1517, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1517, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Sakamoto).

**SCRep. 666 Ways and Means on S.B. No. 6**

The purpose of this measure is to appropriate \$1,000,000 in general funds to pay coaches' stipends pursuant to section 302A-633.6, Hawaii Revised Statutes.

Your Committee finds that Act 315, Session Laws of Hawaii 2001, increased the base stipend for coaches employed by the Department of Education in two annual increments over the fiscal biennium 2001-2003. However, your Committee finds that to date, only the first increment has been funded. This measure appropriates funds to provide the second increment.

Your Committee has amended this measure to provide an unspecified appropriation amount in order to continue discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 6, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 6, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 667 Ways and Means on S.B. No. 14**

The purpose of this measure is to allow retired principals and vice-principals to be reemployed by the Department of Education at up to one hundred per cent full-time equivalents in shortage areas identified by the Department of Education.

In addition, this measure:



- (1) Requires these principals and vice-principals to have been retired for at least one year before they are reemployed by the Department of Education;
- (2) Prohibits retired principals and vice-principals from earning retirement service credit, contributing to the retirement system, or gaining additional retirement system benefits as a result of their reemployment;
- (3) Allows retired principals and vice-principal to receive their entitled normal retirement benefits without being penalized as a result of their reemployment;
- (4) Requires vacant principal and vice-principal positions to be advertised when there are no applicants for the vacancies; and
- (5) Requires a retired principal or vice-principal to be reemployed at the entry level pay rate for the vacant principal or vice-principal position.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 14, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 668      Ways and Means on S.B. No. 16**

The purpose of this measure is to establish a Hawaii educator incentive program to provide tuition reimbursements for graduates of state-approved teacher education programs who are employed as full-time teachers in the Hawaii public school system.

Your Committee finds that there is a critical need to address the growing shortage of qualified public school teachers in the State. Your Committee believes that extending eligibility for tuition reimbursements to graduates from state-approved teacher education programs beyond the University of Hawaii will encourage more individuals to remain in Hawaii and teach in Hawaii's public schools.

Your Committee has amended this bill by making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 16, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 16, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 669      Ways and Means on S.B. No. 17**

The purpose of this measure is to change the minimum age for entry into kindergarten.

Specifically, this bill changes the threshold from age five by December 31 of the school year to age five by October 15 of the school year beginning with the 2005-2006 school year, and age five by July 31 of the school year beginning with the 2006-2007 school year and thereafter.

This bill also:

- (1) Adds a definition of "pre-kindergarten" to chapter 302A, Hawaii Revised Statutes;
- (2) Requires the Department of Education to provide pre-kindergarten services, within available resources, for children who are not eligible to attend kindergarten due to the change in entry age;
- (3) Allows the Department of Education to accept gifts to establish and maintain pre-kindergartens and offer available facilities for public or privately-operated pre-kindergartens;
- (4) Allows the Department of Education to offer pre-kindergarten services to families at public schools outside of their school district;
- (5) Repeals the provisions of section 302A-1131, Hawaii Revised Statutes, and reinserts relevant provisions in section 302A-411, Hawaii Revised Statutes;
- (6) Requests the Department of Education to conduct an analysis of projected cost-savings and adverse impacts on resources that result from changing the entry age for kindergarten beginning with the 2005-2006 school year and mandating kindergarten attendance beginning with the 2006-2007 school year;
- (7) Expresses the Legislature's intent that any cost-savings realized by the Department of Education be reallocated for pre-kindergarten programs; and
- (8) Requires the Superintendent of Education to submit reports to the Legislature.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 17, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 670            Ways and Means on S.B. No. 24**

The purpose of this measure is to base the salary schedules of principals and vice-principals of high schools and combined schools (i.e., kindergarten to grade twelve) on a twelve-month term of service rather than a ten-month term of service.

In addition, this measure:

- (1) Specifies that the salary schedules of principals and vice-principals of public elementary schools are to be based on a ten-month term of service;
- (2) Specifies that the salary schedules of all other educational officers (i.e., excluding principals and vice-principals) are to be based on a twelve-month term of service;
- (3) Requires principals and vice-principals who commit to and complete five consecutive years of service to be paid a retention bonus, in addition to the salary increases and incentives provided by law; and
- (4) Appropriates an unspecified sum for the additional two months salary for educational officers who are presently ten-month employees and whose salary schedule will be converted to a twelve-month term of service.

Your Committee has amended this measure by basing the salary schedules of all principals and vice-principals, including elementary and middle school principals and vice-principals, on a twelve-month term of service.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 24, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 24, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 671            Ways and Means on S.B. No. 58**

The purpose of this measure is to further improve repair and maintenance programs for public schools.

This bill accomplishes this objective by continuing to fund the Hawaii 3R's program and provide a position and funds to the Department of Accounting and General Services to coordinate public and private efforts to repair and maintain public schools.

Your Committee finds that repair and maintenance of Hawaii's public schools continue to be a high priority and that Hawaii's 3R's has saved the State money by leveraging funds with volunteerism or "sweat equity".

Your Committee has amended this measure by deleting the specific amounts appropriated to facilitate continuing discussion on this measure and has made other technical nonsubstantive changes for clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 58, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 58, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 672            Ways and Means on S.B. No. 60**

The purpose of this measure is to appropriate funds for an additional twenty full-time equivalent school assessment liaison positions for the Department of Education.

In addition, this measure requires the Department of Education to submit a report to the Legislature concerning the effectiveness of school assessment liaisons in helping schools to meet the adequate yearly progress benchmarks required by the "No Child Left Behind Act of 2001".

Your Committee on Education previously received testimony in support of this measure from the Department of Education and the Hawaii Government Employees Association. The Hawaii State Teachers Association supported the intent of this measure.

Your Committee finds that school assessment liaisons promote the use of quality classroom assessment and provide professional development and technical assistance to teachers and principals. School assessment liaisons are a vital element of the Department of Education's effort to assist schools in improving student achievement, especially for low-achieving students, and meeting the

benchmarks required by the "No Child Left Behind Act of 2001". Your Committee also finds that this measure will enable the Department of Education to provide each school complex in the State with the services of one school assessment liaison.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 60 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 673            Ways and Means on S.B. No. 209**

The purpose of this measure is to appropriate funds to convert ten-month certificated positions to twelve-month positions, as needed, for multi-track schools.

Your Committee finds that, as more schools are moving to a multi-track system in which school is taught year round, support services need to be expanded to a year round schedule too. The bill will facilitate conversion of ten-month certificated positions to twelve-month positions for multi-track schools that need them.

Your Committee has made the amount of the appropriation blank for the purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 209, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 209, S.D. 3.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 674            (Majority) Ways and Means on S.B. No. 337**

The purpose of this measure is to establish fifteen complex area administrative services manager positions, essentially one position for each complex area superintendent.

Specifically, the bill:

- (1) Converts eight existing business and fiscal officer positions to new complex area administrative services manager positions; and
- (2) Establishes seven new complex area administrative services manager positions;
- (3) Provides that the complex area administrative services managers shall: be assigned duties and responsibilities by the Department of Education; assume responsibilities previously held by district business and fiscal officers; and undertake new responsibilities for coordinating and preparing budget documents and managing funds and assisting and advising complex area staff on procurement and contract administration;
- (4) Appropriates funds to establish fifteen complex area administrative services manager positions and to convert forty-two full-time business assistant positions from temporary status to permanent status, and requires them to report to the complex area administrative services managers; and
- (5) Appropriates funds for a management or engineering consultant to study the existing school repair and maintenance backlog in the Department of Education and to submit findings and recommendations to Legislature not less than twenty days prior to the convening of the regular session of 2004.

Your Committee finds that the establishment of fifteen complex area administrative services manager positions, with the new additional requirement of fiscal background, and conversion of forty-two full-time business assistant positions from temporary to permanent status will be of great assistance to the complex areas in the managing of school facilities. This measure recognizes the long-standing need of providing such expertise to better coordinate repair and maintenance and capital improvement projects at the school.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 337, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, 1 (Hemmings). Excused, none.

**SCRep. 675            (Majority) Ways and Means on S.B. No. 339**

The purpose of this measure is to establish a temporary council on educational data and accountability indicators to be administratively attached to the Research Corporation of the University of Hawaii.

Specifically, this bill requires the council on educational data and accountability indicators to:

- (1) Develop an independent set of measurable and understandable educational indicators designed to assist state policymakers in understanding the status and effectiveness of Hawaii's public education system;
- (2) Compile a database of longitudinal data collected and analyzed;
- (3) Submit reports of its findings and recommendations; and
- (4) Post all of its reports on an internet web site.

Your Committee finds that a council comprised of interested stakeholders can work collaboratively to analyze complex information and data and provide policymakers and the public with an objective assessment of Hawaii's public education system. Your Committee finds that a statewide effort will help to further the State's P-20 initiative and ensure a quality educational experience for Hawaii's public school students.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 339, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, 2 (Hemmings, Trimble). Excused, none.

**SCRep. 676 (Majority) Ways and Means on S.B. No. 342**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in the total amount not exceeding \$5,000,000 to assist Hanahauoli School.

The bonds will help Hanahauoli School to finance the construction and improvement of its educational facilities and to acquire land for future school needs.

Your Committee on Education previously received testimony in support of this measure from Hanahauoli School, the Hawaii Association of Independent Schools, Hawaii Business Roundtable, and the Pacific Resource Partnership.

The special purpose revenue bonds are to be issued pursuant to Act 257, Session Laws of Hawaii 2002, relating to the power to issue special purpose revenue bonds to assist not-for-profit private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities that serve the general public.

Your Committee finds that the assistance to Hanahauoli School will help to benefit the community not only in terms of the expanded educational opportunities for students and staff, but in the construction industry as well.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 342 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 3 (Hooser, Tsutsui, Trimble). Excused, none.

**SCRep. 677 Ways and Means on S.B. No. 343**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in the total amount not to exceed \$10,000,000 in one or more series to assist Chaminade University of Honolulu.

Specifically, these special purpose revenue bonds will assist Chaminade University of Honolulu to refinance, acquire, construct, and furnish its educational facilities in the State, undertake improvements to and acquire furnishings for its existing educational facilities in the State, as well as to procure the professional planning services necessary to perform these activities.

Your Committee on Education previously received testimony in support of this measure from Chaminade University, the Hawaii Association of Independent Schools, Hawaii Business Roundtable, and the Pacific Resource Partnership.

Your Committee finds that these special purpose revenue bonds are issued pursuant to Act 257, Session Laws of Hawaii 2002, relating to the issuance of special purpose revenue bonds to assist not-for-profit private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities that serve the general public.

Your Committee further finds that with the recent constitutional amendments that allow the State to issue special purpose revenue bonds for private school construction and renovation, these bonds will allow Chaminade University of Honolulu to finance campus projects without relying entirely on the monetary contributions of the school's alumni, friends, and other supporters.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 343 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 678 Ways and Means on S.B. No. 353**

The purpose of this measure is to make school complexes (which include a high school and its geographically contiguous intermediate or middle and elementary schools) the basis of a planning, programming, and budgeting system that directs instructional, administrative, and organizational decisionmaking by and for the public school system.

Specifically, this measure:

- (1) Allows each school complex to retain five per cent of its appropriations as carryover funds;
- (2) Requires an (as yet) unspecified percentage of the state general fund to be appropriated by the Legislature in any fiscal year for the statewide education budget;
- (3) Prohibits the Legislature, Governor, Board of Education, and Superintendent of Education from supplanting general and federal (education) funds with private grants and donations, including donated instructional goods and services, received by schools and school complexes;
- (4) Requires the Board of Education to:
  - (A) Develop and implement an integrated financial management system that links appropriations, allocations, and expenditures to school complex performance goals; and
  - (B) Develop and implement a statewide biennial education budget reflecting the anticipated financial requirements for each school complex;
- (5) Allows the Board of Education to set the salaries of the Deputy Superintendent and assistants to the Superintendent at a level that does not exceed the Superintendent's salary;
- (6) Requires the Department of Education to develop a budget preparation and execution process that allocates funds for personnel, procurement of instructional goods and services, other personal services contracts, and school facilities repair and maintenance projects by school complex;
- (7) Changes the maximum allowable administrative expenditures for the Department of Education from 6.5 per cent of its operating budget to an (as yet) unspecified percentage of the total education budget;
- (8) Allows the parents of a public school student to be absent from employment twice each school year for up to two hours in order to attend a parent teacher conference at the school at which the parents' child is enrolled;
- (9) Allows individual public schools and school complexes to participate in partnerships with community-based organizations and private businesses offering donated instructional goods and services;
- (10) Establishes a statewide community partnerships coordinating council to serve as a clearinghouse and resource for assisting public schools and school complexes in forming partnerships with community-based and private business organizations;
- (11) Makes individual schools and school complexes eligible for annual rewards or assistance based upon achievement of their annual performance goals and student achievement of the Hawaii content and performance standards; and
- (12) Establishes a joint education finance task force to discuss issues related to the financing of kindergarten through grade twelve public education, including the need for a source of state revenues earmarked for public education, and models of adequate levels of funding to support student achievement on an equitable basis.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 353, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Hooser).

**SCRep. 679            Ways and Means on S.B. No. 395**

The purpose of this measure is to authorize the issuance of \$5,000,000 in special purpose revenue bonds for Ho`ala School.

The bonds will assist Ho`ala School to finance or refinance the planning, acquisition, construction, and improvement of school facilities.

Your Committee on Education previously received testimony in support of this measure from Ho`ala School, Hawaii Association of Independent Schools, Hawaii Business Roundtable, and The Pacific Resource Partnership.

Your Committee finds that the special purpose revenue bonds authorized by this measure will be issued pursuant to Act 257, Session Laws of Hawaii 2002, relating to the power to issue special purpose revenue bonds to assist not-for-profit private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities that serve the general public.

Your Committee finds that this measure will allow Ho`ala School to finance its vision of building one campus for the entire student body, and that the financing thereof is assistance to a not-for-profit private elementary school and secondary school that serves the general public.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 395, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Hooser).

**SCRep. 680            Ways and Means on S.B. No. 397**

The purpose of this measure is to authorize the issuance of \$15,000,000 in special purpose revenue bonds for the purpose of assisting Mid-Pacific Institute to finance and refinance the planning, acquisition, construction, and improvement of its educational facilities.

Your Committee on Education previously received testimony in support of this measure from Mid-Pacific Institute, the Hawaii Association of Independent Schools, Hawaii Business Roundtable, and the Pacific Resource Partnership.

Your Committee finds that the special purpose revenue bonds authorized by this measure will be issued pursuant to Act 257, Session Laws of Hawaii 2002, relating to the power to issue special purpose revenue bonds to assist not-for-profit private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities that serve the general public.

Your Committee finds that this measure will allow Mid-Pacific Institute to proceed with long-needed and long-delayed school improvements to its campus facilities, and that the financing thereof is assistance to a not-for-profit private elementary school and secondary school that serves the general public.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 397 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Hooser).

**SCRep. 681            Ways and Means on S.B. No. 402**

The purpose of this measure is to create a graduate medical education and health professions education program to be administered by a newly created Medical Education Council (Council).

Your Committee finds that Hawaii is facing a rapidly worsening shortage of nearly every kind of health care worker. The purpose of the newly created Council is to assess the scope of this problem and propose solutions to ensure that the State has the type and number of health care professionals needed to provide care for our population now and in the future. This measure will also create the Hawaii Medical Education Special Fund to permit the Council to carry out its responsibilities.

Your Committee has amended this measure by making a technical amendment to clarify that the name of the program created is "graduate medical education program"; and by making a few technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 402, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 402, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 682            Ways and Means on S.B. No. 666**

The purpose of this measure is to require the Department of Education to provide each public school principal with a prorated allocation of funds for the purpose of reimbursing teachers' out-of-pocket expenses for supplies necessary for their students to perform the required school work and master the curriculum.

In addition, this measure requires the Department of Education to provide students with textbooks, workbooks, equipment, apparatus, and other supplies in sufficient number and of appropriate quality necessary for each student to perform the required school work and master the curriculum.

Your Committee on Education previously received testimony in support of this measure from the Hawaii State Teachers Association. The Department of Education supported the intent of this measure.

Your Committee finds that teachers spend on average \$1,000 of their own money every school year to buy supplies, materials, equipment, and furniture for their classrooms. Furthermore, your Committee finds that these are items that teachers should already have, but they are not being provided by the Department of Education for one reason or another.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 666, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Hooser).

**SCRep. 683      Ways and Means on S.B. No. 832**

The purpose of this measure is to allow taxpayers to designate \$2 from their income tax refund to support the Hawaii public library system.

Under this bill, moneys designated by taxpayers would be deposited into the libraries special fund.

Your Committee recognizes that the Hawaii public library system urgently requires funds to meet the rapidly changing and growing needs of library patrons and information technology. This measure provides an additional source of moneys for the public libraries, as well as a convenient way for taxpayers to make direct contributions to the public libraries.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 832, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Hooser).

**SCRep. 684      (Majority) Ways and Means on S.B. No. 995**

The purpose of this measure is to provide for a consolidated school textbook list for each school complex.

The bill also provides that, beginning with the 2005-2006 school year, the Department of Education shall charge each student a one-time textbook deposit fee, which will be refunded when they leave the school. The Department is also required to charge a nonrefundable textbook and instructional materials fee of up to \$20 per student. Students eligible to receive the free or reduced lunch program are exempt from these fees.

Your Committee finds that many public schools do not have adequate amounts of textbooks, and this lack of textbooks hampers student learning. The consolidated school textbook list will help the State buy books in volume and ensure that each student has a full set of textbooks. The fees charged will help to continue to fund school textbooks.

Your Committee has amended the bill by:

- (1) Excluding library books from the definition of textbooks;
- (2) Providing the students will only have to pay the textbook and instructional materials fee once per school year, so that students who change schools will not have to pay again at a new school in the same year; and
- (3) Making technical nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 995, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 995, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

**SCRep. 685      (Majority) Ways and Means on S.B. No. 1072**

The purpose of this measure is to appropriate general funds for para-professional positions with the Integrated Special Education Database (ISPED) system of the Department of Education.

Your Committee finds that the database system was created pursuant to the Felix Consent Decree to improve communication and collaboration between the Department of Education and the Department of Health in ensuring appropriate and timely provision of services to students with special needs. Your Committee also finds that the persons who have been inputting the data, often during their own personal time, are the special education teachers themselves.

Your Committee finds that this measure is necessary to increase productivity by relieving special education teachers from data inputting tasks and allowing them to devote more of their time to teaching.

Your Committee has amended this measure by changing the appropriation to a blank amount for the purpose of promoting continued discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1072, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1072, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

**SCRep. 686            Ways and Means on S.B. No. 1183**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist St. Patrick School in financing and refinancing the planning, acquisition, construction, and improvement of its educational facilities.

Your Committee finds that the issuance of special purpose revenue bonds for St. Patrick School is in the public interest and consistent with the State's strong commitment to providing a quality education for all of Hawaii's schoolchildren. Your Committee believes that every child should have the opportunity to excel in the best and most appropriate learning environment. Your Committee finds that this measure will allow St. Patrick School to improve its campus facilities for the betterment of its students and the community at-large without diverting any funds from Hawaii's public schools.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1183 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 687            (Majority) Ways and Means on S.B. No. 1381**

The purpose of this measure is to appropriate \$1,000,000 in emergency funds to the Hawaii State Public Library System to enhance the operating budget of the Kapolei Public Library for the current fiscal year.

Your Committee finds that an inadequate operating budget has prevented the Kapolei Public Library from opening its doors to the general public. This emergency appropriation will provide immediate funds for collection development, equipment, utility, and maintenance costs and will enable the Hawaii State Public Library System to open the Kapolei Public Library to the public in December 2003.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1381, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, 6 (English, Hooser, Tsutsui, Hemmings, Slom, Trimble). Excused, none.

**SCRep. 688            (Majority) Ways and Means on S.B. No. 1411**

The purpose of this measure is to authorize the University of Hawaii (University) to establish a risk management program and a risk management special fund.

Your Committee finds that the Legislature has increasingly looked to the University to become more autonomous in the management of its affairs. Since 2001, the Legislature has required the University to identify funds from its revenue sources to pay for settlements and judgments. But statutory authority allowing such payment was lacking. This bill provides that statutory authority to allow the University to implement its risk management program. The bill also establishes a risk management special fund to receive risk management related funds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1411, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

**SCRep. 689            (Majority) Ways and Means on S.B. No. 1700**

The purpose of this measure is to require all funds for new century charter schools and new century conversion charter schools to be appropriated by the Legislature and distributed by a charter school education agency under a new established budget program for charter schools, EDN 110.

In addition, this measure:

- (1) Establishes a charter school education agency to provide administrative oversight of charter schools, and attaches the agency to the Department of Education for administrative purposes;
- (2) Requires the charter school education agency to be governed by a nine-member board of directors appointed by the charter schools and administered by an executive director appointed by the board of directors;
- (3) Requires the Legislature, based upon the projected enrollment of a charter school, to appropriate for each school an amount based upon the average per pupil cost of the Department of Education for the previous year;



- (4) Requires the Legislature to appropriate a base per pupil amount for each general and special education student and a supplemental amount for each special education student based upon a per pupil weighted count formula;
- (5) Requires the Department of Education and charter school representatives to develop a list of central services that the Department may offer for purchase at an annual cost, to be negotiated between an individual charter school and the Department;
- (6) Requires a charter school to develop and provide special education and related services within a student's individualized education program if the student is eligible for special education and related services;
- (7) Appropriates an unspecified sum to the charter school education agency for fiscal year 2003-2004 for EDN 110 - New Century Charter Schools and New Century Conversion Charter Schools; and
- (8) Requires the Department of Budget and Finance to make allocations directly to charter schools for the fiscal year 2003-2004 in order to enable the schools to access state funds prior to the establishment of the charter school education agency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1700, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, 1 (Slom). Excused, 1 (Kim).

**SCRep. 690            Ways and Means on S.B. No. 39**

The purpose of this measure is to establish an advisory task force to study the feasibility of transferring state parks to the counties and develop an action plan for state park maintenance.

The temporary advisory task force, which will expire June 30, 2004, shall include the Chairperson of the Board of Land and Natural Resources and the four county park directors, or their designees, a designee appointed by the President of the Senate and one appointed by the Speaker of the House of Representatives, and one park user from each county, appointed by the respective mayors. The advisory task force will consider the feasibility of the transfer, identify total funding needed to improve the parks, develop a timetable, and review funding sources and state and county laws. The task force will present a report to the 2004 regular session of the Legislature.

Your Committee believes that an advisory task force will best determine whether the transfer of state parks to the counties will aid in preservation of our state parks.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 39, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 691            Ways and Means on S.B. No. 560**

The purpose of this measure is to appropriate funds to the University of Hawaii to support existing programs and expand services at the Small Business Development Center.

This measure also requires the Small Business Development Center to report to the 2004 Regular Session of the Legislature on the services it provides to small businesses in Hawaii, increases in the volume of business revenue generated and categories of businesses served, and any other information relevant to assessing the performance of the Center.

Your Committee finds that the Small Business Development Center, which is a statewide program in its thirteenth year of operation, matches state dollars to federal dollars. As a partnership program between the University of Hawaii at Hilo and the United States Small Business Administration, the Center program leverages the resources of both to enhance the delivery of its services to the small business community.

Your Committee further finds that small businesses in Hawaii comprise ninety-seven per cent of businesses in the State and are the major contributors to the economy, generators of new jobs, and innovators in the State's leading industries. Your Committee finds that the Center's programs provide a significant return on investment for the State by assisting numerous individuals in starting, sustaining, and developing their small businesses.

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

- (1) Replacing the sums appropriated with blank amounts in order to facilitate further discussion on the funding necessary to carry out the purposes of this measure; and
- (2) Making technical nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 560, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 560, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 692            Ways and Means on S.B. No. 1172**

The purpose of this measure is to provide a tax credit for landing fees incurred by commercial airlines with Honolulu-based fleets.

Your Committee finds that many commercial airlines have been forced to close fleets in Hawaii as a money-saving alternative due to the high costs of maintaining such an operation in Hawaii. The State's airline industry also faces unprecedented financial challenges arising from international events and the local and national economic climate. Currently, only two major commercial airlines have Honolulu-based fleets.

Your Committee further finds that providing an income tax credit to commercial airlines will encourage Honolulu-based fleets to remain in Hawaii and encourage other airlines to start up Honolulu-based fleets, which will in turn bolster the State's economy. Because of the State's heavy reliance on air transportation in all facets of the economy, combined with the financial challenges facing the airline industry, your Committee believes that the State should make every effort to ensure the sustainability and promote the growth of Hawaii's air transportation industry.

Your Committee has amended this measure by:

- (1) Correcting the ending date of the new credit to taxable years beginning after December 31, 2005 rather than January 1, 2006; and
- (2) Making a few technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1172, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1172, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 5 (English, Kanno, Kim, Sakamoto, Tsutsui).

**SCRep. 693            (Majority) Ways and Means on S.B. No. 12**

The purpose of this measure is to allow the Department of Education to appoint or retain attorneys who are independent of the Attorney General, in order to provide legal services for the Department.

In addition, this measure requires the Department of Education, prior to the Regular Session of 2007, to provide a report to the Legislature on the costs and benefits incurred by the Department in hiring its own attorneys.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 12, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Kim).

**SCRep. 694            Ways and Means on S.B. No. 381**

The purpose of this measure is to fund the successful claims filed with the Hawaiian home lands trust individual claims review panel (panel).

Your Committee finds that the panel was created in 1991 pursuant to chapter 674, Hawaii Revised Statutes, to investigate, and award monetary compensation, if necessary, to native Hawaiians for breach of trust claims related to the administration of the Hawaiian home lands trust. The claims involved Hawaiian homes wait list claims and other individual breach of trust claims, such as Hawaiian homes housing defect claims. This bill provides the appropriation necessary to fund the claims adjudicated by the panel.

Although your Committee has amended the bill by deleting the amount appropriated, your Committee intends to continue discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 381, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 381, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 695            Ways and Means on S.B. No. 474**

The purpose of this measure is to improve the ability of the Auditor to access records in the Department of Education and the Department of Health.

The bill accomplishes this by designating the Auditor as an authorized representative of the Departments of Education and Health for purposes of accessing student records to assist it in its official duties in any audit or enforcement procedure in connection with any federal or state supported educational program.

This measure also requires the Office of the Auditor to train its employees in matters of courtesy and confidentiality protocols.

Your Committee finds that while the Auditor's office has been tasked with investigating the State's compliance with the Felix consent decree, on occasion on the advice of the Attorney General, it has been prevented access to records in the Departments of Education and Health. This bill will make the Auditor's office an authorized representative of the Departments of Education and Health to assure it access to records necessary for it to accomplish its duties.

Upon further consideration, your Committee has amended this measure by replacing it with the version of this measure as originally introduced. As amended, your Committee has deleted the second section added to chapter 23, Hawaii Revised Statutes, by section 1 of the bill, that required the Office of the Auditor to develop and train its employees in both courtesy and confidentiality protocols.

Your Committee finds that the Department of Education and the Auditor should work together to develop protocols for the Auditor's staff when visiting school campuses or entering other Department of Education offices or facilities on Auditor business.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 474, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 474, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 696 (Majority) Ways and Means on S.B. No. 477**

The purpose of this measure is to authorize the Department of Hawaiian Home Lands to hire attorneys independent of the Attorney General to provide legal services to the Department.

The bill authorizes an independent attorney to be hired to:

- (1) Represent the Department of Hawaiian Home Lands in civil actions;
- (2) Provide legal advice to ensure lawful administration and operation of the Department;
- (3) Review and approve documents relating to land purchases and departmental operations; and
- (4) Perform other legal services specified by the Hawaiian Homes Commission.

The measure also authorizes the Hawaiian Homes Commission to set the salary for independent attorneys.

Your Committee believes that this measure will prevent conflicts that may result from having the Department of the Attorney General as the sole source of legal advice or representation for the Department of Hawaiian Home Lands. In some situations, a conflict may arise between the best interests of the Department's native Hawaiian beneficiaries and the interests of the State. Your Committee finds this measure will allow effective representation of all parties' interests.

Upon further consideration, your Committee has amended this bill by making technical amendments that authorize the Department of Hawaiian Home Lands, rather than the Hawaiian Homes Commission, to hire, rather than appoint or retain by contract, an attorney independent of the Attorney General. These technical amendments were made for the purpose of clarity and uniformity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 477, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 477, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Kim).

**SCRep. 697 Ways and Means on S.B. No. 610**

The purpose of this measure is to resolve existing Hawaiian home lands trust individual claims by replacing the expired panel with a new special master.

The Legislature has recognized that the administration of the Hawaiian home lands trust has resulted in some grievous errors to claimants, which need to be rectified. The Legislature established the Hawaiian home lands trust individual claims review panel in 1991 to review all claims between statehood and June 30, 1988. Many claims were timely filed, but the panel was unable to review them all before its dissolution in 1999. The Legislature had passed a bill to extend the work of the panel, but the bill was vetoed by

Governor Benjamin Cayetano. Some of the claimants filed a class action suit, State v. Kalima, in which the trial court ruled in the claimants' favor. The class action is now pending before the Hawaii Supreme Court.

Your Committee finds that the work of the panel was terminated prematurely and that the intent of the law needs to be carried out through the appointment of a special master to resolve all timely-filed claims. The special master will review and evaluate the individual claims that were received by the panel and that have not been either rejected by the panel or settled under this chapter. The special master will make findings and recommendations, estimate the total amount of damages to resolve all claims, and report to the Legislature by December 5, 2003. The special master will then disburse claimant funds appropriated by the Legislature.

Your Committee has amended this bill by removing the provision that allowed for double recovery under both the class action lawsuit and any disbursement recommended by the special master and funded by the Legislature. Your Committee finds that one recovery for the same set of acts is appropriate.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 610, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 610, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 698 (Majority) Ways and Means on S.B. No. 611**

The purpose of this measure is to increase the hourly rate for both in-court and out-of-court services of court appointed counsel in criminal cases and also increase certain maximum fees for court appointed counsel.

Your Committee finds that the statutory rate of fees for court appointed counsel has not been changed for fifteen years and that the Judiciary is finding it increasingly difficult to find competent court appointed legal counsel at the present rates.

Your Committee has amended this measure by deleting the specific amounts of proposed compensation to facilitate continuing discussion on this matter.

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

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, 1 (Trimble). Excused, 1 (Kim).

**SCRep. 699 (Majority) Ways and Means on S.B. No. 635**

The purpose of this measure is to establish a problem solving courts special fund and provide additional funding for the Judiciary computer system special fund.

Specifically, this measure allocates a portion of the amounts collected from uncontested traffic fines, forfeitures, assessments, and penalties during fiscal years 2003-2004 and 2004-2005 to the Judiciary computer system special fund and deposits the excess uncontested fines, forfeitures, assessments, and penalties for traffic infractions, grants, donations, and other funding sources into the problem solving courts special fund.

Your Committee finds that the computer system special fund was established by the Legislature in 1996 to finance the implementation of the Judiciary's Information Management System (JIMS) project. The objectives of the JIMS project are to:

- (1) Replace the Judiciary's archaic and disparate computer systems;
- (2) Ensure public safety by providing judges with up-to-date, accurate, and comprehensive case management information upon which to make appropriate sentencing, bail-setting, and other decisions involving criminal defendants;
- (3) Eliminate or reduce redundant data entry by Judiciary employees and permit efficient data sharing among judicial circuits and between the Judiciary and external criminal justice agencies;
- (4) Reduce the amount of paper filed in and by the courts;
- (5) Increase judicial control over case processing time;
- (6) Increase control of receipts, expenses, and projected revenues;
- (7) Allow automated reconciliation of accounts receivables;
- (8) Improve collections of fines and court-ordered restitution; and
- (9) Provide the analytical tools needed to produce statistical reports critical to case scheduling and decision-making.

It is estimated that the total cost of the JIMS project will be between \$15 million and \$20 million. Your Committee believes that the additional funding provided by this measure will help ensure the timely implementation of this project.

Your Committee further finds that the abuse of alcohol and drugs is a problem that contributes to crime, affects highway safety, and is not noticeably in decline. It is a problem that is perpetuated with certain inmates addicted to drugs and alcohol who require treatment while incarcerated in order to reenter society free of substance dependency. Your Committee understands that the problem solving courts special fund is to be used by the Judiciary to fund various treatment programs to combat these problems.

Your Committee has amended this measure by deleting the specific amounts to be appropriated to facilitate continuing discussion on this matter and by making other technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 635, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 635, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Inouye, Kim).

**SCRep. 700 (Majority) Ways and Means on S.B. No. 1139**

The purpose of this measure is to increase the parent education surcharge for matrimonial actions under section 607-5.6, Hawaii Revised Statutes, from \$35 to \$50.

This bill also:

- (1) Includes a \$50 surcharge for family court proceedings under the paternity law, chapter 584, Hawaii Revised Statutes;
- (2) Repeals the voluntary \$15 donation requested of respondents in a matrimonial action who have minor children; and
- (3) Provides for the collection of the parent education surcharge either at the time of, or subsequent to, the filing of a complaint or petition.

Parent education surcharges are used to fund the Kids First program, a mandatory educational program for divorcing parents and their minor children. Your Committee finds a critical need to expand the Kids First program to the growing number of unmarried parents litigating the parentage of their minor children. This measure will incorporate the existing voluntary \$15 donation with the mandatory \$35 surcharge to allow the Kids First program to extend its outreach while remaining financially self-sufficient.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1139, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Inouye, Kim).

**SCRep. 701 (Majority) Ways and Means on S.B. No. 1142**

The purpose of this measure is to allow voters to register to vote on election day.

Specifically, this bill would allow a voter to register at the polling place for the precinct in which the voter resides and allow the voter to vote upon proof of residency.

Your Committee finds that Hawaii ranks near the bottom in the nation in terms of voter participation. Your Committee further finds that the current cutoff for voter registration--thirty days before an election--often prevents residents, particularly those who do not become interested or start focusing on an election until it draws near, from participating in the democratic process. This measure will encourage increased participation in the political process by removing this barrier to voter registration.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1142 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Slom). Excused, 2 (Inouye, Kim).

**SCRep. 702 Ways and Means on S.B. No. 1151**

The purpose of this bill is to clarify which lands belong to the public trust and which revenues from the public trust are to be used for the betterment of native Hawaiians through the Office of Hawaiian Affairs (OHA).

Your Committee finds that the people of the State have long recognized an obligation to use some of the revenues from the ceded lands to benefit native Hawaiians. This obligation has been built into the Admission Act, which states that the new State of Hawai'i was to receive certain ceded lands from the United States and place them into a public trust. One of the five enumerated purposes of this public trust was the betterment of native Hawaiians.

When the OHA was formed pursuant to the 1978 Constitutional Convention, a portion of the public trust revenues was directed to the OHA for the benefit of the native Hawaiians that the OHA serves. Debate between the State and OHA rose as to which revenues from the public land trust were to be considered in making the appropriate calculations. This issue went into litigation. In 2001, in Office of Hawaiian Affairs v. State of Hawaii, the Hawaii Supreme Court sent the issue back to the Legislature for clarification.

The Legislature has demonstrated its good faith in attempting to remedy this situation by enacting interim measures to fund the OHA during this period. Your Committee finds that it is now time for the Legislature to finally define which lands are in the public trust and which part of the revenue stream from those lands is to be given to the OHA for the benefit of native Hawaiians. Only by this action will the State's obligations to native Hawaiians be finally fulfilled.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1151 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 703 (Majority) Ways and Means on S.B. No. 1333**

The purpose of this measure is to authorize the Judicial Salary Commission to determine the salaries of: supreme court justices, intermediate court of appeals, circuit court, and district court judges; and appointed administrative officers of the Judiciary.

The measure further provides that this authority is effective July 1, 2004, and makes the Judicial Salary Commission's determination subject to a two-thirds legislative override.

Your Committee finds that the current system for determining judicial salary increases is subject to political and economic pressures. This measure will provide for a regular and equitable review of salary levels and ensure that the separation of powers and independence of the Judiciary are preserved.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1333, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Kim).

**SCRep. 704 Ways and Means on S.B. No. 1393**

The purpose of this measure is to divide the Department of Public Safety into two separate departments.

This bill establishes a new Department of Corrections, transfers correctional programs from the Department of Public Safety to the Department of Corrections, and changes the name of the Department of Public Safety to the Department of Law Enforcement to more accurately reflect its mission.

In addition, this measure transfers the functions and authority heretofore exercised by the Department of Education and the Hawaii State Public Library System, relating to contractual security services for their respective facilities, to the Department of Law Enforcement.

Your Committee received testimony from the Hawaii State Public Library System opposing the transfer of contractual security services for its facilities to the Department of Law Enforcement.

Your Committee finds that the Department of Public Safety performs two very separate (and separable) functions. The Corrections Division manages the prisons and inmates and is responsible for the care, rehabilitation, and treatment of prisoners. The Law Enforcement Division provides security for public buildings, administers a statewide program of enforcement and investigation of controlled substances, and provides sheriff's services such as service of warrants.

Your Committee has amended this measure by:

- (1) Deleting the provision transferring contractual security services for Department of Education and Hawaii State Public Library System facilities to the Department of Law Enforcement; and
- (2) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1393, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1393, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 705 Ways and Means on S.B. No. 1410**

The purpose of this measure is to appropriate moneys out of the University of Hawaii tuition and fees special fund and into UOH 900, the program identification for University of Hawaii, system wide support, for the purpose of satisfying claims against the University of Hawaii.

Your Committee received testimony in support of this measure from the University of Hawaii.

Your Committee finds that this measure is needed in order to pay five claims against the University of Hawaii.

Your Committee has amended this measure by adding two additional claims at the request of the University of Hawaii (for a total of seven), and making technical nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1410, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1410, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (English, Espero, Kim).

**SCRep. 706            Ways and Means on S.B. No. 1413**

The purpose of this measure is to extend from June 30, 2004 to December 31, 2004, authorization for the Department of Land and Natural Resources to expend the appropriation for the development of infrastructure at Kikala-Keokea.

The purpose of the project is to benefit residents of Kalapana displaced by volcanic eruptions on the island of Hawaii.

The measure also provides that the unexpended or unencumbered funds remaining in the infrastructure development fund are transferred to the credit of the Kikala-Keokea housing revolving fund as of close of business on December 31, 2004, instead of June 30, 2004.

Your Committee finds that funding commitments to complete the design and construction of infrastructure improvements in the Kikala-Keokea subdivision have been agreed upon in a Memorandum of Agreement between the Office of Hawaiian Affairs and the Department of Land and Natural Resources. The parties are in the process of obtaining the necessary permits and predict construction to be completed in December 2004. Without this measure, the funds appropriated could not be expended to complete the project.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1413 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (English, Espero, Kim).

**SCRep. 707            Ways and Means on S.B. No. 1437**

The purpose of this measure is to appropriate funds for the Office of Elections to meet the five per cent matching fund requirement of the Help America Vote Act of 2002.

Your Committee finds that the Help America Vote Act of 2002, P.L. 107-252, which was signed into law on October 28, 2002, makes federal funds available to each state to improve the administration of federal elections. The State of Hawaii is estimated to receive \$20 million if the State, among other things, provides appropriate matching funds of five per cent.

Your Committee finds that it is in the State's best interest to take advantage of federal funds to assist the State in improving the administration of elections, updating our voting systems, increasing voter education, and meeting the legal requirements of the Help America Vote Act of 2002.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1437 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 708            Ways and Means on S.B. No. 1465**

The purpose of this measure is to appropriate funds for Hawaii's contribution to the development of uniform laws.

This bill appropriates funds for payment of Hawaii's state dues as a member of the National Conference of Commissioners on Uniform State Laws, and for registration and travel costs of sending Hawaii's State Commission to Promote Uniform Legislation to the 2003 annual meeting of the National Conference.

Your Committee finds that the National Conference of Commissioners on Uniform State Laws arose out of the concerns of state government for the improvement of both the law and interstate relationships. As a state service organization in which all states participate, the National Conference of Commissioners on Uniform State Laws is funded by state contributions based on population.

The work of the National Conference of Commissioners on Uniform State Laws has resulted in improvements of state law in a variety of subject areas, notably the Uniform Commercial Code, Uniform Probate Code, and a number of other uniform laws. Your Committee finds that Hawaii's continued support of and participation in the National Conference of Commissioners on Uniform State Laws is essential to continued work in drafting and revising uniform laws on subjects of state interest.

Upon further consideration, your Committee has amended this bill by changing the amount of the appropriation to a blank amount to encourage continued discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1465, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1465, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (English, Espero, Kim).

**SCRep. 709            Ways and Means on S.B. No. 516**

The purpose of this measure is to change the manner in which the Board of Land and Natural Resources (Board) calculates lease rentals for private residential noncommercial piers in Kaneohe Bay.

Your Committee finds that the lease rent methodology utilized by the Board to determine private residential noncommercial lease rents in Kaneohe Bay values the submerged lands at fifty per cent of the value of the residential fast land. The Board noted that this fifty per cent rate is used by the Harbors Division of the Department of Transportation when leasing submerged lands for commercial purposes and by its Division of Boating and Ocean Recreation when leasing submerged lands for commercial and recreational boating activities.

Your Committee finds this multiplier rate unjustifiable for residential noncommercial property. This measure reduces the multiplier rate used to determine the value of the submerged lands from fifty per cent to ten per cent of the value of the fast lands.

Your Committee has amended this measure by changing the multiplier to an unspecified percentage in order to facilitate continuing discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 516, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 516, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 710            Ways and Means on S.B. No. 534**

The purpose of this measure is to appropriate funds to the University of Hawaii College of Tropical Agriculture and Human Resources for various agricultural research and outreach programs beyond the University's base budget request.

Specifically, this measure appropriates funds for:

- (1) The continued development of high-value agricultural products and a breeding program to provide new agricultural products;
- (2) The development of the agricultural incubator initiative to create new, economically viable agribusinesses;
- (3) Agricultural biotechnology research and outreach;
- (4) Value-added food processing and food safety; and
- (5) An integrated bioremediation research, instruction, and extension program.

Your Committee has amended this measure by:

- (1) Replacing the sum appropriated for the development of high-value agricultural products with a blank amount in order to facilitate continued discussion of this measure; and
- (2) Making technical nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 534, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 534, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (English, Kim, Sakamoto).

**SCRep. 711            Ways and Means on S.B. No. 540**



The purpose of this measure is to appropriate funds for agricultural research and development.

Your Committee finds that agricultural research is the foundation of Hawai'i's agricultural industry, an important component of Hawai'i's economy. For the past few years, funding for agricultural research has decreased dramatically. It is critical to increase and maintain the level of funding to keep our agricultural industry competitive in the global market. Your Committee finds that the Hawaii Farm Bureau Federation has the knowledge, skill, and expertise to support and foster the growth of agricultural research and global marketing of Hawai'i's agribusiness and that a grant-in-aid to the federation is in the public interest.

Your Committee has amended this bill by adding the contents of S.B. No. 546, which provides an appropriation for pineapple research, to be administered by the Department of Agriculture. Your Committee finds that this research will be a complement to the Hawaii Farm Bureau Federation's research. Your Committee has further amended the bill by making all appropriations blank to foster continuing discussion, and by making other technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 540, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 540, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (English, Kim, Sakamoto).

**SCRep. 712      Ways and Means on S.B. No. 643**

The purpose of this measure is to prohibit the sale or transfer of biological resources and biological diversity on trust lands.

In addition, this measure exempts the sale or commercial processing of fish, marine and aquaculture products, or agricultural products, including edibles and ornamental flowers, and is not intended to infringe on the traditional and customary rights exercised by native Hawaiians.

This measure also establishes a temporary Bioprospecting Advisory Commission, which is placed within the Office of Hawaiian Affairs for administrative purposes, to develop a comprehensive plan for the preservation and use of the biological diversity and biological resources of the trust lands. This measure appropriates funds to the Office of Hawaiian Affairs to enable the temporary Bioprospecting Advisory Commission to fulfill its mandate.

Your Committee finds that Hawai'i's biological diversity and biological resources are assets of the public trust that are culturally, economically, medicinally, spiritually, and otherwise significant to the general public and native Hawaiians. These resources of the trust lands, which the Hawaiian people have customarily used in accordance with their traditional, cultural, and subsistence practices, are also of great potential economic benefit in the areas of medicine, scientific research, biotechnology, and commercial development for native Hawaiians and the general public.

Your Committee finds, however, that the State is experiencing a tremendous loss of biodiversity due to the conversion of natural habitat for development, environmental degradation, and unsustainable consumptive practices. Your Committee finds that this measure is necessary to fulfill the State's trust obligation to ensure the preservation, sustainable use, and equitable sharing of the benefits of Hawai'i's biological resources.

Your Committee further finds that the University of Hawaii currently: seeks to maintain ownership and control of biological and genetic resources collected by faculty members over years of scholarship and conservation; and works to encourage and pursue joint partnerships with local, mainland, and international research institutions and private entities for research and development of these valuable resources for the benefit of the people of Hawaii and the world.

Your Committee finds that this measure, as currently drafted, would bring to an end all collaborations that the University of Hawaii has entered into in this regard. Furthermore, it will effectively terminate biological research at the University and throughout the State because it would prevent the University's researchers from transferring biological materials to other cooperating researchers, both in Hawaii and around the world. Your Committee further finds that most of the biological materials that are available for screening at the University are not endemic, indigenous, or introduced by the ancient Hawaiians, but in fact come from all around the world.

Accordingly, your Committee has amended this measure by:

- (1) Exempting the University of Hawaii from the prohibition on the sale or transfer of biological resources and biological diversity on trust lands;
- (2) Adding a penalty provision for violating this prohibition;
- (3) Changing the effective date of the bill in order to promote continuing discussion on this measure; and
- (4) Making technical nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 643, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 643, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (English, Kim, Sakamoto).

**SCRep. 713            Ways and Means on S.B. No. 719**

The purpose of this measure is to require the Department of Transportation to adopt reduced rate and fee schedules for Hawaii aquaculture enterprises that use harbors and wharves, which are managed and operated by the State.

Your Committee finds that the future of aquaculture enterprises in Hawaii is based on offshore activities, which require adjacent dock and wharf space at major harbor facilities. Major state harbors are required to charge sufficient fees to sustain their operations and capital improvement costs. Your Committee finds that the going rates and fees set by the Department of Transportation may be prohibitively expensive for these small businesses, and in order to assist the aquaculture industry, the lower rates should allow the industry to access these state sites.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 719 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (English, Kim, Sakamoto).

**SCRep. 714            Ways and Means on S.B. No. 1066**

The purpose of this measure is to appropriate funds for the maintenance and upkeep of Puea cemetery.

Puea cemetery, in Kapalama, is one of four major state cemeteries on Oahu, with graves that date back one hundred years. It contains the remains of persons of many of Hawai'i's ethnic background, including Hawaiian, Japanese, Chinese, Portuguese, Filipino, Korean, Irish, and Puerto Rican. The portion of the cemetery maintained by the Kaahumanu Society is well-kept and protected by a chain-link fence. However, the remainder is subject to litter and disrespect by passersby.

The Legislature has previously recognized the importance of maintaining our ancestral gravesites, when it passed Act 160, Session Laws of Hawaii 2001, which appropriated funds to maintain the Nanakuli homestead cemetery. Your Committee finds that Puea cemetery is also worthy of maintenance and upkeep, and that this bill will assist in that endeavor.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1066 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (English, Kim, Sakamoto).

**SCRep. 715            Ways and Means on S.B. No. 1076**

The purpose of this measure is to authorize the Department of Land and Natural Resources (DLNR) to designate hunting as the primary means of reducing game animal numbers, whether through public hunting or contracting with public organizations and clubs.

While your Committee recognizes the conflict between the values of preserving intact native ecosystems and the maintenance of viable game mammal populations for traditional, subsistence, and recreational hunting, your Committee nevertheless believes that this measure is necessary for the DLNR to control game animals.

Your Committee notes that the DLNR already uses public hunting as its primary means of controlling game animals. Your Committee further finds that scientific data indicate that to preserve certain native ecosystems, major reduction and, at times, complete elimination of game mammals may be necessary.

Your Committee agrees with the intent of this measure, and finds that allowing the DLNR to designate hunting as the primary means of reducing game animal numbers as provided in this measure will ultimately help to preserve Hawaii's native ecosystems.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1076, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (English, Kim, Sakamoto).

**SCRep. 716            Ways and Means on S.B. No. 1258**

The purpose of this measure is to repeal the law that will replace the board of directors of the Agribusiness Development Corporation with the members of the Board of Agriculture on July 1, 2005.

Your Committee received testimony in support of this measure from the Agribusiness Development Corporation, Hawaii Agriculture Research Center, Pineapple Growers Association of Hawaii, Hawaiian Commercial & Sugar Company, Hawaii Farm Bureau Federation, Kauai County Farm Bureau, East Kauai Water Users' Cooperative, and Salva Siddhanta Church.

Your Committee finds that the organizational and governance problems that were the impetus for replacing the board of directors of the Agribusiness Development Corporation with the members of the Board of Agriculture have been satisfactorily resolved.

Your Committee has amended this measure by reinserting statutory material that was omitted from section 19 of Act 176, Session Laws of Hawaii 1998, as amended by Act 117, Session Laws of Hawaii 1999, and Act 213, Session Laws of Hawaii 2001.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1258, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1258, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (English, Kim, Sakamoto).

**SCRep. 717            Ways and Means on S.B. No. 1435**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for the purpose of assisting Hawaii Gold Cacao Tree, Inc., a processing enterprise.

With the cessation of sugar operations in the State, agriculture took a serious blow. However, the land formerly devoted to growing sugar cane can be used for commercial growth of a variety of diverse crops, including cacao beans, which are the source of chocolate. The establishment of cacao and chocolate processing facilities is projected to create over one hundred new positions directly in processing and production and five hundred or more jobs in related fields. Such job opportunities are particularly needed in Hawai'i's current economic climate.

Your Committee finds that Hawaii Gold Cacao Tree, Inc. on Kaua'i is an excellent example of a cacao and chocolate processing facility that will provide significant benefits to Hawai'i's economy. Your Committee further finds that the issuance of special purpose revenue bonds for Hawaii Gold Cacao Tree, Inc. is in the public interest and for the public health, safety, and welfare.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1435 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (English, Kim, Sakamoto).

**SCRep. 718            Ways and Means on S.B. No. 1495**

The purpose of this measure is to appropriate \$200,000 in state funds to supplement federal funding to further develop and plan the Hawaii Drought Plan.

Your Committee finds that droughts are potentially devastating to Hawai'i's economy and way of life, and that a severe drought damages not only the agriculture and livestock industry, but also may harm the State's tourist industry, which depends on the State's natural beauty and "greenery" of Hawai'i's forests and plant life.

Your Committee further finds that drought declarations and emergency conservation measures have been issued intermittently over the past five years for the counties of Maui and Hawaii. Crop damage, cattle losses, water shortages in agricultural irrigation systems, and other costs are incurred during droughts. While some funding for continued planning and drought mitigation measures has been provided by the United States Department of Interior's Bureau of Reclamation, these funds may not be sufficient to fully plan and develop the Hawaii Drought Plan.

Your Committee finds that a comprehensive, well-coordinated drought plan would significantly reduce the impacts of drought in Hawaii by providing a coordinated response mechanism. The first phase of the Hawaii Drought Plan requires additional details to develop the second phase to qualify Hawaii for federal funding under the Bureau of Reclamation Program. This measure provides necessary funding for further development and planning of the Hawaii Drought Plan.

Your Committee has amended this measure by replacing the sum appropriated with an unspecified amount in order to facilitate further discussion on the funding necessary to carry out the purposes of this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1495, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1495, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (English, Kim, Sakamoto).

**SCRep. 719            (Majority) Ways and Means on S.B. No. 205**

The purpose of this measure is to entitle public employees to at least eight hours of paid leave from work per year to attend to personal matters involving the education or health of their minor children.

Furthermore, this measure prohibits public employers from crediting the paid leave against any vacation or sick leave benefits.

Your Committee finds that this measure will strengthen families by promoting parental involvement in the lives of their children. The measure will also promote better morale at work and improve employer-employee relations.

Your Committee has amended this measure by changing the minimum amount of paid leave from eight hours to four hours per year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 205, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 205, S.D. 3.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (English, Espero, Kim).

**SCRep. 720            Ways and Means on S.B. No. 759**

The purpose of this measure is to exclude administrative expenses from the calculation of public employee health and long-term care plan rates.

Your Committee finds that the recently established Hawaii Employer-Union Health Benefits Trust Fund is responsible for approximately \$550 million in annual revenues and represents 90,000 active and retired public employees. Your Committee concurs with the findings of the Committee on Labor, that greater administrative costs will be incurred during the initial implementing stages of the trust fund and that such costs should eventually decrease. Nonetheless, these costs should not be the responsibility of public employees. Thus, this bill removes administrative expenses from the calculation of public employee health and long-term care plan rates.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 759, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (English, Kim).

**SCRep. 721            (Majority) Ways and Means on S.B. No. 761**

The purpose of this measure is to authorize the Hawaii employer-union health benefits trust fund board of directors to hire its own attorneys.

Your Committee finds that the trust fund is responsible for approximately \$550 million in annual revenues and represents 90,000 active and retired public employees. The trust fund negotiates health benefits on behalf of public employees with the employer - the State of Hawaii and the respective counties. The trust fund, however, receives legal counsel from the state Attorney General. This apparent conflict of interest places the trust fund in the difficult position of relying on legal counsel provided by the employer.

This bill removes any conflict of interest by authorizing the trust fund to hire its own attorneys to provide its members with the best possible representation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 761 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (English, Kim).

**SCRep. 722            Ways and Means on S.B. No. 762**

The purpose of this measure is to change the date the employer contribution cap on monthly contributions for retiree health benefits plans is adjusted from July 1, 2004 to July 1, 2002.

The bill also changes the method of calculating that contribution by using the medicare part B premium rate in effect at the beginning of the previous plan year, instead of the rate in effect at the end of the previous plan year.

Your Committee finds that this bill will more accurately and fairly reflect changes in health care costs and provide a more equitable adjusted base to calculate monthly contributions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 762, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 723            Ways and Means on S.B. No. 765**

The purpose of this measure is to allow principals and vice-principals to retire without penalty at least twenty-five years of credited service regardless of age.

In general, a state employee must attain age fifty-five before being allowed to retire with a full service retirement allowance. Retiring before that age will reduce the member's retirement allowance in accordance with factors of actuarial equivalence adopted by the Board of Trustees of the Employees Retirement System upon the advice of an actuary.

There are specific exemptions to this policy, which allow an employee who has served as a firefighter, police officer, corrections officer, investigator of the department of the prosecuting attorney, investigator of the department of the attorney general, narcotics enforcement investigator, public safety investigations staff investigator, sewer worker, or water safety officer to receive full benefits, even if the employee retires before attaining age fifty-five. Your Committee finds that it is appropriate to add principals and vice-principals to this list of employees, as long as they have twenty-five years of credited service.

Your Committee has amended this bill by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 765, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 765, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 724 (Majority) Ways and Means on S.B. No. 768**

The purpose of this measure is to minimize the disruption of public services and programs in the event of an impasse between a public employer and an exclusive representative by reinstating final and binding arbitration for employees in collective bargaining units 2, 3, 4, 6, 8, and 13.

Your Committee finds that the use of final and binding arbitration is the most modern and reasonable way of settling a labor dispute between a public employer and an exclusive representative. Arbitration poses no threat to the continuation of public services and programs and allows these disputes to be settled with authority and finality through the use of an objective and neutral third party.

Your Committee has amended this measure by making a technical nonsubstantive change for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 768, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 768, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (English, Kim).

**SCRep. 725 (Majority) Ways and Means on S.B. No. 773**

The purpose of this measure is to establish an alternative base period under the employment security law for individuals who do not have sufficient qualifying weeks or wages in the base period to qualify for unemployment insurance benefits.

Your Committee finds that the alternative base period will give the Department of Labor and Industrial Relations more flexibility in determining a base period that best reflects the employee's true earnings.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 773 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, 1 (Slom). Excused, 1 (Kim).

**SCRep. 726 Ways and Means on S.B. No. 787**

The purpose of this measure is to authorize paid leave for state and county employees who assist in disaster relief efforts.

Specifically, the bill allows the Governor and the Mayor of any county to permit state and county employees who are certified as American Red Cross disaster volunteers to take a paid leave of absence in certain instances to perform disaster relief services for the American Red Cross.

In addition, this measure requires these state and county employees to be paid at their regular rates of pay for those regular hours during which the employees are absent from work, without loss of seniority, pay, vacation, sick leave, or earned overtime accumulations.

Your Committee finds that about forty-one states permit government employees to take a paid leave of absence in order to perform disaster relief services for the American Red Cross.

Your Committee received testimony in support of this measure from the Department of Defense, the Hawaii Government Employees Association, and the Hawaii State Chapter of the American Red Cross.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 787 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 727 (Majority) Ways and Means on S.B. No. 789**

The purpose of this measure is to extend from July 1, 2003 to July 1, 2004 the switch over from the Public Employees Health Fund to the Hawaii Employer-Union Health Benefits Trust Fund.

Furthermore, this measure appropriates additional funds to the Department of Budget and Finance for the upcoming fiscal year to facilitate the transition.

Your Committee finds that Act 88, Session Laws of Hawaii 2001, establishes the Hawaii Employer-Union Health Benefits Trust Fund, repeals the Public Employees Health Fund, and transfers all positions, employees, appropriations, and assets from the one fund to the other effective July 1, 2003.

Your Committee intends to pass this measure along as a back-up plan in case problems arise that will prevent the Hawaii Public Employees Health Fund from starting on time. Your Committee does not intend to delay the Hawaii Public Employees Health Fund. Specifically, this measure will allow the Hawaii Public Employees Health Fund to contract for health and life insurance benefits from July 1, 2003, to July 1, 2004.

Your Committee has amended this measure by changing the effective date from June 30, 2003 to June 30, 2053 in order to promote continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 789, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 789, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Kim).

**SCRep. 728 Ways and Means on S.B. No. 797**

The purpose of this measure is to permit all retirees or beneficiaries of the state retirement system who retire or become beneficiaries after January 1, 2003, the option to be paid on either a monthly or a semimonthly basis.

A further purpose of this measure would allow nine-, ten-, and eleven-month employees, elective officers, and appointees of the Governor to specify their effective date of retirement.

Your Committee finds that section 88-6, Hawaii Revised Statutes, as amended by Act 128, Session Laws of Hawaii 2002, requires all retirees or beneficiaries of the state retirement system who retire or become beneficiaries after January 1, 2003, to be paid their retirement payment on a monthly basis. All retirees or beneficiaries prior to that date would continue to be paid semimonthly. This measure would give retirees or beneficiaries who retire or become beneficiaries after January 1, 2003, the option of receiving their benefits on a monthly or semimonthly basis.

This measure would further allow nine-, ten-, and eleven-month employees, elective officers, and appointees of the Governor to designate their effective retirement date. Presently, the effective date of retirement for all members of the state retirement system is the first day of any month or the first or last day of December.

In keeping with the intent of Act 128, Session Laws of Hawaii 2002, to simplify the administration and processing of pension benefits, your Committee had amended this measure by deleting the provision giving retirees or beneficiaries who retire or become beneficiaries after January 1, 2003, the option to receive pension benefits on a semimonthly basis.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 797, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 797, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 729 (Majority) Ways and Means on S.B. No. 936**

The purpose of this measure is to protect an individual's eligibility for unemployment benefits in situations where the individual voluntarily separates from employment because the individual or the individual's minor child is a victim of domestic or sexual violence.

Specifically, this measure specifies that when a person voluntarily separates from employment due to domestic or sexual violence the voluntary separation is deemed to be with good cause.

Your Committee finds that, under present law, a voluntary separation from employment without good cause disqualifies an individual from receiving unemployment benefits. This measure ensures that such a person will not be deemed to have voluntarily separated without good cause.

Your Committee further finds that this measure will enable victims of domestic or sexual violence to maintain the financial independence necessary to leave abusive situations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 936, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 4 (Sakamoto, Hemmings, Slom, Trimble). Excused, 1 (Kim).

**SCRep. 730 (Majority) Ways and Means on S.B. No. 1065**

The purpose of this measure is to establish a managed competition process for the provision of government services.

In particular, this measure requires that a single, uniform process for managed competition be established for the State and each of the counties. The directors of finance of the State and of each county are responsible for establishing a uniform system for identifying and quantifying the costs of providing the government services in-house. They must also specify direct and indirect costs common to agencies within the State and each county, and standards of performance and other objective accountability measures for evaluating whether efficiencies and economies have been achieved.

Your Committee finds that Act 230, Session Laws of Hawaii 1998, established a committee to develop a managed process allowing state and county agencies to contract with the private sector for the provision of government services, and to make government more efficient and cost-effective. This measure implements the recommendations of that committee.

Your Committee finds that the managed competition process set forth in this measure will help to ensure that when government decides to seek services from the private sector, it relies on accurate assessments of the government's financial condition and informed and responsible cost comparisons, and makes every effort to minimize the impact of decisions on public employees.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1065 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Kim).

**SCRep. 731 Ways and Means on S.B. No. 1155**

The purpose of this measure is to assist certain trustees of the Office of Hawaiian Affairs to receive proper service credit for retirement purposes.

Specifically, this bill allows trustees of the Office of Hawaiian Affairs with less than five years of membership service with the Employees' Retirement System and who were in service on July 1, 2002, and elected to become members of the system by October 1, 2002, to make lump sum payments of contribution to the system in order to acquire credit for their prior service.

Your Committee finds that this measure is necessary to remedy an oversight in Act 183, Session Laws of Hawaii 2002. The purpose of Act 183 was to allow the trustees to participate in and receive the same benefits from the retirement benefits programs in which other elected salaried officials of the State participate. However, the Act did not allow members with less than five years of credited service to acquire service credit for their past service through a lump sum purchase.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1155, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 732 Ways and Means on S.B. No. 1309**

The purpose of this measure is to amend various provisions of chapter 88, Hawaii Revised Statutes, relating to the Employees' Retirement System.

Specifically, this bill:

- (1) Clarifies to whom monthly pensions are payable upon the death of a pensioner;
- (2) Requires the Board of Trustees of the Employees' Retirement System to set the administrator's salary at not more than that of a state executive department director;
- (3) Allows elective officials and judges who have retired after attaining the seventy-five per cent benefit limitation to begin receiving benefits on the last day of December; and

- (4) Restores the method used to calculate a member's average final compensation prior to the enactment of Act 128, Session Laws of Hawaii 2002.

Your Committee finds that Act 128, Session Laws of Hawaii 2002, was passed to streamline the processing of retirement benefits, but had the unintended effect of negatively impacting the retirement benefits of certain membership groups. This measure addresses this unintended consequence and also clarifies existing statutory language to provide for consistency in the application of Employees' Retirement System provisions.

Upon consideration of the fiscal impact of this measure, your Committee has amended this bill to keep intact existing statutory provisions that require the Employees' Retirement System board to set the salary of the Administrator within the range established for deputy directors.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1309, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1309, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 733      Ways and Means on S.B. No. 1312**

The purpose of this measure is to require the Employee's Retirement System to pay interest to a retiree if the system fails to finalize a retiree's pension benefit within six months of the retiree's retirement.

Furthermore, this measure authorizes the Employees' Retirement System to charge the departments and agencies monthly fees for late reporting of information requested on an employee's retirement.

Your Committee finds that pension benefits should be processed in a timely manner. This measure encourages departments to be prompt in their reporting of data to the Employees' Retirement System, and the system to be prompt in finalizing the pension benefit.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1312, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 734      Ways and Means on S.B. No. 1373**

The purpose of this measure is to clarify that positions established by the Department of Labor and Industrial Relations to implement federally funded employment or training programs or both, including those established under the Comprehensive Employment and Training Act, Job Training Partnership Act, Workforce Investment Act, and the welfare to work program, may be exempt from the civil service law.

Your Committee finds that in 1983, section 394A, Hawaii Revised Statutes, was enacted to provide staffing necessary for the State to administer federally-funded training programs under the Job Training Partnership Act. Because of the temporary nature of the positions, however, they were classified as exempt. In 1998, the Job Training Partnership Act was replaced by the Workforce Investment Act of 1998.

Subsequently, legislation was introduced that amended various sections of the law relating to the administration of federally-funded job training programs. However, instead of amending the law to allow exempt positions for staffing under the Workforce Investment Act, the applicable section was repealed, leaving no statutory basis for certain exempt positions within the Department.

Your Committee finds that this measure will allow the Department to statutorily restore its exempt positions to assist in the administration of the Workforce Investment Act, thereby allowing the Department to execute its duties as the recipient of federal employment and training funds for the State and enabling the Department to secure future federal employment and training funds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1373, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 735      Ways and Means on S.B. No. 1438**

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive representative of collective bargaining Unit 1, nonsupervisory employees in blue-collar positions.

This measure also funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for nonsupervisory employees in blue-collar positions who are excluded from collective bargaining.



Your Committee believes that a vehicle for funding these collective bargaining cost items, and salary increases and other cost adjustments, should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 1 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1438 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Kim).

**SCRep. 736            Ways and Means on S.B. No. 1439**

The purpose of this measure is to appropriate funds for salary increases for public employees.

Specifically, the bill appropriates funds for all collective bargaining cost items in the agreements negotiated with the exclusive representatives of collective bargaining Units 2, 3, 4, 6, 8, 9, and 13.

Additionally, the bill appropriates funds for salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

Your Committee believes that this bill should continue to advance in the Legislature as a vehicle for funding these collective bargaining cost items, and salary increases and other cost adjustments as negotiations between the State and the exclusive bargaining representative for Units 2, 3, 4, 6, 8, 9, and 13 continue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1439 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Kim).

**SCRep. 737            Ways and Means on S.B. No. 1440**

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of Unit 5 (teachers and other personnel of the Department of Education under the same salary schedule).

This measure also funds salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for teachers and other personnel of the Department of Education under the same salary schedule who are excluded from collective bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee finds that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 5 continue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1440 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Kim).

**SCRep. 738            Ways and Means on S.B. No. 1441**

The purpose of this measure is to appropriate funds for all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining Unit 7, faculty of the University of Hawaii and the community college system.

In addition, the bill appropriates funds for salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

Your Committee believes that this bill should continue to advance in the Legislature as a vehicle for funding these collective bargaining cost items, and salary increases and other cost adjustments as negotiations between the State and the exclusive bargaining representative for Unit 7 continue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1441 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Kim).

**SCRep. 739            Ways and Means on S.B. No. 1442**

The purpose of this measure is to fund the collective bargaining costs negotiated with employees in Unit 10, including certain state officers and employees excluded from collective bargaining.

Your Committee finds that this bill is one of several legislative vehicles used to fund the State's collective bargaining costs and will be finalized during the course of the legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1442 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Kim).

**SCRep. 740      Ways and Means on S.B. No. 1443**

The purpose of this measure is to fund the collective bargaining costs negotiated with employees in Unit 11, including certain state officers and employees excluded from collective bargaining.

Your Committee finds that this bill is one of several legislative vehicles used to fund the State's collective bargaining costs and will be finalized during the course of the legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1443 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Kim).

**SCRep. 741      Ways and Means on S.B. No. 1444**

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive representative of collective bargaining unit 12 - police officers, for fiscal biennium 2003-2005.

Your Committee on Labor previously received testimony in support of this measure from the State of Hawaii Organization of Police Officers. The Office of Collective Bargaining opposed this measure.

Although no sums have been appropriated or authorized from the sources of funding enumerated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items and salary increases and cost adjustments should continue to advance in the Legislature, as negotiations between the State and the exclusive representative of collective bargaining unit 12 will eventually produce a settlement. For health and safety reasons, the members of collective bargaining unit 12 are not permitted to engage in a labor strike.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1444 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Kim).

**SCRep. 742      Ways and Means on S.B. No. 1445**

The purpose of this measure is to provide funds to cover any salary increases that may be authorized for officers and employees excluded from collective bargaining.

Specifically, this bill appropriates unspecified amounts to cover salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for excluded officers and employees of the Office of the Auditor, the Ethics Commission, the Legislative Reference Bureau, and the Ombudsman.

Your Committee believes that this bill is necessary to make funds available to pay for any salary increases and cost adjustments for the excluded offices and employees of the agencies listed above.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1445 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Kim).

**SCRep. 743      Commerce, Consumer Protection and Housing on S.B. No. 683**

The purpose of this measure is to establish provider standards for medically necessary diabetes education.

Testimony in support of this measure was provided by an individual. The Hawaii Medical Service Association (HMSA), Kaiser Permanente, Hawaii Pharmacists Association, and American Healthways testified against the measure.

Your Committee finds diabetes, perhaps more than any other disease, is subject to control through self-management. Diabetes self-management education provides a person with diabetes with the necessary knowledge and skills to assess the person's condition with respect to diet, activity level, and medication, and to respond appropriately to maintain good glucose control.

This measure requires that diabetes education provided under health insurance coverage be provided by a program recognized by either the American Diabetes Association or the National Committee for Quality Assurance, or by a certified diabetes educator. This requirement ensures that diabetes education meets national standards, which in turn, ensures that self-management education is based on a combination of the best scientific evidence and the best practices.

Health maintenance organizations (HMOs) are currently required to provide medically necessary diabetes education for their enrollees pursuant to section 432D-23, Hawaii Revised Statutes (HRS). This provision incorporates by reference the diabetes education requirement of section 431:10A-121, HRS, and makes it applicable to HMOs. The aforesaid notwithstanding and based on the recommendation of HMSA, your Committee has amended this measure by adding a provision to the Health Maintenance Organization Act to directly require HMOs to provide medically necessary diabetes education.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 683, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 683, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

**SCRep. 744 Commerce, Consumer Protection and Housing on S.B. No. 747**

The purpose of this measure is to require dental plans to allow patients to choose their own dentists and to provide patients the option of having their insurance reimbursement sent directly to their dentists.

Testimony in support of this measure was received from Hawaii Dental Association, Kaneohe Family Dental Care, and six individuals. Testimony in opposition was received from The Chamber of Commerce of Hawaii, Hawaii Medical Service Association, and United Food and Commercial Workers Union, Local 480. Comments were submitted by Hawaii Dental Service.

Your Committee finds that this measure would alleviate the lack of proper dental care that exists in Hawaii in general. A large part of the solution is accessibility, which is improved by affordability. Accessibility is enhanced with reimbursements to non-participating providers, allowing patients to seek treatment from more dentists. Affordability is improved by alleviating the necessity that patients pay for their services at the time the service is rendered by a non-participating provider.

Your Committee heard concerns that this measure may result in higher costs and lower quality of dental care since non-participating providers are not bound to dental plan fee schedules or credentialing and quality improvement measures. To further exacerbate this problem, current participating providers may choose not to remain in dental plans since reimbursements will be paid regardless of participation.

In view of the foregoing concerns, your Committee has amended this measure by changing the effective date to July 1, 2050, to continue the discussion, and making technical, nonsubstantive changes for clarity.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 747, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 747, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

**SCRep. 745 Commerce, Consumer Protection and Housing on S.B. No. 1201**

The purpose of this measure is to reinstate regulatory licensing of motor vehicle manufacturers and motor vehicle distributors through articulating prohibited practices related to franchising and assigning procedures and remedies for violations of such regulations.

Testimony in support of this measure was submitted by the Motor Vehicle Industry Licensing Board, several Hawaii motor vehicle dealerships, and the Hawaii Automobile Dealers Association. The Department of Commerce and Consumer Affairs and the Alliance of Automobile Manufacturers submitted comments on this measure.

Your Committee finds that restoration of licensing of motor vehicle manufacturers and distributors will provide additional protections for motor vehicle dealers and extend these same protections to distributors. Your Committee further finds that motor vehicle franchise laws have been enacted in all of the other forty-nine states, as a means to extend protections to dealers and distributors from potential coercive business practices by motor vehicle manufacturers. Your Committee notes that there have been and continue to be ongoing discussions between representatives of motor vehicle manufacturers and Hawaii automobile dealers with regard to resolving disputes arising from violations of this proposed franchising law. In consideration of these discussions, your Committee will retain the defective effective date of this measure and has further amended this measure by:

- (1) Clarifying that no waivers of state law may be offered as part of a franchise or distributorship agreement binding a person who is acquiring or holding a franchise or distributorship;

- (2) Adding a provision to allow for a voluntary dispute resolution option to be exercised in order to settle legitimate disputes between parties;
- (3) Applying the same dispute resolution options available to disputes involving franchise or distributorship agreements in determining remedies available to distributorships that are not manufacturers;
- (4) Deleting the proposed amendment to section 437-25(b), Hawaii Revised Statutes (HRS), that referenced a section of law (section 437-17, HRS) that was repealed by Act 153, Session Laws of Hawaii 1992; and
- (5) Making technical nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1201, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1201, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 746 Commerce, Consumer Protection and Housing on S.B. No. 1321**

The purpose of this measure is to expand the definition of “serious mental illness” so that people with different types of serious mental illness will have access to treatment with continued parity reimbursement and treatment requirements.

Testimony supporting this measure was received from the Governor, Department of Commerce and Consumer Affairs, Department of Health, Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO, Hawaii Psychological Association, Mental Health Association of Hawaii, National Association of Social Workers, Hawaii Nurses Association, Equal Insurance Coalition, NAMI Oahu, Blueprint for Change, Hawaii Psychiatric Medical Association, Hawaii Disability Rights Center, and six individuals. Testimony opposing this measure was received from the Chamber of Commerce of Hawaii.

Specifically, this measure includes delusional disorder, bipolar types I and II, major depression, obsessive compulsive disorder, and dissociative disorder as serious mental illnesses, and repeals the June 30, 2003, sunset date of the enabling provision in Act 243, Session Laws of Hawaii, requiring parity of serious mental illness health-insurance benefits with physical health insurance benefits.

Your Committee finds that existing law provides “parity” among the insurance benefits for services to treat serious mental illness and services for other medical or surgical conditions, but does not require parity in benefits for some of the most serious conditions, such as depression. This measure reaffirms the State’s commitment to equal treatment for all of its citizens by eliminating distinctions that unfairly distinguish serious mental illness from other medical conditions, and making the parity requirement permanent.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1321 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

**SCRep. 747 Commerce, Consumer Protection and Housing on S.B. No. 1361**

The purpose of this measure is to facilitate more timely review and adoption of drug product therapeutic equivalency information and to clarify prescription drug labeling requirements.

Testimony supporting this measure was received by your Committee from the Department of Health and Hawaii Pharmacists Association.

Your Committee finds that this measure is a collaborative effort involving the Department of Health, Drug Product Selection Board (Board) and industry members such as the Hawaii Medical Association, individual practitioners, and pharmacists. This measure allows the Board to use the “Compendia of Therapeutically Equivalent Generic Drugs” also known as the “Orange Book”, which makes for more timely approval of therapeutically equivalent generic drugs. This would result in more timely removal of nonequivalent drugs to reduce adverse patient outcomes. The Orange Book is a published document, which comes online as the Compendia before it is printed. Your Committee finds that this measure will enhance the efficiency, accuracy, and safety in dispensing therapeutically equivalent generic drug products.

Your Committee has amended this measure by making technical, nonsubstantive amendments to reflect proper drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1361, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1361, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

**SCRep. 748 Commerce, Consumer Protection and Housing on S.B. No. 295**

The purpose of this measure is to repeal the statutory fee structure for towing operations and require the establishment of fees and charges by administrative rule.

The Hawaii Insurers Council supported this measure with amendments. The Department of Commerce and Consumer Affairs (DCCA) opposed the measure. The Department of Customer Services of the City and County of Honolulu (City and County) presented oral comments on the measure.

This measure repeals provisions in the law that establish maximum amounts that may be charged by towing companies and requires the DCCA to establish towing charges and fees by administrative rule. DCCA opposed the measure, citing its lack of expertise and resources to establish and enforce rate requirements and the apparent absence of consumer harm that would justify a change in the rate structure.

Your Committee finds that a statewide rate and fee structure may not be appropriate for towing operations. The cost of operating a tow business is affected by various factors, including population size and density, land and fuel costs, and the degree of competition. The existing statutorily established rates may be inadequate to compensate tow companies in counties where operating costs are higher due to these factors.

Your Committee considered a proposal to require the counties to regulate towing operations. Currently, the City and County regulates only those tow companies it retains under contract to remove vehicles from public areas. Rates and fees are set within the maximum limits of state law and contract provisions govern other aspects of tow operations, including equipment standards, hours of operation, storage of vehicles, recordkeeping, and insurance requirements.

Your Committee further finds that the counties may differ as to the extent of any consumer problem in their communities arising from tow operations and their ability to support regulatory activities. Therefore, your Committee has amended this measure by replacing its existing language with language that authorizes, but does not require the county councils to enact ordinances regulating towing operations. If a county declines to regulate towing operations, state law continues to apply.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 295, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 295, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 749 Commerce, Consumer Protection and Housing on S.B. No. 374**

The purpose of this measure is to clarify the definition of "de minimus structure position discrepancy" and its application when property which use is undeterminable is owned in common and abuts another property.

A real property attorney and a law firm representing condominium associations submitted comments on this measure.

Your Committee finds that the original intent of the de minimum structure position discrepancy law was to provide a statutory mechanism for resolving disputes involving minor boundary encroachments between property owners to prevent costly dispute resolution through the court system. Your Committee further finds that since that time, other property uses and ownership have been included in the law, which were not anticipated in the original law and thus need to be addressed. However, your Committee agrees that further dialogue is needed to address these unanticipated situations.

Thus, your Committee has amended this measure by adding a defective effective date to allow further discussion in hopes of achieving resolution on this measure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 374, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 374, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 750 Commerce, Consumer Protection and Housing on S.B. No. 1049**

The purpose of this measure is to terminate the oversight of wireless telecommunications providers by the Public Utilities Commission (PUC).

AT&T Wireless and Verizon Wireless testified in support of this measure. The PUC, Consumer Advocate, and Department of Taxation presented comments on the measure.

This measure deregulates the wireless telecommunications industry in Hawaii by excluding from the definition of "public utility" in chapter 269, Hawaii Revised Statutes, persons granted an exclusive wireless telecommunications license by the Federal Communications Commission.

Your Committee has amended this measure to provide for the partial deregulation of the wireless industry. As amended, this measure continues PUC oversight with respect to certification, exemptions and waivers, the annual public utility fee, liability for damage to public utility property, the Public Utility Special Fund, and the Universal Service Fund. PUC oversight would be eliminated with respect to general supervision, financial reports filing, accident reporting, tariff filing, termination of service, securities issuance, issuance of voting stock, acquisition of another public utility's stock, merger and consolidation, and penalties. In addition, under this measure, as amended, a wireless carrier would not be subject to investigations by the Consumer Advocate and the PUC would not receive complaints about wireless carriers.

Your Committee finds that the issue of wireless deregulation raises several concerns including those relating to the collection and adjudication of consumer complaints, the impact on programs designed to provide greater access for the disabled, the implementation of number portability, and revenue losses resulting from a decrease in public service company taxes. In order to facilitate further review of these and other matters, your Committee has inserted into the measure a delayed effective date of July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1049, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1049, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

**SCRep. 751 Commerce, Consumer Protection and Housing on S.B. No. 1229**

The purpose of this measure is to require a nonprofit corporation whose bylaws provide for appointment of a majority of its board of directors by a government official or agency, to abide by chapter 92, Hawaii Revised Statutes (HRS), relating to public agency meetings and records otherwise known as the Sunshine Law, and chapter 92F, HRS, relating to the Uniform Information Practices Act (UIPA).

Testimony in support of this measure was received from the Office of Information Practices (OIP), Advocates for Consumer Rights, The League of Women Voters of Hawaii, and four individuals.

This measure addresses the issue of whether or not hybrid public-private organizations, groups with both governmental and non-governmental qualities, are subject to the Sunshine Law and the UIPA. The OIP has devoted time-consuming effort to resolving citizen inquiries on this matter. This measure addresses and resolves the uncertainty.

Your Committee has amended this measure to add nonprofits whose assets are payable to the State upon dissolution or whose majority of funds are public funds, and to make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1229, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1229, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

**SCRep. 752 Commerce, Consumer Protection and Housing on S.B. No. 1313**

The purpose of this measure is to authorize the Board of Public Accountancy to accept computer-based testing.

The Department of Commerce and Consumer Affairs, the Board of Accountancy, and a certified public accountant submitted testimony in support of this measure. The Hawaii Association of Public Accountants, Niwao & Roberts, Taketa, Iwata, Hara & Associates, LLP, and the Hawaii Society of Certified Public Accountants submitted testimony in support of the measure with suggested amendments.

Your Committee finds that the American Institute of Certified Public Accountants is expected to launch a computer-based licensing examination in the spring of 2004. With computer-based testing, the examination will change from a written to electronic format, and the administration of the examination will change from twice annually, in May and November, to a more flexible schedule of up to four times in twelve months. Your Committee believes that this change will, therefore, allow the Board to utilize current technology and provide more opportunities for accountants to become licensed.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1313 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 753 Commerce, Consumer Protection and Housing on S.B. No. 1317**

The purpose of this measure is to conform provisions in the Insurance Code (Code) and related chapters to requirements in the Producer Licensing Act.

The Department of Commerce and Consumer Affairs, Hawaii Independent Insurance Agents Association, and Association of Insurance and Financial Advisors testified in support of this measure. The American Council of Life Insurance commented on the measure.

Act 216, Session Laws of Hawaii 2001, enacted the Producer Licensing Act. Since the producer licensing laws were adopted, the Insurance Division has continued to review them within the context of other insurance laws for the purpose of establishing greater consistency and efficiency within the laws. This measure proposes changes to the Code and other laws within Title 24, Hawaii Revised Statutes, in furtherance of this purpose.

Upon the recommendation of the Insurance Division, your Committee has amended this measure to delete the definition of "credit hour", which is being inserted in another measure, correct an internal reference, require mutual benefit societies to comply with the quarterly filing requirement imposed on health insurers and health maintenance organizations, and conform annual filing dates. Your Committee also made technical amendments for purposes of clarity, consistency, and style, to reflect language in the Hawaii Revised Statutes, and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1317, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1317, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 754 Commerce, Consumer Protection and Housing on S.B. No. 1484**

The purpose of this measure is to provide for the continued regulation of occupational therapists by eliminating the current statute's repeal date of December 31, 2003.

This measure also removes the provision of temporary permits to eligible occupational therapists that have not yet been certified.

Testimony in support of this measure was submitted by the Department of Education, the American Occupational Therapy Association, Inc., the Occupational Therapy Association of Hawaii, the Hawaii Speech-Language-Hearing Association, the Hawaii Chapter of the American Physical Therapy Association, occupational therapists from Straub Clinic & Hospital, and one hundred seventeen private citizens.

Occupational therapists and occupational therapist assistants from the Queen's Medical Center submitted testimony in support of the intent of the measure with recommendation for amendments. The occupational therapists from the Hawaii State Hospital submitted testimony in opposition to this measure and the Department of Commerce and Consumer Affairs offered comments on the measure.

Your Committee finds that under existing law, occupational therapists are required to meet minimum educational and examination requirements in order to be certified to practice in the Hawaii. Your Committee also finds that occupational therapists provide a valuable service to the community, assisting patients of all ages who, because of illness, injury, or developmental or psychological impairment are in need of specialized services. Your Committee believes that continued regulation of the practice of occupational therapy is necessary to safeguard the public's health, safety, and welfare by assuring occupational therapists will be held to the highest degree of professional and ethical conduct.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1484 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 755 Commerce, Consumer Protection and Housing on S.B. No. 1549**

The purpose of this measure is to disallow the substitution of private industry or government accounting experience for public accounting experience for certified public accountant license applicants.

Testimony in support of this measure was submitted by the Hawaii Association of Public Accountants, Hawaii Society of Certified Public Accountants, and numerous members of the public accountancy profession. The Board of Public Accountancy (Board), Internal Revenue Service, and a certified public accountant opposed the measure. The Department of Taxation commented on the measure.

A person wishing to practice public accountancy in this State is required to obtain both a certified public accountant (CPA) license and a permit to practice. The license requirements establish minimum educational, experiential, and competency standards. In order to obtain a permit to practice, a person must have a valid license and additionally, comply with continuing education requirements, among other requirements.

One of the requirements for obtaining a license is the completion of two years of professional experience in public accountancy practice. Experience in private or government accounting or auditing work may be substituted for all or part of this requirement if deemed equivalent to professional experience in public accounting by the Board. This measure proposes to disallow the experience equivalency on the basis that experience in private industry or government accounting is not equivalent to public accounting experience.

Your Committee acknowledges the concerns of the proponents of this measure that the current licensing structure allows persons without public accounting experience to engage in public accountancy since the standard for obtaining a permit to practice does not distinguish between licensees with public accounting experience and those qualified for a license on the basis of a public accounting equivalency.

However, your Committee also recognizes the concerns raised by the opponents of this measure that the elimination of the experience equivalency will adversely affect the ability of private industry and government to employ or retain staff to perform accounting and auditing work, since that experience will not be able to be applied to qualify for a license. The Department of Taxation testified that this measure would affect its ability to recruit new college graduates for employment.

In order to balance these competing interests, your Committee has amended this measure to retain the experience equivalency for the purpose of qualifying for a license, but to disallow consideration of the equivalency for the purpose of qualifying for a permit to practice. By making this amendment, it is your Committee's intent to authorize only persons with the requisite public accounting experience to actively engage in public accounting practice, but to allow persons with other accounting or auditing experience to qualify for a CPA license.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1549, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 756 Commerce, Consumer Protection and Housing on S.B. No. 1553**

The purpose of this measure is to provide an exemption for developers of time share plans who make monetary loans to purchasers of time share interests from the provisions of the mortgage brokers and solicitors licensing laws.

Testimony in support of this measure was submitted by PAHIO Resorts, the Hawaii Chapter of the American Resort Development Association, and SVO Pacific Inc. The Department of Commerce and Consumer Affairs submitted comments on this measure.

Your Committee finds that there is ambiguity in current regulatory laws as to whether time share developers should be licensed as mortgage brokers or solicitors when making loans to purchasers of time share interests. Your Committee further finds that while the purchase of residential property through residential mortgages is clearly regulated by state and federal law, the purchase of time share interests, which are regulated under a separate state law, may not need the same protections as are provided for residential mortgages. However, your Committee agrees that further dialogue is needed to clarify the appropriate regulatory mechanism for loans made by time share developers to individuals who purchase time share interests.

Thus, your Committee has amended this measure by adding a defective effective date to allow further discussion in hopes of achieving resolution on this measure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1553, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1553, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 757 (Joint) Commerce, Consumer Protection and Housing and Judiciary and Hawaiian Affairs on S.B. No. 1270**

The purpose of this measure is to reinsert the term "threefold" into section 480-14(c) to rectify its inadvertent omission upon the enactment of Act 229, Session Laws of Hawaii 2002 (Act 229).

The Attorney General and Davis Levin Livingston Grande testified in support of this measure.

Act 229 amended, among other antitrust statutes, section 480-14(c), Hawaii Revised Statutes (HRS), which authorizes the Attorney General to bring an antitrust class action on behalf of indirect purchasers. Act 229 was based upon S.B. No. 1320, S.D. 2, H.D. 1 (S.B. No. 1320), a carry-over measure from the 2001 session. Because S.B. No. 1320 was a carry-over measure, it did not contain changes to section 480-14(c), HRS, adopted in the 2001 session, including the addition of the word "threefold" pursuant to Act 79, Session Laws of Hawaii 2001. Therefore, when Act 229 was adopted, the word "threefold" did not appear in section 480-14(c), HRS. This measure is intended to correct this omission.

Your Committees have amended this measure by deleting the term "compensatory" from section 480-14(c) to make the language therein consistent with language in other provisions of chapter 480, HRS.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1270, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1270, S.D. 1, and be placed on the calendar for Third Reading.



Signed by the Chairs on behalf of the Committees.  
Ayes, 11. Noes, none. Excused, 3 (Fukunaga, Ige, Kim).

**SCRep. 758 Health on S.B. No. 993**

The purpose of this measure is to prohibit smoking in the state capitol building.

Testimony supporting this measure was received from the American Heart Association, HMSA, Coalition for a Tobacco Free Hawaii, American Lung Association, and nine individuals.

Your Committee finds that smoking causes direct health hazards to both smokers and nonsmokers. Existing law prohibits smoking in various facilities and public open areas in state or county owned or controlled buildings. The State Capitol building is a unique structure in which interior open areas (including the "railing") are integral to the design and function of the State Capitol building. A large number of persons, including legislators, staff, constituents, and tourists, travel these interior open areas. Therefore, smoking in these areas subjects them to secondhand smoke and should be discontinued immediately.

Your Committee does recognize that individuals, including legislators, staff, and members of the public, may assess their own health risks and continue to smoke. That is their prerogative. Therefore, to accommodate smokers, your Committee has amended this measure by designating the following smoking areas in the capitol building:

- (1) An open area fifteen feet from the center railing on the makai side of the fifth floor; and
- (2) An open area ten feet from the capitol building on the makai side on the first floor.

The measure also allows the Department of Accounting and General Services to designate an alternate open area for the first floor if the alternate area is less frequented by pedestrian traffic than the statutorily designated area.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 993, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 993, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Tsutsui).

**SCRep. 759 Health on S.B. No. 1364**

The purpose of this measure is to clarify that emergency psychiatric examination and hospitalization is an alternative for mentally ill adults and for mentally ill adults with a substance abuse (dual) disorder.

The Hawaii Psychological Association submitted testimony in support of the measure. The Judiciary and the Department of Health submitted comments on the measure.

Your Committee finds that under existing law, psychiatric examination and hospitalization is an alternative for individuals who are mentally ill or suffering from substance abuse. Those individuals who pose a risk to the public or themselves can be hospitalized in a licensed psychiatric facility. However, a person who does not suffer from a mental illness but who has a substance abuse problem does not necessarily require such hospitalization. Therefore, your Committee determines that clarification of the requirements for examination and hospitalization is necessary to protect the liberty interests of individuals and the public-at-large.

However, your Committee believes that further clarification may be necessary in order to ensure that the measure will encompass all intended individuals. Accordingly, your Committee has amended the measure as follows:

- (1) By extending the effective date to July 1, 2050, to facilitate ongoing discussion and to provide various government agencies, organizations, and the community-at-large the opportunity to offer additional input on the issue; and
- (2) By making a technical, nonsubstantive amendment to accurately reflect existing statutory language.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1364, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1364, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Tsutsui).

**SCRep. 760 (Majority) Labor on S.B. No. 1070**

The purpose of this measure is to require employer-requested medical examinations for determining permanent impairment in workers' compensation cases to be performed by a physician who has been mutually agreed upon by the parties or, barring agreement, a physician appointed by the Director of the Department of Labor and Industrial Relations (DLIR).

Testimony in support of this measure was submitted by the ILWU Local 142, the Consumer Lawyers of Hawaii, and a private citizen.

Testimony in opposition to this measure was submitted by DLIR, the Chamber of Commerce of Hawaii, the Hawaii Insurers Council, the Hawaii Employers' Mutual Insurance Company, the Hawaii Occupational Medical Association, the Academy of Independent Medical Examiners of Hawaii, the Hawaii State Chiropractic Association, and four private citizens.

Your Committee finds that under existing law, there is no defined process for the selection of permanent impairment examiners. Your Committee also finds that the determination of permanent impairment is of the utmost importance in workers' compensation cases. Therefore, the qualifications, fairness, and actual impartiality of the impairment examiner are of paramount importance to everyone involved in a workers' compensation claim.

Accordingly, your Committee believes that requiring the employer and employee to mutually agree upon an acceptable examiner, or, barring agreement, that the Director of the DLIR appoint an examiner will help to improve the workers' compensation claim process by reducing delays and costs and resulting in the appointment of a fair and qualified examiner.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1070 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

**SCRep. 761 Labor on S.B. No. 1426**

The purpose of this measure is to establish a separate collective bargaining unit for substitute teachers employed by the Department of Education.

Testimony in support of this measure was submitted by the Laborers' International Union of North America, Local 368.

Testimony in opposition to this measure was submitted by the Department of Education (DOE) and the Office of Collective Bargaining and Managed Competition.

Your Committee finds that under existing law, substitute teachers lack the necessary representation to protect, preserve, and promote their rights. Substitute teachers fulfill an important role in bridging the gaps between shortages that arise from the absence of full-time, permanent teaching staff and any additional interim teaching staff needs within the DOE. Your Committee believes that substitute teachers should be afforded representation equal to that of their Unit 5 equivalents.

Accordingly, your Committee has amended the measure by deleting Section 2, which would have prohibited the bargaining of wages that are established by law.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1426, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 762 Education on S.B. No. 396**

The purpose of this measure is to establish a residency requirement for students enrolled in e-charter schools.

Testimony in support of this measure was submitted by the Department of Education. The Hawaii State Teachers Association submitted testimony in support of the intent of the measure.

Your Committee finds that the use of distance learning through electronic technology is an innovative way to teach content knowledge and computer literacy to children of all ages. Your Committee further finds that the establishment of an e-charter school to provide distance learning services is an appropriate alternative learning structure as was intended for charter schools. Your Committee agrees that students of e-charter schools should, at the time of their enrollment, be residents of the State or share resident status with their parents. However, your Committee further believes that students who may need to be temporarily absent from the State should be able to continue to participate in the e-charter school, provided that they intend to return to the State prior to completion of their educational program.

Thus, based on these findings, your Committee has amended this measure by:

- (1) Providing that a student be age 18 years or younger to be eligible to enroll in an e-charter school;
- (2) Deleting the provision authorizing the Department of Education to adopt rules to define "resident of the State" and instead requiring that the student or the student's parents or guardians physically reside in the State, or the student's parents or guardians reside in the State while serving in the armed forces, in order to enroll in an e-charter school;

- (3) Allowing a student to remain enrolled in an e-charter school while temporarily absent from the State if the student intends to return to the State to complete the student's educational program; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 396, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 396, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

**SCRep. 763      Education on S.B. No. 1237**

The purpose of this measure is to provide definitions of "out-of-field teacher" and "teaching out-of-field" for the purposes of reporting by the Department of Education (Department).

Testimony in support of this measure was submitted by the Hawaii Teacher Standards Board and the Hawaii State Teachers Association. The Department of Education submitted testimony in support of the intent of this measure.

Your Committee finds that existing law requires the Department of Education to submit an annual report regarding the numbers and types of teachers employed outside their certified teaching area. Your Committee further finds that there have been ongoing concerns about the numbers of teachers employed in positions for which they are not certified to teach and that this information should be publicly reported.

Your Committee has amended this measure by:

- (1) Moving the definitions of "out-of-field teacher" and "teaching out-of-field" from section 302A-804, Hawaii Revised Statutes (HRS) to section 302A-101, HRS, and replacing the term "areas of preparation" with "authorized licensing field" in those definitions;
- (2) Deleting the new provisions of section 302A-804, HRS, to require separate reporting by principals and the Department; and
- (3) Requiring as part of its existing responsibilities under section 302A-804, HRS, that the Department of Education submit an annual report to the Hawaii Teacher Standards Board, to be posted on the Department's Internet website, and requiring the inclusion of data on out-of-field teaching and teachers.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1237, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

**SCRep. 764      Education on S.B. No. 1326**

The purpose of this measure is to require the Department of Education to provide opportunities for students to develop progressive standards of competency in a second language.

Testimony in support of this measure was submitted by the Department of Education. The Hawaii State Teachers Association submitted testimony in support of the intent of the measure.

Your Committee finds that the intent of the statutory provisions to ensure student competency in world languages reflects a recognition of the global relationships that our students need to be developing in order to succeed in the Twenty-first Century. Your Committee further finds that competency in world languages should remain a priority of our public school system to the extent practicable and in accordance with the Hawaii content and performance standards.

Your Committee has amended this measure by:

- (1) Deleting the discussion in Section 1 of the measure relating to the Board of Education policy and the Hawaii content and performance standards;
- (2) Retaining existing language of section 302A-1128(b), Hawaii Revised Statutes, relating to offering a second language in all twelve grades of public school; and
- (3) Clarifying that the Department of Education shall provide opportunities for students to develop competency in a second language.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1326, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1326, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Tsutsui).

**SCRep. 765 Economic Development on S.B. No. 1284**

The purpose of this measure, as received by your Committee, is to clarify certain provisions within the Small Business Regulatory Flexibility Act (RFA) related to the use and legal import of small business impact statements within the administrative rule making process.

Testimony in support of this measure was submitted by the Department of Business, Economic Development and Tourism. Testimony in opposition to this measure was submitted by a member of the Small Business Regulatory Review Board and ten small business owners. The Chamber of Commerce of Hawaii and the Chair of the Small Business Regulatory Review Board submitted comments.

Your Committee finds that Hawaii was among the first states to pass a Small Business RFA that proactively seeks input from small businesses and thereby results in more small-business friendly government procedures and processes. Your Committee further finds that since the Small Business RFA has only been in existence for a short time, substantive changes at this time are premature, and agrees with similar concerns expressed by the small business community.

Thus, based on this finding, your Committee has amended this measure by:

- (1) Deleting Section 2 of the measure in its entirety; and
- (2) Redrafting the purpose section to reflect the remaining provisions of the measure.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1284, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1284, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Kanno, Kawamoto).

**SCRep. 766 Human Services on S.B. No. 1109**

The purpose of this measure is to require that any family or household member who knows or believes that a dependent adult needs medical treatment, is unable to obtain it, and is at imminent risk of death or serious injury, shall either seek medical treatment for the dependent adult or promptly report the matter to the Department of Human Services (Department) or police.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney, City and County of Honolulu; the Honolulu Police Department; the Christian Science Committee on Publication; and one concerned citizen. Testimony in opposition to this measure was submitted by the Department of Human Services.

Your Committee finds that, with the graying of Hawaii's population, comes the need to explore ways to better protect dependent adults in order to reduce and prevent incidents of elder abuse and neglect. Currently, section 346-224, Hawaii Revised Statutes, requires that health care professionals, social services and assistance workers, law enforcement, and adult residential care home and adult day care workers, among others, report incidents of suspected abuse or neglect of a dependent adult to the Department of Human Services. The Department is tasked with investigating suspected cases of elder abuse and taking appropriate follow-up action as required. This measure would expand existing mandated reporting requirements to include family and household members of a dependent elder who is in imminent risk of death or serious injury due to the failure to obtain needed medical care or treatment. This measure is not intended to be punitive, but, rather, to ensure that the dependent adult receives needed health care in a timely manner.

The Department expressed reservations about the designation of family and household members as mandated reporters. Under the statute as proposed, family and household members who fail to obtain medical care for the dependent adult or to report the matter to the Department or police may be subject to prosecution for a petty misdemeanor. The Department emphasized the need to educate the community at large about the symptoms of abuse and relevant health issues, before family and household members could be expected to know when a dependent adult is at imminent risk of death or serious bodily injury, thereby triggering the reporting requirement.

Your Committee finds that mandated reporters are traditionally professionals who have some knowledge of social and health issues and therefore can reasonably determine when there is a risk of abuse or neglect. Your Committee believes that, although family and household members who live with a dependent adult may not have the same level of knowledge as a professional, they could reasonably be expected to be aware that a dependent adult requires medical care.

Your Committee has amended this measure by:

- (1) Amending subsection (d) to provide for a duty to seek "necessary health care, access to health care, or prescribed medication," instead of "medical treatment or care" to be consistent with the definition of abuse in section 346-222(5)(C), Hawaii Revised Statutes;
- (2) Deleting the requirement to report to the Department; and

(3) Making other technical amendments for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1109, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

**SCRep. 767 Human Services on S.B. No. 1427**

The purpose of this measure is to require the Disability and Communication Access Board, functioning as a consumer advocacy committee, to monitor the provision of telecommunication relay services (TRS) for individuals with communication disabilities in Hawaii.

Testimony in support of this measure was submitted by the Disability and Communication Access Board; Assistive Technology Resource Centers of Hawaii; the Aloha State Association of the Deaf; and nine concerned citizens. Verizon Hawaii provided oral comments on the measure in response to questions from your Committee.

Your Committee finds that telecommunication relay services (TRS) are critical services for individuals who are deaf, hearing-impaired, or speech-impaired, which allow them to use the telephone to contact hearing persons. The federal government, through the Federal Communications Commission, sets minimum standards for relay services throughout the United States.

Your Committee heard testimony from TRS users that the services provided by the current, and only, TRS provider, Verizon Hawaii, are often unavailable due to inadequate staffing. In addition, operator protocols do not follow nationally-accepted standards for confidentiality and transparency. Finally, although many other states provide enhanced services based on state-of-the-art technologies that allow more users to be more integrated and independent, enhanced services have not been offered to Hawaii consumers.

Your Committee finds that the current TRS system is operated with little or no input and feedback from the individuals served by the system. Although the Public Utilities Commission oversees the provision of TRS in Hawaii, there is no established process by which TRS users may provide comments and suggestions to the PUC, and, as a result, the PUC may be unaware of the issues and concerns about the services provided.

In response to questions from your Committee, Verizon Hawaii announced that it will cease providing TRS services in Hawaii in July 2003, or as soon thereafter as the PUC is able to find a qualified alternate TRS provider. Verizon Hawaii explained that the decision was a business one, as it is the only Verizon in the nation that is a direct provider of TRS services; in other states, TRS services are provided by a private vendor under contract with Verizon. Verizon Hawaii pledged to meet with the Disability and Communications Access Board and users to discuss concerns and suggestions to improve the TRS system, and to help ensure that the transition to a new TRS provider is a smooth one.

Your Committee believes that establishing a monitoring system that formally incorporates consumer feedback will improve and strengthen the TRS system and services provided to the deaf and speech-impaired, thereby improving opportunities for full integration of individuals with communication disabilities in Hawaii.

The Disability and Communication Access Board indicated its willingness to accept the responsibility of monitoring the provision of TRS services and to set up a system to solicit and address feedback from TRS users. Your Committee believes that establishing a mechanism to solicit and address TRS users' concerns will ultimately result in a more efficient, market-driven, cost-effective system that better meets the needs of TRS users.

Importantly, your Committee finds that no additional appropriation of state funds would be required, as the Disability and Communications Access Board testified that the monitoring function can be implemented within its current program and budget.

Your Committee encourages all the involved parties to work together to minimize disruption of TRS services during the transitional period. Your Committee further requests that the Disability and Communication Access Board, functioning as a consumer advocacy committee, be actively involved in and facilitate the transition from Verizon Hawaii to another qualified TRS service provider and the implementation of new TRS services for individuals who are deaf, hearing-impaired, or speech-impaired.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1427 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

**SCRep. 768 Human Services on S.B. No. 1492**

The purpose of this measure is to amend the definition of "assisted living facility" to clarify that it does not apply to privately owned single family homes or condominiums.

Testimony in support of this measure was submitted by Hawaii Independent Condominium & Cooperative Owners and seven concerned citizens. Oral testimony in support of this measure was presented by the Hawaii Association of Certified Nurse Aides and three concerned citizens. The Hawaii Council of Associations of Apartment Owners submitted testimony in support of the intent of this measure. Testimony in opposition to this measure was submitted by the Hawaii Long-Term Care Association; One Kalakaua Senior Living Association; Sound Health Management Company; and three concerned citizens. Oral testimony in opposition to this measure was presented by three concerned citizens. The Department of Health provided oral comments on this measure in response to your Committee's questions.

Your Committee finds that, as the number of assisted living facilities being planned or in development continues to grow, concerns have arisen as a result of the experiences of owners at One Kalakaua, a fee-simple condominium project for independent elders that opened in 1997, just prior to the enactment of the State's assisted living facility law. One Kalakaua offered many special services and amenities not usually found in typical condominiums, including weekly maid service, daily meals, a wellness program, and social programs. Residents were assessed maintenance fees and "club dues" ranging from \$1,026 to \$1,525 a month to cover the cost of some of these additional services. Additional services, including skilled nursing services, were also available, on a "pay as you go" basis, to those residents who required a higher level of care. The assisted living services were provided by a health care provider contracted by the association of apartment owners of One Kalakaua (condo association).

In 1999, under the authority of section 321-11, Hawaii Revised Statutes, the Department of Health adopted rules requiring the licensing of assisted living facilities by the Department. In 2000, the Department determined that One Kalakaua was likely providing assisted living services to residents. The Department subsequently licensed the condo association as an assisted living facility.

As a licensee, the condo association had to obtain insurance coverage for the assisted living services provided by the contracted health care provider, and the employees of the provider became employees of the condo association. These expenses, which would generally be considered administrative costs of the provider, have instead been assumed by the condo association and included in the maintenance fees charged to all owners, regardless of whether they utilized the assisted living services or not.

One Kalakaua is a unique case. It is the only currently licensed assisted living facility that is also a fee-simple condominium project subject to Chapter 514A, Hawaii Revised Statutes. Your Committee recognizes that, in light of current demographic trends and the expected graying of Hawaii's baby boomer population, it is likely that more existing condominium projects may, at some future time, consider offering some of the amenities or assisted living services that One Kalakaua offers. Your Committee notes that nothing in the Department of Health rules would appear to prohibit an existing condominium project from becoming a licensed assisted living facility.

After further discussions with the Department of Health, real estate experts, the Hawaii Council of Associations of Apartment Owners, and other interested parties, on the issues raised and lessons learned from One Kalakaua's experience, your Committee finds that, before an existing condominium can become an assisted living facility, certain infrastructure changes must be made in order to ensure accountability to owners and to enable those owners who do not subscribe to assisted living services to "opt out" of the assisted living facility without being penalized. At a minimum, your Committee finds that the establishment of a new association of apartment owners for the assisted living facility (assisted living association), separate from and independent of the condo association, and the licensing of the contracted assisted living services provider, rather than the association, would help ensure that any additional costs incurred by the assisted living facility or in the provision of assisted living services, would be assessed only against those owners who subscribe to or utilize assisted living services, and not against all condominium owners.

Accordingly, your Committee has amended this measure by:

- (1) Adding a new section to Chapter 321, Hawaii Revised Statutes, to allow an existing condominium project to become an assisted living facility subject to rules adopted by the Department of Health pursuant to section 321-11, Hawaii Revised Statutes, if:
  - (a) A new entity, which is separate from and independent of the association of apartment owners, is formed for the purpose of becoming a licensed assisted living facility and is registered with the Department of Health, and each unit owner determines whether the owner's unit is placed in the assisted living facility or in the condominium project; and
  - (b) The association contracts with a provider of assisted living services, which shall obtain a license for the assisted living facility in accordance with rules adopted by the Department of Health for the licensing of assisted living facilities;
- (2) Adding a definition of "assisted living services" consistent with rules adopted by the Department of Health for the licensing of assisted living facilities; and
- (3) Amending the definition of "assisted living facility" to add a definition of "health care services" and to clarify that an assisted living facility does not include a privately-owned single family home or condominium, unless the condominium project instruments explicitly and prominently authorize a licensed assisted living facility or the provision of assisted living services.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1492, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1492, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

**SCRep. 769 (Joint/Majority) Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations on S.B. No. 549**

The purpose of this measure is to provide the Board of Agriculture, under the State Water Code, with comparable authority over irrigation water as the county water supply agencies exercise over water for municipal purposes.

Testimony in support of this measure was submitted by the Board of Agriculture, Kamehameha Schools, the Hawaii Agriculture Research Center, and the Hawaii Farm Bureau. Testimony in opposition to the measure was submitted by EarthJustice and Life of the Land.

Your Committees find that under this measure the Department of Agriculture, which has the expertise and knowledge of managing state irrigation systems, will have the same allocation authority as that delegated to a County Board of Water Supply. The only irrigation systems that would be affected are located in Kahuku, Oahu and on Molokai. Because the Commission on Water Resource Management focuses on potable and environmental water issues, they have little working knowledge in the management of agricultural water. The Department of Agriculture, on the other hand, has fifteen years experience planning, designing, constructing, managing, and operating the State's five irrigation systems.

Your Committees also find that to encourage and expand Hawaii's agricultural industry, there must be some assurances of the availability of agricultural water. Without such assurances, agribusinesses will not commit the tremendous amount of resources to start or expand their operations. This measure will provide some stability for the agricultural industry.

The Department of Agriculture submitted suggested amendments to the measure for clarification purposes. With these amendments, the Commission on Water Resource Management will first allocate in bulk the amount allotted for agricultural purposes, and then the Department of Agriculture will determine individual water allocations.

Your Committees have amended the measure to effectuate the suggested amendments and have made a technical, nonsubstantive amendment to accurately reflect existing statutory language.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 549, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, 1 (Aduja). Excused, 4 (English, Kanno, Menor, Whalen).

**SCRep. 770 Water, Land, and Agriculture on S.B. No. 553**

The purpose of this measure is to require the Department of Agriculture to establish criteria and procedures to control or eradicate noxious weeds, as well as pests, and to adopt emergency rules if a noxious weed infestation requires immediate action, whether or not the weed directly impacts agricultural interests.

The measure also conforms the term "pest" to have the same meaning as found in the plant and non-domestic animal quarantine and microorganism import law (chapter 150A, Hawaii Revised Statutes).

Testimony in support of this measure was submitted by the Nature Conservancy and Pineapple Growers Association of Hawaii. Testimony in support of the measure, but with reservations, was submitted by the Board of Agriculture.

Your Committee heard concerns that the measure, as originally written, was too broad, potentially exposing the Department of Agriculture (Department) to sole responsibility for every conceivable invasive pest to enter or threaten the State. Concerns were also expressed about a possible negative or precluding effect on positive activities by other agencies, groups, or individuals to control invasive species. Although the intent was to provide the Department with flexibility over which pest to eradicate or control, the language caused some confusion. Accordingly, your Committee requested that the Department work with the Nature Conservancy to clarify that language.

Your Committee has therefore amended this measure by including a provision clarifying that this section does not interfere with or supersede the lawful activities of others to control or eradicate invasive pests.

Also, your Committee notes that section 141-3(a), Hawaii Revised Statutes (HRS), already enables the Department, through rulemaking, to determine "the criteria and procedures for the designation of pests for control or eradication." Section 150A-2, HRS, defines "pest" as an organism that is detrimental or potentially harmful "as determined by the board [of agriculture]." Accordingly, your Committee has further amended the measure by removing references to noxious weeds and other specific examples of pests to make clear that the determination of which pests are to be controlled or eradicated rests with the Board of Agriculture.

Other technical, nonsubstantive amendments were made to the measure for purposes of clarity, style, and conformity.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 553, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 553, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 771 (Majority) Water, Land, and Agriculture on S.B. No. 1532**

The purpose of this measure is to require counties to allow solid waste disposal above the underground injection control line established by the Safe Drinking Water Branch of the Department of Health, provided that environmental health standards are satisfied.

Testimony in support of this measure was submitted by Central Oahu Recycling & Disposal Facility, the Estate of James Campbell, One Synergy, and a concerned citizen. Testimony in opposition to this measure was submitted by the Department of Health and the Board of Water Supply. Oral testimony in opposition to the measure was presented by the City and County of Honolulu's Department of Environmental Service and the Councilmember from Makaha.

Your Committee finds that this issue is of great concern to everyone. The State is in an emergency situation with current landfills, and the underground injection control (UIC) line would limit the building of solid waste landfills to along our State coastlines, either in very close proximity to our pristine beaches or in nearby resorts and neighborhoods. Design and construction technologies for landfills have greatly improved over the past twenty years, and Oahu's Waimanalo Gulch Landfill is located over an aquifer and a current drinking water source. Flexibility in the UIC line would make planning easier for the counties.

Your Committee also finds that requiring the counties to allow solid waste disposal activities, including landfills, over drinking water aquifers raises concerns. This measure would be in conflict with Section 3-301, Waste Disposal Facilities of the Board of Water Supply Rules and Regulations establishing a No-Pass Zone, which is a groundwater protection zone for domestic water supplies, including the potable aquifer.

Your Committee believes this measure should continue in the legislative process to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1532 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 2 (English, Whalen). Excused, none.

**SCRep. 772 Water, Land, and Agriculture on S.B. No. 255**

The purpose of this measure is to prevent private or public restrictions from being placed on agricultural lands, with the exception of restrictions intended to protect environmental and cultural resources.

The Kauai County Farm Bureau, Hawaii Agriculture Research Center, and two individuals submitted testimony supporting this measure. The Board of Agriculture, the Hawaii Farm Bureau Federation, and Life of the Land submitted testimony supporting the intent of this measure.

Your Committee finds that currently a covenant may restrict a farmer from growing anything beyond a certain height. This type of covenant is normally found only in housing subdivisions, and is overly restrictive to a bona fide farming operation in the agricultural district.

Your Committee has amended this measure by creating a new section in Chapter 205, Hawaii Revised Statutes, rather than amending subsection 205-4.5(b), Hawaii Revised Statutes. Additionally, the language of the new section has been reworded for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 255, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 255, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 773 (Joint) Water, Land, and Agriculture and Ways and Means on S.B. No. 1619**

The purpose of this measure is to establish an investment tax credit for the development of a motor sports recreation and public safety training and educational facility at Kalaeloa, parcel 9, and for directly related expenditures for land acquisition and closing costs, studies, infrastructure, construction, and design and engineering.

Testimony in support of this measure was submitted by Hawaii Motorsports Center and the Pacific Karting Club.

Your Committees find that after nearly fifteen years of seeking appropriate lands to construct a new motor sports facility, the Hawaii Motorsports Center has found property in Kalaeloa, an area that has endured tough economic times since the closure of the Barbers Point Naval Air Station. This measure would provide incentives for investors to fund the best possible racing surfaces, safety features, medial resources, classrooms, emergency equipment, and basic public amenities to encourage all enthusiasts to "save it for the track." The existing facility is forty years old, meets only the minimum safety requirements, and is at its limits because it cannot be expanded or improved due to the City and County of Honolulu Land Use Ordinance and the two years remaining on the present lease. The new facility would provide all of the required services and safety features necessary for immediate rental and production of events of



national and international interest. It would bring the track into conformance with the diverse needs of the track's users, sanctioning bodies, and insurance companies. Also, the new facility would be used to properly educate the motoring public, especially our youth, on the dangers of the automobile; the physics, science, and math of vehicles; and about how to decrease the frequency of abuses on the public streets.

Your Committees have amended this measure to:

- (1) Change the effective date to apply to taxable years after December 31, 2015;
- (2) Change the period of qualified investment to after December 31, 2003 to December 31, 2008;
- (3) Require the taxpayer to state against which tax the credit is being taken (Income or General Excise Tax);
- (4) Make the statement submitted to the Director of Taxation a public document that can be reviewed by the public and the Legislature;
- (5) Apply the recapture provision to interest in a qualified project that has been transferred;
- (6) Clarify that the monetary ceilings for the tax credit claimed also applies when claiming excess credit in subsequent years until exhausted; and
- (7) Blank out all dollar amounts, and make other technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1619, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1619, S.D. 2.

Signed by the Chairs on behalf of the Committees.  
Ayes, 14. Noes, none. Excused, 2 (Kanno, Kim).

**SCRep. 774 (Joint/Majority) Tourism, Economic Development and Ways and Means on S.B. No. 1040**

The purpose of this measure is to require ten per cent of the excess revenues in the tourism special fund to be deposited into the special land development fund for the Hawaii statewide trail and access program. The measure also removes the \$500,000 ceiling on the amount in the special fund that may be used for trails and trail accesses.

Testimony in support of this measure was received from the Board of Land and Natural Resources (DLNR), The Nature Conservancy, The Koolau News, Windward Ahupuaa Alliance, and one individual. Comments were submitted by the Department of Taxation.

This measure effectuates the intent of Act 250, Session Laws of Hawaii (SLH) 2002, which authorized a portion of the TAT revenues to be expended on the Hawaii trails and access program, which is funded from the special land and development fund. However, Act 250, SLH 2002, did not specify a deposit into any special fund. This measure corrects that omission.

The effect of this measure, as well as Act 250, SLH 2002, is to make dedicated moneys available for the Hawaii statewide trail and access program, which is being enjoyed by increasing number of tourists and residents, without added cost to the general fund.

Your Committees view this measure as promoting ecotourism, a new marketing niche for attracting visitors. Hawaii is unique in its natural beauty, which most tourists find attractive. Ecotourism is a means of enhancing the tourist experience.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1040, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 12. Noes, 1 (Slom). Excused, 5 (English, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 775 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 85**

The purpose of this measure is to authorize the courts to order that a vehicle owned by the defendant or the defendant's parents or legal guardians be forfeited if the defendant had a prior racing offense within five years of the current offense.

Your Committee received testimony supporting the intent of this measure from the Department of Transportation. The Office of the Public Defender and the Honolulu Police Department opposed the measure.

Your Committee finds that highway racing poses a serious threat to the health, safety, and welfare of other highway users. Your Committee further finds that current penalties have failed to deter highway racing. This bill hopefully will encourage parents to take a more active role in ensuring that their children are law abiding citizens.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 85 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Ihara). Excused, 1 (Fukunaga).

**SCRep. 776      Judiciary and Hawaiian Affairs on S.B. No. 91**

The purpose of this measure is to authorize the Department of Transportation to remove personal property blocking state highways, and provide limited immunity to the Department from claims of damage to personal property.

Your Committee received testimony in support of this measure from the Honolulu Police Department, a Member of the Maui County Council, and Verizon Hawaii. The Consumer Lawyers of Hawaii did not oppose the measure in its current form but requested an amendment. The Department of Transportation opposed the measure.

Your Committee finds that this bill will facilitate a multi-agency program to improve highway safety and relieve traffic congestion by quickly removing obstructions. Additionally, the State is protected from personal property claims due to negligence. Your Committee amended the bill, however, by reinserting the gross negligence liability standard from the original bill.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 91, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 91, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 777      Judiciary and Hawaiian Affairs on S.B. No. 378**

The purpose of this measure is to add accreted lands to the definition of public lands, and to define "accreted lands".

Testimony in support of this measure was received from the Life of the Land and three individuals. Comments were received from the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

This measure defines accreted lands as lands formed by the gradual accumulation of land on a beach or shore along the ocean by the action of natural forces. This measure deems accreted lands to be public lands, but a private property owner whose eroded land has been restored by accretion may file an accretion claim to regain title to the restored portion.

Your Committee agrees with the Committee on Water, Land, and Agriculture that this measure will help protect Hawaii's public lands and fragile beaches.

Your Committee has amended this measure by deleting the amendment to section 343-3, Hawaii Revised Statutes, that would have required the office of environmental quality control to inform the public of an application filed with the land court for the registration of accreted land. Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 378, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 378, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 778      (Majority) Judiciary and Hawaiian Affairs on S.B. No. 463**

The purpose of this measure is to require the Kaho'olawe Island Reserve Commission (KIRC) to provide the Legislature with a master plan, by August 1, 2003, to describe the KIRC's intentions for managing the reserve upon the transfer of administrative control of Kaho'olawe from the Navy to the KIRC.

Testimony in support of this measure was received from the Office of Hawaiian Affairs (OHA) and the KIRC.

The State is scheduled to legally assume control of Kaho'olawe on September 30, 2003. The KIRC and the Navy originally agreed in principle that the Navy will continue to maintain access for 120 days after the transfer date to facilitate certification and demobilization of the project. However, testimony indicated that the KIRC is currently negotiating an agreement with the Navy regarding the respective roles and responsibilities for management of perpetual unexploded ordnance risks. Negotiations are moving slowly in other areas because of differences in views between the State, represented by the KIRC, and the Navy. Each issue impacts upon the master plan, making settlement of the negotiations a prerequisite to formulation of the master plan.

Your Committee has amended this measure by changing the date of the submission of the master plan to the Legislature to August 15, 2003.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 463, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 463, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 2 (English, Ihara). Excused, 1 (Fukunaga).

**SCRep. 779      Judiciary and Hawaiian Affairs on S.B. No. 473**

The purpose of this measure is to require informational meetings as part of the county zoning permit process for group living facilities that house people released from a correctional facility or a mental health treatment institution, or are receiving substance abuse or sex offender treatment.

Your Committee received testimony in support of this measure from the Department of Public Safety. Hawaii Youth Services Network, Hale Opio Kauai, Inc, and Hale Kipa, Inc. opposed the measure. The Department of the Attorney General identified problems in the measure, and the Community Alliance on Prisons provided comments.

Your Committee finds that the Department of Public Safety's two group living facilities received support from the surrounding neighborhoods and communities by meeting the necessary county zoning health and safety standards and holding public informational meetings. Your Committee believes that neighborhoods should be informed and participate in discussions about programs affecting their communities.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 473, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 780      Judiciary and Hawaiian Affairs on S.B. No. 542**

The purpose of this measure is to prohibit the labeling of agricultural products as "organic" unless the product meets federal labeling requirements.

Testimony in support of this measure was received from the Board of Agriculture, Hawaii Farm Bureau Federation, Hawaii Organic Farmers Association, and Kulamanu Farm. Testimony in opposition was received from Hawaii Bio Organic Growers Association.

This measure also requires registration of any certifying agent who certifies producers of agricultural products organically produced in Hawaii.

This measure is intended to complement and strengthen local enforcement of federal regulations relating to organic produce. This measure also assists in helping the State to obtain federal funding for certification costs. With a state organic program in place, Hawaii would be in a better position to procure federal funds directed at promoting the development of a strong organic agriculture industry in the State.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 542, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 781      Judiciary and Hawaiian Affairs on S.B. No. 690**

The purpose of this measure is to require all candidates for the State Senate and the State House of Representatives to file electronic campaign financing reports, and to strengthen administrative and criminal penalties for candidates and committees that show a significant pattern of abuse and violation of campaign spending laws.

Your Committee received testimony in support of this measure from the Campaign Spending Commission, Hawaii Pro-Democracy Initiative, and the League of Women Voters of Hawaii.

Your Committee finds that disclosure of campaign finances to the electorate is enhanced considerably when financial disclosures are electronically transmitted directly through the Internet. The federal government and many states are moving towards this trend by requiring candidates to file reports electronically.

Your Committee further finds that in 2002, one hundred seventeen candidates filed their campaign disclosure reports with the Campaign Spending Commission electronically. Your Committee notes that the bill provides an exception for candidates lacking reasonable access to an Internet-ready computer. Your Committee further notes that it is not the Commission's intent to strictly enforce the electronic filing requirement. The Commission understands computer literacy may be a barrier to this requirement and is willing to provide assistance and technical support to candidates, as well as work to make the program more user friendly.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 690, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 782      Judiciary and Hawaiian Affairs on S.B. No. 843**

The purpose of this measure is to require the Board of Land and Natural Resources (Board) to obtain approval from the Legislature by majority vote of both houses to enter into a habitat conservation plan (HCP) or a safe harbor agreement (SHA) for which a majority of the Endangered Species Recovery Committee recommended disapproval.

Testimony in support of this measure was received from the Board, Department of Transportation (DOT) and Life of the Land. Comments were received from the Hawaii Audubon Society, Sierra Club, Earth Justice, and The Nature Conservancy. Testimony in opposition was received from Hawaii Reserves, Inc.

The measure also requires the Board to suspend or revoke an HCP or SHA if the continuation of the permitted activity under the HCP or SHA would likely and appreciably reduce the survival or recovery of the threatened or endangered species. The measure further requires that restorative actions under SHAs on public lands must be conducted for a minimum of 15 years after the execution of the SHA, allows for the specific location of habitats on private lands that are covered by HCPs or SHAs to be kept confidential, and makes other amendments to strengthen the HCP and SHA laws.

Your Committee finds that amendments to Hawaii's endangered species law are needed to bring state law closer into conformity with current federal regulations regarding HCPs and SHAs, and to provide checks and balances to ensure the protection of Hawaii's endangered and threatened species. The State and its citizens have a shared responsibility to ensure the survival and protection of our endangered and threatened plants and animals.

Your Committee further finds that it is appropriate to allow state and county agencies to enter into HCPs and SHAs only if certain checks and balances are in place, since those agencies have public trust responsibilities and affirmative mandates to promote species conservation.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 843, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 783      (Majority) Judiciary and Hawaiian Affairs on S.B. No. 1051**

The purpose of this measure is to clarify the permissible operation of electric personal assistive mobility devices (Segway).

Testimony in support of this measure was received from Segway, LLC. Testimony in opposition was received from the Department of Transportation (DOT).

This measure allows a Segway to be operated on the sidewalks and bicycle paths at speeds up to eight miles per hour. The operator must be sixteen years of age or older, unless the person is disabled. Specific requirements for the actual operation are set out to protect the operator, pedestrians, and traffic.

Your Committee believes that use of the new and innovative Segway is inevitable. Your Committee finds that the regulations contained in this measure are reasonable and compliance is easy, and that legislation is needed to regulate the operation of Segways before an accident happens.

The objection of the DOT that sidewalks are too narrow for Segways is well taken. However, sidewalks and bikeways are safer than streets. It is reported that the United States Postal Service is utilizing Segways to deliver mail, and if this practice is expanded to Hawaii's Postal Service, then the clarification provided under this measure is warranted.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1051 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Chun Oakland). Excused, 1 (Fukunaga).

**SCRep. 784      Judiciary and Hawaiian Affairs on S.B. No. 1418**

The purpose of this measure is to enact a law on public entity liability in duty to warn situations.

Testimony in support of this measure was received from the Board of Land and Natural Resources (Board), State Attorney General, County of Kauai, a Hawaii County Council Member, Hawaii Rifle Association, Downhill Hawaii, Hawaiian Trail and Mountain Club, and Sierra Club. Testimony in opposition was received from Consumer Lawyers of Hawaii and Park Park Yu & Remillard.

This measure also establishes a risk assessment working group attached to the Department of Land and Natural Resources to assist the Department in the design and placement of warning signs and other devices.

Your Committee finds that the State and counties need protection from liability arising from the inherent risks posed by improved and unimproved public lands under their jurisdictions. Your Committee also finds that it is necessary to strike an equitable balance between the personal responsibility of people engaged in recreational pursuits and the duty of the government to take reasonable measures to protect citizens from harm by providing adequate warning.

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

- (1) Deleting references to “chairperson”, thereby vesting decisions solely with the Board of Land and Natural Resources (Board);
- (2) Requiring a contested case hearing for any person or entity that objects to a decision of the Board;
- (3) Requiring the Board to adopt rules for standards for the design and placement of signs;
- (4) Expanding the risk assessment working group to include experts in risk assessment and warning signs, representative of the Hawaii State Bar Association, and a member of the public; and
- (5) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1418, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1418, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 785          Judiciary and Hawaiian Affairs on S.B. No. 1554**

The purpose of this measure is to protect native Hawaiian historic sites by clarifying private landowners’ responsibilities for native Hawaiian historic sites on their property.

Testimony in support of this measure was received from the Board of Land and Natural Resources, Office of Hawaiian Affairs, Hawaii County Planning Department, Hawaii Reserves, Inc., and Hawaii Leeward Planning Conference. Testimony in opposition was received from the Land Use Research Foundation of Hawaii.

This measure addresses the concerns expressed by native Hawaiians that over the past several years, landowners have received county permits without having to go through a historic preservation review, resulting in native Hawaiian historic sites being destroyed.

This measure requires landowners to notify and obtain approval from the Department of Land and Natural Resources (DLNR) before destroying or adversely affecting historic sites that are located on private property and were constructed by native Hawaiians before 1850. If DLNR determines that the historic sites are not significant, the landowner may proceed with land altering actions or pursue the appropriate permit or approvals for those actions. The measure also requires landowners to agree, through a record of covenant, not to apply for any permits and land use approvals for ten years if they choose to destroy a significant historic site on their property. No state or county agency would be able to issue a permit or approval that contradicts a record of covenant. DLNR is also allowed to commence condemnation within sixty days of being notified that a significant historic site may be destroyed, and to use contingency funds to condemn private land for this purpose.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1554, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 786          Judiciary and Hawaiian Affairs on S.B. No. 1636**

The purpose of this measure is to require that county executive vision teams that advise and make recommendations on specific projects comply with the open meetings laws.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii, the Pro-Democracy Initiative, and Life of the Land. The Office of Information Practices supported the measure and proposed amendments. The City & County of Honolulu and the Department of the Corporation Counsel opposed the measure.

Your Committee finds that the open meetings laws do not always apply to hybrid public-private organizations that have both governmental and non-governmental qualities. This has resulted in much public confusion and frustration.

Your Committee further finds that Vision teams were created by the Mayor of City and County of Honolulu to act as advisory board in planning the future of their communities and neighborhoods. Vision teams provide advice on expenditure of public funds in their communities and teams have been allocated approximately \$2,000,000 each to spend or advise on spending with respect to community project. Your Committee believes that the public should be involved in decisions about the expenditure of public funds.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1636, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 787 (Majority) Labor on S.B. No. 1**

The purpose of this measure is to require successor employers of a covered establishment to retain at least fifty per cent of incumbent, nonsupervisory employees in the event of a divestiture.

Testimony in support of this measure was submitted by the ILWU, the Hawaii State AFL-CIO, and two private citizens.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Chamber of Commerce of Hawaii, the Honolulu Japanese Chamber of Commerce, the National Federation of Independent Business, the Hawaii Business League, the Hawaii Bankers Association, the Society for Human Resource Management, the Hawaii Hotel Association, Hawaii Reserves, Inc., the Estate of James Campbell, the Hawaii Business Roundtable, the Hong Kong China Hawaii Chamber of Commerce, Retail Merchants of Hawaii, Macy's West, Times Supermarket, H2O Transportation, and Olsten Staffing Services.

Your Committee finds that the culmination of the events of September 11, 2001, and the continued distressed condition of the State's economy has forced many businesses to close or transfer ownership. This trend has resulted in mass layoffs, loss of continuity of service, increased burden on state services, and disruption in the lives of the displaced workers, their families, and communities. Your Committee disagrees with the current practice of displacing employees who have loyally served in their positions, in some cases for twenty or thirty years, once there is a transfer of ownership, yet no change occurs in the type of business conducted. Your Committee also disagrees with the onerous practice of otherwise firing employees en masse only to then require them to reapply for the same positions that they had been holding involving the same duties of which they had been faithfully executing for many years.

Your Committee determines that the retention of incumbent workers is healthier for the State's economy because it provides stable employment to residents, and efficient, uninterrupted service to consumers.

Understanding that certain types of businesses would be unduly burdened, your Committee has amended the measure by excluding construction companies due to the cyclical nature of their work and staff management.

Additionally, your Committee has eliminated the amendment of the definition of "covered establishment" to remain consistent with the definition of covered establishment under the Dislocated Worker Law, chapter 394B, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

**SCRep. 788 Labor on S.B. No. 665**

The purpose of this measure is to preclude those employed by a health care insurer in Hawaii and those serving as consultants to health care insurers from serving on the Prepaid Health Care Advisory Council (Council).

This measure also requires the chairperson of the Council to be appointed by the Governor, pursuant to section 26-34, Hawaii Revised Statutes.

The Hawaii Medical Association submitted testimony in support of this measure. The Department of Labor and Industrial Relations (DLIR), which recommended amendments for clarification purposes, submitted testimony in support of the intent of this measure.

Your Committee finds that under existing law, the Director of DLIR is charged with the duty to determine whether a prepaid health care plan is qualified under Hawaii law to offer benefits under Chapter 393, Hawaii Revised Statutes, upon advice by the Council. Your Committee also finds that new health plans seeking entry into Hawaii, particularly employer-sponsored health plans, have encountered difficulty in obtaining approval from the Council. Therefore, the current process has fostered a lack of competition in the marketplace for prepaid health care plans, with a probable impact on health insurance rates.

Accordingly, your Committee believes that changes in the composition of the Council should be made in order to promote the effective administration of the Prepaid Health Care Act. However, your Committee has amended the measure as follows to further clarify those individuals who should be precluded from serving on the Council:

- (1) By deleting the language in the measure which excluded employees of a health care insurer in the State or those serving as consultants to health care insurers at the time of appointment from serving on the Council; and
- (2) By including language in the measure which specifies that persons representing a health maintenance organization (HMO), a mutual benefit society that issues individual and group hospital or medical service plans, or any other health care organization are precluded from serving as members on the Council.

Additionally, your Committee finds that the measure as amended encompasses the exclusion of consultants of HMOs, mutual benefit societies issuing individual and group hospital or medical service plans, or any other health care organizations from participation on the Council, and, therefore, has foregone the specific inclusion of such language. Your Committee also determines that the amendments to the Prepaid Health Care Act that are proposed by this measure do not alter the substance of the Act and, therefore, are not precluded under the Employees Retirement Income Security Act, Title 29 United States Code Section 1144.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 665, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 665, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 789 Labor on S.B. No. 687**

The purpose of this measure is to amend section 78-23, Hawaii Revised Statutes, to authorize the State to implement an Internal Revenue Service (IRS) approved special pay retirement plan for state and county employees separating from service.

A Special Pay Plan is a qualified retirement plan under section 401(a) of the Internal Revenue Code (IRC), which allows employees separating from service to avoid all taxes on special pay (usually vacation pay) at the time of termination and the employer (i.e., the State or county) to permanently avoid paying social security and Medicare taxes on qualified special pay. The result is a savings of 7.65 per cent to the State and 7.65 per cent to the employee.

AIG/VALIC testified in support of this measure. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of the intent of this measure. The Department of Human Resources Development provided comments.

Your Committee finds that matters affecting employee pay are subject to collective bargaining negotiations pursuant to Chapter 89, Hawaii Revised Statutes. Accordingly, input from the employee unions should be considered with regard to plan implementation and selection of eligible classes of employees.

Your Committee determines that section 401(a) of the IRC mandates that all eligible employees of the selected class participate in the plan. However, it is not a mandatory requirement that every employee participates in the program as the employer, (State or county) may exclude certain classes of employees. This enabling legislation does not compromise the choice of the employee. Participating employees are eligible to withdraw their funds immediately, keep the money in the plan or roll their funds into other approved retirement plans.

Your Committee finds that cities, states, counties, school districts and other governmental entities are taking advantage of this IRS special pay plan across the country. However, your Committee is concerned that employees under the age of 55 who wish to immediately receive their special pay would be subject to a 10 per cent IRS early withdrawal penalty. Your Committee believes this can be addressed by allowing the State or county to pay employees under age 55 who elect to immediately receive their special pay within 60 days of separation of service, an additional 2.35 per cent in special pay. Combined with the 7.65 per cent savings the employee receives on FICA/Medicare taxes the employer will make the employee "whole" and the State would still enjoy a 5.3 per cent savings in FICA/Medicare taxes that are permanently saved.

Accordingly, your Committee has amended the measure by adding new language to allow employees under the age of 55 who elect early withdrawal from the special pay plan within 60 days of the effective date of separation from service to be reimbursed by the employer the difference between FICA/Medicare tax savings and any early withdrawal penalty imposed by the IRS.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 687, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 687, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 790 (Joint) Science, Arts, and Technology and Judiciary and Hawaiian Affairs on S.B. No. 427**

The purpose of this measure is to require agencies to provide electronic copies of government records upon payment of a reasonable fee and to authorize agencies to provide remote access to government records.

Testimony in support of this measure was submitted by the Office of Information Practices, Hawaii Information Service, and Life of the Land.

Your Committees find that government agencies should be providing access to electronic records to the same extent as paper records, with the understanding that the fees for providing such access may vary depending upon the type of records and specific electronic format requested. Your Committees further find that in order to promote uniform application of this measure, the Office of Information Practices should be named as the administrative agency to oversee implementation of these provisions.

Upon further consideration, your Committees have amended this measure by:

- (1) Deleting the repeal of all references to other forms of government records, including geographic information systems;
- (2) Inserting a limit on charges of 25 cents per page for paper copies of documents up to 8.5 by 14 inches;
- (3) Clarifying that an agency may charge for labor costs if new programming and information technology services are required for data compilation or extraction in order to produce an electronic copy of a government record;

- (4) Requiring that any agency that maintains government records in an electronic format shall make such government records available in an electronic format upon request by any person, unless otherwise prohibited by law;
- (5) Clarifying that a government agency may provide read only access to government records by remote electronic means; and
- (6) Adding a provision that the director of the office of information practices shall be responsible for administering the provisions of this section.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 427, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 427, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, none.

**SCRep. 791      Education on S.B. No. 1248**

The purpose of this measure, as received by your Committee, is to require school/community-based management (SCBM) to secure the support of the school community and to mandate the implementation of SCBM in every public school by the 2006-2007 school year.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Parent Teacher Student Association. The Hawaii State Teachers Association and the Hawaii Government Employees Association Local 152 submitted testimony noting concerns.

Your Committee finds that school/community-based management has been implemented in most public schools, but twenty-three schools have not formally adopted SCBM. Your Committee further finds that in a study of school/community-based management conducted for the Board of Education, the research indicated that while the goal of school-based management was improved student achievement, the data did not reflect any appreciable difference in student achievement or in a variety of school factors as between SCBM and non-SCBM schools. Your Committee further notes that this same study did find differences in levels of parental and teacher participation, again not necessarily correlated to SCBM, and therefore concludes that SCBM has not necessarily proved to be the only model for achieving and maintaining parental and teacher participation within the school. Thus, your Committee agrees that the Department should advocate the adoption of SCBM or alternative models that invite participation by parents and teachers in the planning and decision-making processes at the schools.

Your Committee has amended this measure deleting its contents and substituting therefor a request for a report from the Superintendent through the Board of Education on how to implement a school/community-based management or alternative system that would invite parental and teacher participation in school planning and decision-making processes within the schools.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1248, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1248, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

**SCRep. 792      Transportation, Military Affairs, and Government Operations on S.B. No. 327**

The purpose of this measure is to invalidate Procurement Circular No. 2002-02, relating to authorized purchases from Grainger Industrial Supply (Grainger), until the State Procurement Office (SPO) holds public hearings to gather public input on the contract.

Your Committee received testimony in support of this measure from the Hawaii Business League, the National Federation of Independent Business, Hawaii Pest Control Association, and thirteen small business owners. The SPO and Grainger submitted testimony in opposition to this measure.

Your Committee finds that as a member of the Western State Contracting Alliance, Hawaii state agencies are authorized to make secondary purchases through Grainger, if the agency's primary contractor is unable to meet the terms of the primary contract. Such a policy is reasonable to make the procurement process more efficient, particularly in light of the large number of products in the Grainger catalog.

Your Committee is concerned, however, that some state agencies are bypassing their primary contractor, and using Grainger as their first source of goods. This practice, aside from being unlawful, has several additional detrimental effects, including undermining the integrity of the procurement process and harming local businesses.

Therefore, your Committee fully supports this measure, and believes that the SPO must accept public input before any further contracts with Grainger may be executed.

Your Committee amended this measure to specify that all state purchases under the Western State Contracting Alliance's contract with Grainger are suspended until the Legislature takes further action. Your Committee intends that the Legislature will revisit this issue next session after the SPO has held its hearings and submitted its report to the Legislature.



As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 327, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

**SCRep. 793      Ways and Means on S.B. No. 489**

The purpose of this measure is to require the Auditor to conduct a management audit of the Public Utilities Commission.

Specifically, this bill directs the Auditor to assess the adequacy of the current regulatory process that is administered by the Public Utilities Commission in dealing with issues, problems, and developments in complex and changing areas, such as telecommunications and energy deregulation.

Your Committee finds that management audits of the Public Utilities Commission were conducted in 1975 and 1989. Both the passage of time and the rapid growth and development of the areas subject to regulation necessitate further review and assessment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 489 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 794      Ways and Means on S.B. No. 498**

The purpose of this measure is to require the Public Utilities Commission to maintain a web site that includes all decisions and orders issued by the Commission and lists all open dockets, all upcoming meetings, and all pending deadlines.

This bill also:

- (1) Requires applicants to submit applications to the Public Utilities Commission in electronic format, excluding any confidential information submitted as part of the application;
- (2) Provides for the time period within which the Commission is required to take action to commence upon the posting of a substantially completed filing on the web site;
- (3) Authorizes the Commission to hire necessary personnel; and
- (4) Appropriates funds from the Public Utilities Commission Special Fund.

Your Committee finds that this measure will promote a more open government by providing timely public access to Public Utilities Commission actions, information, and proceedings. This measure will also serve to encourage greater participation in government by addressing the due process concerns of potential intervenors.

Your Committee has amended this measure by further clarifying that applicants need only submit their application forms, and not any supporting documents, in PDF format. Your Committee does not want the system overburdened with the filing of supporting documents that can amount to thousands of pages. Your Committee also made a technical nonsubstantive change to correct grammar.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 498, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 498, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 795      Ways and Means on S.B. No. 574**

The purpose of this measure is to make an appropriation to fund three insurance examiner positions in the Captive Insurance Administrative Branch of the Insurance Division of the Department of Commerce and Consumer Affairs.

The measure also provides that the Captive Insurance Administrator shall report directly to the Insurance Commissioner.

Your Committee finds that the number of captive insurers regulated by the Department of Commerce and Consumer Affairs has increased by one hundred percent over the past four years. During that time, no examiners have been added to the captive insurance program staff. As a result, the Department has had to outsource examination services to independent contractors. Typically, outsourced examinations are more expensive and time consuming for captive insurance licensees.

This bill provides the necessary funds to hire needed personnel in the Captive Insurance Administrative Branch to eliminate outsourcing of examination services to ultimately reduce costs and provide better and more efficient services.

Your Committee finds that the Captive Insurance Administrator should report directly to the Insurance Commissioner, who is responsible for establishing and implementing important insurance policies for the State. This structure is consistent with the purpose for establishing a captive insurance branch that is solely responsible to the commissioner.

Your Committee has amended this measure by making technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 574, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 574, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 796      Ways and Means on S.B. No. 614**

The purpose of this measure is to establish a health insurance fraud investigations unit within the Insurance Division of the Department of Commerce and Consumer Affairs.

The purpose of the unit is to investigate fraud relating to accident, health or sickness insurance, mutual benefit societies, and health maintenance organizations.

Furthermore, this measure also grants limited civil immunity to persons providing information, evidence, or testimony concerning health insurance fraud to the Insurance Commissioner or other specified entities.

Your Committee finds that this measure is modeled in part upon the insurance fraud provisions in the insurance code relating to motor vehicle insurance. Your Committee finds that insurance fraud has impacted not only the motor vehicle insurance industry, but the health insurance industry as well. Accordingly, your Committee finds that it is necessary to establish a fraud unit for health insurance.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 614, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 797      Ways and Means on S.B. No. 695**

The purpose of this measure is to require the Department of Commerce and Consumer Affairs to regulate the profession of professional counselors.

Specifically, this measure prohibits a person from using the title "licensed professional counselor" without having first obtained a license from the Department. The measure also establishes education, training, and examination requirements for licensure.

This measure also establishes a privately funded temporary trust fund under the Department to start up the licensing program.

Your Committee finds that the unlicensed professional counselors pose a threat of serious harm to the public health and safety and that consumers are at a great disadvantage in choosing a competent provider on their own, due to the complexity and technical nature of the profession. Furthermore, your Committee finds private organizations and other government programs do not offer adequate protections to the public.

Your Committee has amended this measure by making minor adjustments to the licensing exemptions and education and experience requirements. Specifically, your Committee has amended this measure by:

- (1) Broadening the exemption for full-time students to include any student, full-time or otherwise;
- (2) Modifying the exemption for government employees to apply to those whose duties and responsibilities involve the practice of professional counseling, rather than to those employed in a counseling position;
- (3) Eliminating the curricular requirements for graduate level course work and degrees relating to professional counseling;
- (4) Removing the condition that the two required academic terms of experience be practicum experience; and
- (5) Making other technical nonsubstantive corrections.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 695, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 695, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 798 (Majority) Ways and Means on S.B. No. 913**

The purpose of this measure is to appropriate funds to implement the loss mitigation grant program.

In particular, this measure appropriates funds from the general fund into the loss mitigation grant fund, as authorized in section 431P-16, Hawaii Revised Statutes, and further appropriates these funds out of the loss mitigation grant fund for the development and implementation of the loss mitigation grant program.

Your Committee finds that the loss mitigation grant program, as enacted by Act 179, Session Laws of Hawaii 2002, and codified as article 22 of chapter 431, Hawaii Revised Statutes, was designed to encourage the installation of wind resistive devices by providing grants to certain property owners for the installation of these devices, as approved by the Insurance Commissioner, that lessen the severity of property loss from strong winds.

Your Committee finds, however, that although Act 179, originally contained an appropriation to implement the loss mitigation grant program, the appropriation was line-item vetoed. This measure returns to the public the amounts that were vetoed for the previous year, plus the authorized amounts for years two and three of the program. Your Committee agrees with the intent of this measure to implement the program to provide grants as an incentive for homeowners to protect their homes from hurricanes.

In 1992, property and casualty insurers stopped offering hurricane coverage after Hurricane Iniki. The Legislature established the Hawaii Hurricane Relief Fund and program in response to property and casualty insurers withdrawing from the market. The Hawaii Hurricane Relief Fund remains intact in case two contingencies occur. First, a hurricane must strike Hawaii and cause extensive damage. Second, property and casualty insurers must withdraw from the market again. While your Committee recognizes it cannot stop property and casualty insurers from withdrawing from the market, your Committee finds that the hazard mitigation program can prevent extensive damage. That is the main reason your Committee is once again attempting to fund this important program.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 913 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, 1 (Hemmings). Excused, 1 (Kawamoto).

**SCRep. 799 Ways and Means on S.B. No. 1055**

The purpose of this measure is to implement a method by which law enforcement officers may readily determine whether motor vehicles involved in traffic accidents have insurance coverage.

Specifically, this bill requires the Motor Vehicle and Licensing Division of the City and County of Honolulu to establish, maintain, and operate a statewide electronic insurance database, which is to be interactive with the Division's motor vehicle registration database. The bill also requires, beginning on January 1, 2004, all motor vehicle insurers to establish and maintain an information system that will electronically transmit the vehicle identification number of an insured vehicle, upon issuance of a motor vehicle insurance policy and no later than twenty-four hours after the effective date of the policy, to the statewide database. The bill further appropriates the nominal sum of \$1 for each of fiscal years 2003-2004 and 2004-2005 to the City and County of Honolulu to establish, maintain, and operate the statewide database.

Your Committee finds that this measure will alleviate the problem of verifying the insurance coverage of motorists who are involved in traffic accidents and identifying those who are uninsured.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1055, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 800 Ways and Means on S.B. No. 1087**

The purpose of this measure is to provide a one year extension to the Real Estate Commission's period of review of Hawaii's condominium property regimes law.

More specifically, the measure:

- (1) Requires a final report of the review and draft legislation to be submitted to the Legislature no later than twenty days prior to the convening of the Regular Session of 2004;
- (2) Expands the membership of the Real Estate Commission Recodification Advisory Committee to include representatives of condominium associations;
- (3) Requires the Recodification Advisory Committee to meet to review the final version of the recodification draft to be presented at public hearings; and

- (4) Appropriates funding to allow the continuation of the project and authorizes an extension of the temporary condominium specialist position for one year.

Your Committee finds that the Real Estate Commission's review of the existing condominium property regimes law has resulted in two discussion drafts of the recodification project. As the project moved forward, the complexity of issues and competing interests revealed a need for additional time to produce a final recommendation that incorporates comments submitted at future public hearings to be held in each county, as well as input from affected members of the condominium community. Your Committee believes this measure will allow the Real Estate Commission to submit a thoroughly researched final report and draft legislation that reflects the work of the Real Estate Commission, as well as the cooperation and assistance of the public and members of the condominium community.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1087, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 801      Ways and Means on S.B. No. 1283**

The purpose of this measure is to repeal the applicable subparts in chapter 201G, Hawaii Revised Statutes, that establish the housing alteration revolving loan fund for persons with physical disabilities and the Hawaii development revolving fund.

Your Committee finds that this measure is necessary since both the housing alteration revolving loan fund for persons with physical disabilities and the Hawaii development revolving fund were repealed by Act 178, Session Laws of Hawaii 2002. This housekeeping measure would repeal the entire subparts, in conformity with the provisions of Act 178.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1283 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 802      Ways and Means on S.B. No. 1315**

The purpose of this measure is to increase the ability of state regulators to combat insurance fraud.

This bill promotes this objective by:

- (1) Converting the motor vehicle insurance fraud investigations unit of the Insurance Division of the Department of Commerce and Consumer Affairs into a branch of the Division; and
- (2) Authorizing the branch to both retain its staff by contract and expand its staff to include auditors, accountants, paralegals, and other professionals.

Additionally, this measure expands the purpose of the branch to include educational programs, and authorizes investigator assistants and auditors to serve process and execute search warrants.

Your Committee finds that these changes are necessary to strengthen the Insurance Division's ability to prevent and combat motor vehicle insurance fraud.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1315 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 803      Ways and Means on S.B. No. 1316**

The purpose of this measure is to extend from July 1, 2003 to July 1, 2004 the authority of the Department of Commerce and Consumer Affairs to monitor the solvency of dental service organizations and corporations.

Your Committee finds that Act 132, Session Laws of Hawaii 2001, made dental service corporations and organizations subject to the Insurance Commissioner's enforcement, examination, supervision, rehabilitation, and liquidation powers. Prior to that Act, not all dental plans were subject to regulation by the Commissioner, and the granting of this authority was necessary to allow the Commissioner to protect consumers from the imminent failure of one particular dental insurer.

Your Committee agrees with the intent of this measure, and finds that extending the sunset date for an additional year will allow the Department of Commerce and Consumer Affairs to continue to protect the interests of consumers by shutting down insolvent dental insurance plans that are failing to pay claims, and by pursuing claims against the principal agents of these plans to recover assets on behalf of policy holders and providers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1316 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 804            Ways and Means on S.B. No. 1322**

The purpose of this measure is to eliminate the insurance premium tax on health insurers.

Your Committee finds that health insurers organized under article 10A of chapter 431, Hawaii Revised Statutes, are currently subject to a premium tax rate of 4.265 per cent on gross premiums, while mutual benefit societies and health maintenance organizations, organized respectively under chapters 432 and 432D, Hawaii Revised Statutes, are exempt from this tax requirement.

Your Committee further finds that exempting health insurers from the premium tax may help to attract additional health insurers to enter the health insurance market in this State, by helping to level the playing field among health insurance providers in Hawaii.

Upon further consideration, your Committee has amended this measure by making a technical amendment to correct the effective date to specify that the measure shall apply to all gross premiums received after June 30, 2003, and by making other technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1322, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1322, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 805            Ways and Means on S.B. No. 1421**

The purpose of this measure is to provide a twenty-five per cent earned income deduction for public housing tenants in determining their income-based rental rate.

Your Committee concurs with the findings of your Committee on Commerce, Consumer Protection and Housing that the issue of calculating public housing rental rates is a difficult and complex matter. On one hand, the working poor are paying as much as fifty per cent of their income for rent -- which often leaves them with little or nothing after paying for other expenses. But others would argue that present income deductions for tenants are sufficient and specifically serve as an incentive for tenants to achieve financial self-sufficiency -- which would mean lower costs for the State, especially during austere economic times.

As with your Committee on Commerce, Consumer Protection and Housing, your Committee would like to consider and discuss this matter further and, therefore, has left the bill unamended with an effective date of July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1421, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 806            Ways and Means on S.B. No. 1629**

The purpose of this measure is to exempt from the general excise tax:

- (1) Amounts received by submanagers of condominium property regimes or nonprofit homeowners or community associations in reimbursement of sums paid for common expenses;
- (2) Amounts received by the operator of a hotel from a timeshare association and disbursed for employee expenses; and
- (3) Amounts received by the suboperator of a hotel from the owner of the hotel, a timeshare association, or the operator of the hotel and disbursed for employee expenses.

Your Committee finds that, at present, the general excise tax law exempts only the reimbursements for common expenses received by the manager of the condominium property regime or nonprofit homeowners or community association. Furthermore, the general excise tax law exempts only the amounts disbursed for employee expenses that are received by the operator of a hotel from the owner of the hotel.

Your Committee finds that extending the exemptions as done in this measure is necessary to treat similar entities in a like manner.

Your Committee has also amended this measure by making technical nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1629, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1629, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 807            Ways and Means on S.B. No. 3**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds of up to \$20,000,000 for North Hawaii Community Hospital, Inc.

Your Committee finds that the law permits special purpose revenue bonds to be issued to assist nonprofit corporations that provide health care facilities to the general public. Your Committee also finds that the activities and facilities of North Hawaii Community Hospital, Inc., constitute a project, and the financing of that project is assistance to a health care facility.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (English, Kim).

**SCRep. 808            Ways and Means on S.B. No. 325**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for the renovation and expansion of the Queen's Health Systems.

Your Committee finds that Queen's is one of the largest and most prominent hospital and health care facility in the State. This bill will allow Queen's to:

- (1) Upgrade and renovate existing facilities;
- (2) Replace old and obsolete facilities;
- (3) Improve on the standards of patient care as new technology emerges; and
- (4) Implement new and less invasive medical treatment.

This bill will enable the Queen's Health Systems to compete nationally as a health care leader. Constructing new facilities, upgrading existing buildings, and acquiring new technology will strengthen Queen's capability in critical areas of change, such as cardiovascular, trauma, neuroscience, oncology, orthopedic, and behavioral disorders, as well as interventional and diagnostic imaging and minimally invasive surgery.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 325 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (English, Kim).

**SCRep. 809            Ways and Means on S.B. No. 457**

The purpose of this measure is to appropriate funds for the operation of the Waipahu Community Adult Day Health Center and Youth Day Care Center pilot project for two years.

Specifically, this bill appropriates \$350,000 for fiscal year 2003-2004 and \$350,000 for fiscal year 2004-2005 to fund the operation of the Waipahu Community Adult Day Health Center and Youth Day Care Center for two years.

For the purposes of promoting further discussion, your Committee has amended this bill by changing the appropriated amounts to blank amounts.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 457, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 457, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 810            Ways and Means on S.B. No. 740**

The purpose of this measure is to statutorily establish the Department of Health's public health nursing services program and set out some of the various duties of the program.

Your Committee finds that the department established the program in 1923 to provide communicable disease control, infant welfare services, and nutrition services. At present, the program continues to be involved in the prevention and control of communicable diseases, immunization activities, and immediate response to epidemics and other catastrophic disasters and traumatic emergency events in the community.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 740 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (English, Kim).

**SCRep. 811            Ways and Means on S.B. No. 748**

The purpose of this measure is to establish a nursing education loan program under the University of Hawaii for students of nursing programs in both public and private institutions in the State.

Specifically, this measure authorizes the University of Hawaii to provide loans of up to \$10,000 per academic year to an eligible nursing student.

Furthermore, this measure forgives loan repayment for loan recipients who graduate and work as registered nurses in the State. Additionally, this measure appropriates general funds to establish and implement the loan program.

Your Committee finds that the shortage of nurses is a critical concern to the State. Your Committee believes that the loan program authorized in this measure will encourage students to study nursing, thereby ensuring an adequate supply of registered nurses in the State.

Your Committee has amended this measure by changing the maximum loan amount available to a student per academic year to an unspecified figure for purposes of continued discussion on the matter, and by making a technical nonsubstantive change.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 748, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 748, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 812            Ways and Means on S.B. No. 1068**

The purpose of this measure is to extend the authorization to issue special purpose revenue bonds to assist Honolulu Neighborhood Housing Services, Inc., until June 30, 2007.

Your Committee finds that Act 296, Session Laws of Hawaii 1999, authorized the issuance of up to \$80,000,000 in special purpose revenue bonds to assist Honolulu Neighborhood Housing Services, Inc., a Hawaii not-for-profit corporation, to plan, design, and construct a senior citizen lifecare retirement community.

Your Committee finds, however, that the authority to issue bonds under Act 296 will expire on June 30 of this year. While your Committee finds that Honolulu Neighborhood Housing Services has made significant progress in the design and plans for the senior center, construction cannot begin before the June 30 deadline because of delays in locating additional financing for the project. Your Committee finds that this project is worthwhile and that the deadline for the issuance of bonds should be extended.

Upon further consideration, your Committee has amended section 3 of this measure to change the effective date from upon approval to June 29, 2003, to ensure that the lapse provision does not become operational before the bill takes effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1068, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1068, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (English, Kim).

**SCRep. 813            (Majority) Ways and Means on S.B. No. 1088**

The purpose of this measure is to establish a long-term care social insurance program, setting long-term care income tax rates, manner of payment, and long-term care benefits.

Your Committee finds that Act 245, Session Laws of Hawaii 2002, established a Temporary Board of Trustees of the Long-Term Care Financing Act to study and propose a tax collection program, a tax rate, and a benefit schedule for an actuarially sound long-term care social insurance program for Hawaii taxpayers. This measure is one result of that effort.

Your Committee has amended this bill to change the effective date from upon its approval to July 1, 2015 to facilitate further discussion on this most important issue. Your Committee has also made a few technical amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1088, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1088, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Kim).

**SCRep. 814 (Majority) Ways and Means on S.B. No. 1238**

The purpose of this measure is to address the need for a method to recognize and carry out a person's wishes regarding mental health care if that person becomes incapacitated due to physical or mental illness.

Specifically, this bill provides for advance mental health care directives, including the appointment of agents, that are to be recognized and respected under the law if an individual becomes incapacitated, codified into a new chapter in the Hawaii Revised Statutes. The bill repeals chapter 327F, Hawaii Revised Statutes, entitled Medical Treatment Decisions for Psychotic Disorders.

Upon further consideration, your Committee has made the following technical amendments:

- (1) Deleting a redundant phrase "medical or" on page 3, line 9;
- (2) Clarifying that the definition of "competent adult" includes a reference to an individual age eighteen or older on page 4, lines 5-9;
- (3) Inserting the word "mental" before "health care directive" on page 21, lines 5, 6, and 9, and page 22, line 9; and
- (4) Substituting the word "second" for the word "first" in identifying the second alternative agent (and not the first alternative agent) on page 28, line 4.

Your Committee has also made numerous technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1238, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1238, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, 1 (Trimble). Excused, 1 (Kim).

**SCRep. 815 Ways and Means on S.B. No. 1241**

The purpose of this measure is to repeal the law requiring licensed hospitals to offer uterine cytologic examinations for cancer to female in-patients twenty years of age or older.

Your Committee finds that advances in obstetrics and gynecology, oncology (i.e., the study of cancer), and cytology (i.e., the study of cells) over the last thirty years have made in-patient uterine cytologic examinations for cancer unnecessary.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1241 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 816 Ways and Means on S.B. No. 1243**

The purpose of this measure is to support nonprofit, community-based health care providers in caring for the uninsured.

Specifically, this bill appropriates funds to pay nonprofit community health centers for providing direct care, which includes primary medical, dental, and mental health care and for the purchase of prescription drugs. The Department of Health is the expending agency.

Hawaii's community health centers, due to their closeness to the community and open patient-acceptance policies, represent the best system of community-based primary care for uninsured people. However, financial support for these centers is inadequate to meet the increasing demands of serving the uninsured.

For the purpose of facilitating further discussion, your Committee has amended this bill to change the appropriated amounts to blank amounts.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1243, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1243, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 817      Ways and Means on S.B. No. 1279**

The purpose of this measure is to consolidate the tax stamp fees collected for the enforcement of the cigarette tax and tobacco tax laws with the moneys received for enforcement of the tobacco Master Settlement Agreement.

Specifically, this bill requires a deposit of moneys into the Tobacco Enforcement Special Fund from the allocated portion of the stamp fee designated to pay for the cost of enforcing the cigarette tax stamp and fines.

Your Committee received testimony in support of this bill from the Department of the Attorney General.

Your Committee finds that this consolidation will provide the necessary funding for the Tobacco Enforcement Unit within the Department of the Attorney General.

Your Committee has made the following technical amendments:

- (1) Underscored new statutory material (“state general fund”) added to section 28-15(c), Hawaii Revised Statutes, on page 2, line 14, to correspond to the printed version of the Hawaii Revised Statutes;
- (2) Inserted a semi-colon in section 245-26(a)(2), Hawaii Revised Statutes, to conform to the printed version of the Hawaii Revised Statutes, on page 9, line 13;
- (3) Deleted the June 30, 2003 effective date for section 7 of the bill; and
- (4) Made other technical nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1279, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1279, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 818      Ways and Means on S.B. No. 1357**

The purpose of this measure is to repeal the public health statistics registration districts.

Specifically, this measure converts the registration of vital events such as birth, death, and marriage occurring within the State from a decentralized, intermediated process to a centralized, direct process. Current registration involves a paper process with filings made in the county statistics registration district office. The neighbor island offices then forward the paperwork to Honolulu. Your Committee finds that the Department of Health is converting to an electronic process with direct filings to a centralized site, thereby eliminating the necessity for registration districts.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1357, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 819      Ways and Means on S.B. No. 1358**

The purpose of this measure is to make an emergency appropriation of an additional \$1,292,439 necessary to meet the federal Health Insurance Portability and Accountability Act (HIPAA) compliance costs for the Department of Health.

HIPAA is an unfunded federal mandate to improve portability and continuity of health insurance coverage in the group and individual markets, to combat waste, fraud, and abuse in health insurance and health care delivery, to promote the use of medical savings accounts, to improve access to long-term care services and coverage, to simplify the administration of health insurance, and to protect the confidentiality of individually identifiable health information.

Your Committee finds that the Department of Health requires immediate funding to comply with HIPAA standards within the federal deadlines in order to avoid the imposition of substantial fines that will impede the Department of Health’s ability to receive federal reimbursement for the provision of direct services.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1358, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 820      Ways and Means on S.B. No. 1367**

The purpose of this measure is to require the Hawaii Health Systems Corporation to develop procedures to obtain verifiable criminal history information for job applicants in any health facility of the Hawaii Health Systems Corporation.

Specifically, the bill:

- (1) Specifies that the procedures shall include a criminal history record check of state and federal records;
- (2) Authorizes the Hawaii Health Systems Corporation to refuse to employ an applicant convicted of an offense for which incarceration is a sentencing option if the corporation finds the convicted person has not been rehabilitated and poses a risk to the well-being of the health facility's patients or the health facility's qualification for the federal health care insurance program;
- (3) An applicant may be refused only after:
  - (A) Appropriate investigation to determine whether the applicant has been sufficiently rehabilitated to warrant public trust;
  - (B) Notification of results of investigation and action planned; and
  - (C) Being given an opportunity to rebut the investigation's findings;
- (4) Defines "criminal history record check" to mean a fingerprint search of files of the Federal Bureau of Investigation and a check through files maintained by the Hawaii Criminal Justice Data Center; and
- (5) Appropriates funds out of the state criminal history record improvement revolving fund for criminal history record checks of job applicants.

Your Committee finds that criminal history record checks can be an effective tool for protecting our most vulnerable populations, including patients at health facilities of the Hawaii Health Systems Corporation. In seeking to protect patients, the measure also protects the rights of a convicted individual by providing that employment may be refused only after an investigation to determine whether the applicants has been sufficiently rehabilitated and given an opportunity to rebut findings of the investigation.

Upon further consideration, your Committee has made technical, nonsubstantive changes for the purposes of clarity and uniformity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1367, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1367, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 821      Ways and Means on S.B. No. 1399**

The purpose of this measure is to provide an income tax credit to offset the cost of long-term care insurance premiums.

Your Committee finds that there is a growing need for long-term care insurance. Due to medical advances, people are living longer and, generally, require long-term care as they grow older. The costs for long-term care, however, are significant, and consequently there is a need by the elderly and their families for financial assistance.

This bill provides the means to assist those with long-term care insurance expenses by providing a tax credit to offset the costs of long-term care insurance premiums. Although your Committee has left the amount of the tax credit blank, your Committee intends to continue discussions on this matter.

Your Committee has amended the bill by making technical amendments that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1399, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1399, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 822      (Majority) Ways and Means on S.B. No. 1519**

The purpose of this measure is to provide a dedicated funding source for community health centers.

Specifically, this bill proposes to provide such funding by:

- (1) Increasing the percentage, as yet unspecified, of tobacco settlement funds appropriated to the Department of Health and correspondingly decreasing the amount appropriated to the emergency and budget reserve fund; and
- (2) Dedicating a percentage of the amounts consequently received by the Department of Health to fund operating expenditures of community health centers.

Your Committee received testimony in support of the bill from the Hana Community Health Center and the Hawaii Primary Care Association.

Your Committee finds that community health centers provide needed, high quality primary care services to Hawaii's rural communities. These centers operate only in designated underserved areas and must meet the medical, dental, mental health, preventive, and other service needs of individuals, regardless of their ability to pay for those services. Unfortunately, these centers are underfunded and residents of these underserved areas are in jeopardy of losing access to health services. Your Committee believes that the method of providing dedicated and stable funding, as contained in this bill, will ensure that Hawaii's community health centers continue to provide the medical and health care residents truly need. Your Committee has left the specific percentages unspecified to facilitate further discussions on this critical issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1519, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Kim).

**SCRep. 823            Ways and Means on S.B. No. 1675**

The purpose of this measure is to amend the certificate of need program to streamline the regulatory process.

Your Committee finds that the State Health Planning and Development Agency and the certificate of need program set forth in part V of chapter 323D, Hawaii Revised Statutes, have played an important role in ensuring that health care facilities in this State address the specific medical needs of Hawaii's residents and visitors.

Your Committee further finds that the certificate of need program encourages greater accountability by providing an avenue for public comment, discouraging or limiting unnecessary services, and promoting community planning.

Your Committee also finds, however, that certain improvements are necessary to make the program more efficient. Your Committee finds that this measure will ensure that the certificate of need program remains a useful monitoring and planning tool, by providing for equal access, high quality, and cost-effective health care for the people of this State and by facilitating community-based planning and effective allocation of scarce resources.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1675 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 824            Ways and Means on S.B. No. 1676**

The purpose of this measure is to remedy the conflict of interest situation created by the Department of Health licensing its own contracted providers.

Specifically, this bill transfers the Department of Health's Office of Health Care Assurance, which carries out licensing functions, to the State Health Planning and Development Agency (SHPDA). This bill also renames SHPDA the Hawaii Health Performance Agency. This move has been recommended by the Auditor in the Auditor's Report No. 02-06.

Your Committee agrees with the Auditor that conflicts of interest do arise under the current circumstances. This measure establishes the necessary separation by transferring the duties of the Office of Health Care Assurance to the State Health Planning and Development Agency, an administratively attached but operationally independent agency, thus, ensuring that residential care facilities are properly and effectively monitored and regulated. More important, this measure removes the appearance of any conflict of interest.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1676 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 825            Ways and Means on S.B. No. 582**

The purpose of this measure is to authorize the issuance of general obligation bonds to finance projects for the executive branch and the judiciary.

Your Committee finds that the total amount of principal and interest, estimated for the general obligation bonds authorized under this measure, and for all bonds authorized and unissued, and calculated for all bonds issued and outstanding, and all guarantees, will not cause the debt limit of the State to be exceeded at the time of issuance.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 582 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 6 (Aduja, Kanno, Kawamoto, Kim, Sakamoto, Tsutsui).

**SCRep. 826 Ways and Means on S.B. No. 585**

The purpose of this measure is to repeal the provision that requires that allotments be made according to the classification prescribed in appropriations.

Your Committee has amended this bill by deleting its contents and replacing it with the contents of S.B. No. 1354, S.D. 1, which clarifies the purpose for the use of the Tobacco Settlement moneys for the Department of Human Services to fund its children's health programs. As amended, the bill appropriates the unexpended, accumulated funds, amounting to \$6,259,886, from the Hawaii Tobacco Settlement Special Fund to be expended by the Department of Human Services to fund the children's health programs for fiscal year 2002-2003.

Your Committee has also amended the bill to have it take effect on July 1, 2015 for the purpose of promoting further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 585, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 585, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Kanno, Kawamoto, Sakamoto).

**SCRep. 827 Ways and Means on S.B. No. 1305**

The purpose of this measure is to repeal eight specific special and revolving funds, provide for the disposition of their remaining balances, and transfer excess balances in twelve other special and revolving funds to the state general fund.

More specifically, this measure:

- (1) Repeals the petroleum products control fund, Hawaii film facility special fund, clean Hawaii fund, homes revolving fund, state disaster revolving loan fund, Hawaii innovation development fund, statewide planning and geographic information system special fund, and boiler and elevator safety revolving fund;
- (2) Appropriates funds to the Department of Business, Economic Development, and Tourism for the operation of the Hawaii film studio; and
- (3) Transfers excess balances in the cigarette tax stamp enforcement special fund, medicaid investigations recovery fund, litigation settlement clearance account, Aloha Tower fund, dwelling unit revolving fund, teachers' housing revolving fund, housing finance revolving fund, Waialua loan and subsidy account, compliance resolution fund, spouse and child abuse special fund, bureau of conveyances special fund, and noise, radiation and indoor air quality special fund to the state general fund.

Your Committee has amended this measure by:

- (1) Deleting the provisions repealing eight specific special and revolving funds and providing for the disposition of their remaining balances;
- (2) Deleting the provision appropriating funds to the Department of Business, Economic Development, and Tourism for the operation of the Hawaii film studio;
- (3) Deleting the provision transferring the excess balance in the Waialua loan and subsidy account to the state general fund; and
- (4) Makes the effective date July 1, 2003 for all provisions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1305, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1305, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Kanno, Kawamoto, Sakamoto).

**SCRep. 828 (Majority) Ways and Means on S.B. No. 1307**

The purpose of this measure is to clarify the provisions of the unclaimed property trust fund.

In particular, this bill authorizes the payment of operating expenses from the unclaimed property trust fund; increases the balance of funds permitted to remain in the trust fund at the end of each fiscal year from \$1,000,000 to \$1,500,000; and appropriates funds out of the trust fund for fiscal years 2003-2004 and 2004-2005 for the administration and operation of the unclaimed property program.

Your Committee received testimony in favor of this measure from the Department of Budget and Finance.

Your Committee finds that all expenses of the unclaimed property program, except for claims for unclaimed property, are currently paid from the general fund. Your Committee agrees with the intent of this bill that these expenses be paid from the unclaimed property trust fund, since these expenses are incurred in the administration of the unclaimed property program.

Upon further consideration, your Committee has amended this bill by reducing the amount of funds permitted to remain in the trust fund at the end of each fiscal year from \$1,500,000 to \$1,300,000.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1307, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1307, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, 1 (Trimble). Excused, 6 (Aduja, Kanno, Kawamoto, Kim, Sakamoto, Tsutsui).

**SCRep. 829 Ways and Means on S.B. No. 1395**

The purpose of this measure is to amend or repeal obsolete tax laws.

Despite the "housekeeping" nature of this bill, your Committee is concerned with the proposals regarding manufacturers in sections 2 thru 7, and 9 thru 11 of the bill. Accordingly, your Committee has amended the bill by removing these provisions, but intends to continue discussions on this matter during the remainder of the legislative session. Your Committee has also amended the bill by making a technical change that has no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1395, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1395, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Sakamoto).

**SCRep. 830 Ways and Means on S.B. No. 1396**

The purpose of this measure is to correct an inadvertent regressive effect on taxpayers with adjusted gross incomes (AGIs) of \$50,000 or less.

As such, this bill corrects a problem created by Act 190, Session Laws of Hawaii 2002, which amended the payment threshold for avoiding the estimated tax underpayment penalty. In addition, the bill conforms Hawaii law to the Internal Revenue Code by lowering the minimum estimated tax payment to one hundred per cent for prior year returns.

The other primary purpose of this bill is to remove the ambiguity of competing provisions of the Internal Revenue Code and the authority of the Department of Taxation relating to granting extensions of time to file net income tax returns.

Testimony of the Department of Taxation indicated that last year the Legislature passed H.B. No. 1996, which was signed into law as Act 190, Session Laws of Hawaii 2002. This act decreases the required estimated annual payment amount from ninety per cent to sixty per cent of current year liability. However, an unintended result of Act 190 is that individuals with AGIs of \$50,000 or less remain subject to the prior higher annual payment requirements.

Your Committee finds that this bill will treat all taxpayers equally by applying the sixty per cent payment requirement to all individual taxpayers, regardless of AGI. This bill will also lower the minimum estimated tax payment to one hundred per cent for prior year returns.

Further, under current Hawaii law, extensions of time to file tax returns, with one exception, may not exceed a six-month period, while certain federal provisions, to which Hawaii law conforms, grant extensions that would exceed Hawaii's six-month limitation. This bill resolves the conflict between Hawaii's strict six-month limitation and the more flexible federal provisions in favor of conformity to the federal tax laws.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1396 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Sakamoto).

**SCRep. 831            Ways and Means on S.B. No. 1397**

The purpose of this measure is to authorize the State's participation in multistate discussions relating to the Streamlined Sales Tax Project.

The Streamlined Sales Tax Project is intended to streamline the administration of state sales and use taxes and reduce the burden of tax compliance by addressing issues relating to the multiplicity of state sales and use tax rates, definitions, and taxing jurisdictions. Among the goals of the project are:

- (1) A single state sales tax rate;
- (2) Uniform definitions of sales and use tax terms;
- (3) Requiring states to administer local and use taxes; and
- (4) A central electronic registration system to allow a seller to register to collect and remit sales and use taxes for all states.

Your Committee finds that the Project is a means to develop a simpler, uniform, and fairer system of sales and use taxation that preserves state sovereignty and enhances the ability of United States firms to compete in the global economy.

Your Committee has amended the bill by specifying the method of appointing the advisory group that is consulted by the Department of Taxation and by making technical changes that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1397, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1397, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Inouye, Kanno, Sakamoto).

**SCRep. 832            Ways and Means on S.B. No. 1621**

The purpose of this measure is to provide a vehicle to change the state standard income tax deduction.

The purpose of the standard deduction is to remove low-income households under the poverty line from the burden of paying income taxes, reflecting the philosophy that a certain level of minimum income is necessary for subsistence and should not be subject to tax. The state standard deduction is far lower than the federal standard deduction, resulting in a state income tax at the poverty level that is one of the highest in the nation.

Increasing the amount of the state standard deduction has been one of the major recommendations of all of the state Tax Review Commissions since they were established by the 1978 Constitutional Convention. Your Committee finds that further discussion of the proper amount of the state standard deductions is necessary and is passing this bill to continue the dialogue on this issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1621 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Inouye, Kanno, Sakamoto).

**SCRep. 833            (Majority) Ways and Means on S.B. No. 1626**

The purpose of this measure is to earmark a general excise tax increase for educational purposes.

The bill also exempts food and drugs from the general excise tax.

Your Committee is very concerned with the state of our volatile economy. With our country on the brink of war and a stock market and economic indicators that are less than reassuring, prudence dictates budgetary caution. Caution has become all too familiar in the face of shrinking budgets, across-the-board cutbacks and the battle cry of the 90s, "doing more with less". Although caution may be prudent, excessive caution can be debilitating. If the State is to move out of the economic doldrums that have plagued us for over a decade, we must be willing to invest in the future of the State and provide the necessary resources and funds to do so.

This bill addresses the greatest investment our State can make in the future of Hawaii: the education of our children. Only with a quality education, can children grow and develop to ultimately compete and excel in a dynamic and complex global economy. To achieve this objective, this bill recommends a general excise tax increase to directly fund needed improvements in public education. Such proposals are not made frivolously, but are made with due consideration of the budgetary needs of public education in the State and the overwhelming support of the public, who believe that a quality education is worth supporting.

To adequately address the budgetary concerns of education in the State, your Committee has amended the bill by providing a one-half per cent increase in the general excise tax that will generate enough funds to designate \$70 million per year to lower education, and \$10 million to higher education. Of the \$70 million to lower education, it is the intent of your Committee that these funds be allocated on a per pupil basis which should cost approximately \$42 million. The balance of the \$70 million will be legislatively appropriated to restore a \$3 million budget restriction by the executive branch, provide \$20 million for school repair and maintenance, with each school receiving no more than \$500,000, and with the remaining funds, finance various education proposals by the Legislature.

To offset the increase in the general excise tax, your Committee has amended the bill by removing references to the food and drug general excise tax exemptions, and instead has provided a food tax credit of up to \$100 that is based on a taxpayer's income.

Your Committee has also amended the bill by providing a repeal date of December 31, 2013

Finally, your Committee notes that this bill is a work in progress. Through the remainder of the session, your Committee intends to study and consider proposals expressed during public hearings, to expand the source of funding to possibly include income tax and other sources and to possibly raise the general excise tax by another one-half per cent to address the concerns of human services programs in the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1626, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1626, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Kawamoto).

**SCRep. 834      Ways and Means on S.B. No. 1394**

The purpose of this measure is to amend Hawaii income tax law to conform to changes in the Internal Revenue Code.

Your Committee finds that this measure will provide uniformity and consistency in state and federal income tax law by amending Hawaii income tax law to conform to recent Internal Revenue Code changes.

Upon further consideration, your Committee has amended the measure by making technical amendments that:

- (1) Removed reference to "and distributions" in section 235-2.4(e), excepting provisions relating to property on Indian reservations with respect to the accelerated cost recovery system (at page 9, line 15); and
- (2) Inserting a new section to include Ramseyer language that indicates which statutory material is repealed and which material is new and renumbered the remaining section consecutively.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1394, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1394, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 835      Ways and Means on S.B. No. 420**

The purpose of this measure is to abolish special funds with exceptions.

Your Committee finds that this measure will result in the cessation or severe curtailment of several important state programs, unless the budgeting shortfalls are covered by general funds. The measure will also adversely impact priorities indicated by the executive Biennium budget.

Your Committee has amended this measure by deleting its contents and replacing it with most of the contents of S.B. No. 1305, relating to state funds, and all the contents of both S.B. No. 1257, relating to the irrigation water development special fund, and S.B. No. 1283, relating to the housing and community development corporation of Hawaii.

As amended, the purpose of this measure is to repeal certain revolving and special funds that no longer serve the purpose for which they were originally established, are not an appropriate means of financing for the programs or activities, or are not financially self-sustaining. Furthermore, this measure transfers the excess balances from these special and revolving funds to the general fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 420, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 420, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Kanno, Kawamoto, Sakamoto).

**SCRep. 836      Ways and Means on S.B. No. 637**

The purpose of this measure is to repeal the Hawaii missing children's clearinghouse trust fund and to transfer the balance in the fund to the Friends of the Missing Child Center Hawaii, a Hawaii nonprofit corporation.

Your Committee finds that the trust fund was created as a separate fund of the Hawaii Justice Foundation, a Hawaii nonprofit organization. However, your Committee finds that potential donors to the fund are under the impression that the fund belongs to the Attorney General. Accordingly, there has reportedly been a reluctance on the part of private donors to contribute to the fund. Moreover, your Committee finds that placing the trust fund within the Hawaii Justice Foundation makes fund operations inefficient from a financial and administrative perspective.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 637 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 837            Ways and Means on S.B. No. 859**

The purpose of this measure is to appropriate funds to the Bridge to Hope program to assist low-income students to attend post-secondary education and reach economic self-sufficiency.

Currently, the Temporary Assistance to Needy Families and Temporary Assistance to Other Needy Families programs assist low income families and individuals in a variety of ways to help them achieve economic self-sufficiency. The Department of Human Services, which administers these programs, has partnered with the University of Hawaii to create a program for Temporary Assistance to Needy Families recipients called Bridge to Hope, to assist recipients attending a post-secondary school. Bridge to Hope supplies student employment opportunities at all nine University of Hawaii campuses.

Your Committee finds that the Bridge to Hope program has been extremely beneficial to those who have been able to participate. However, the reach of the program is limited by its funding. Many more Temporary Assistance to Needy Families recipients are attending post-secondary education than can be employed through Bridge to Hope. Your Committee believes that federal funding may be available to provide services to some of the current Temporary Assistance to Needy Families recipients, which would free funds to be used for Temporary Assistance to Other Needy Families students. This would thus increase educational opportunities for more low-income residents without an increase in state spending.

Your Committee has amended the bill by making the appropriation blank to promote further discussion, and by making other technical nonsubstantive corrections.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 859, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 859, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 838            Ways and Means on S.B. No. 864**

The purpose of this measure is to reduce turnover in certain Department of Human Services positions in the Child Welfare Services Branch by converting thirty-nine from temporary exempt positions to permanent civil service status.

Specifically, the bill converts to civil service status the following temporary exempt positions within the Child Welfare Services Branch of the Department of Human Services:

- (1) Thirty-one case support services aide positions; and
- (2) Eight multi-agency case coordinator positions.

The bill also allows an incumbent exempt employee in the temporary position to receive a civil service probationary appointment to the newly created civil service position that replaces the employee's current position if the employee has performed satisfactorily for six months or more and satisfies the minimum qualifications, without taking a civil service examination. The employee's pay is to be comparable to the pay rate of other civil service employees in comparable positions with the same length of service and the employee does not lose employee benefits accrued in the temporary exempt position.

Your Committee finds that converting the thirty-nine temporary exempt positions to permanent will aid the Department of Human Services in hiring and retaining staff in the Child Welfare Services Branch. This program's critical services ensure safety and permanency of children in their own homes, or in out-of-home placements if needed. Reports indicate that child abuse or neglect has increased significantly and it is crucial that the Child Welfare Services Branch have adequate staff to protect our children. The Department of Human Services has reported frequent changes in staffing because of the temporary exempt status of these thirty-nine positions. Your Committee believes that converting these temporary positions to permanent status will make the positions more attractive to job applicants and will assist the Child Welfare Services Branch in fulfilling its responsibilities to keep our at-risk children safe.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 864, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 839            Ways and Means on S.B. No. 870**

The purpose of this measure is to appropriate funds for programs and services for the homeless.

Specifically, this bill appropriates \$1,000,000 for fiscal year 2003-2004, and \$1,000,000 for fiscal year 2004-2005 for costs related to homeless assistance.

Upon further consideration, your Committee has amended this bill by changing the sum appropriated to a blank amount in order to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 870, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 870, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 840            (Majority) Ways and Means on S.B. No. 883**

The purpose of this measure is to fund three positions in the adult protective services program under the Department of Human Services to investigate incidents of suspected elder abuse, including financial exploitation.

Your Committee finds that dependent elder adults are a growing segment of our population who are vulnerable to physical, mental and emotional abuse, financial exploitation, and neglect. These dependent elder adults require adult protective services to prevent this abuse.

Your Committee has amended this measure by deleting the specific amount appropriated and by making technical nonsubstantive changes for stylistic and grammatical purposes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 883, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 883, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, 1 (Hemmings). Excused, none.

**SCRep. 841            Ways and Means on S.B. No. 884**

The purpose of this measure is to appropriate funds to the Department of Human Services for the adult residential alternative community care program, the in-home chore services program, and computerized medicaid claims processing.

The residential alternative community care program provides qualified individuals with placements in community-based residential facilities, including adult foster homes, adult residential care homes, and assisted-living facilities, as a less costly alternative to institutional care. These individuals are medicaid-eligible adults who require nursing-facility level care and are not able to benefit from in-home services because they have no caregiver or residence.

The chore services program provides essential housekeeping services that enable eligible disabled clients to remain living in the community and helps reduce the need for more costly care options, including medical and hospital services and institutionalization.

The federal government requires the State of Hawaii to process all medicaid payments through a federally-approved claims system. To comply with this requirement, the Department of Human Services operates the Hawaii prepaid medicaid management information system for the purpose of processing medicaid waiver claims.

Your Committee has amended this measure by:

- (1) Changing the sums appropriated for the residential alternative community care program, the chore services program, and computerized medicaid claims processing to blank amounts in order to facilitate further discussion of these program activities; and
- (2) Making technical nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 884, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 884, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 842      Ways and Means on S.B. No. 956**

The purpose of this measure is to provide that a pregnant woman who applies for medicaid or QUEST coverage for prenatal care or other medical services relating to her pregnancy is presumptively eligible for coverage upon application.

Your Committee finds that early and continuous prenatal care for women is nationally recognized and recommended as a standard of care that is a cost-effective method of preventing low birth weight and poor birth outcomes. Early prenatal care also reduces medical costs. Pregnant women in Hawaii who apply for medical services under medicaid or QUEST may wait weeks, even months, before eligibility is determined. During this lengthy waiting period, necessary medical services for pregnant women may be postponed or not received at all.

Your Committee further finds that the early access to medical services for pregnant women provided by this measure is not only in the best interests of the mother and infant, but also the State. State medicaid programs cover the costs of approximately twenty-five per cent of births in Hawaii, thirty-eight per cent of births with complications, and seventy-five per cent of all births in Hawaii that result in birth and post-delivery hospital charges of over \$1,000,000. The presumed eligibility of pregnant women applying for medicaid or QUEST coverage will result in healthier outcomes for mother and child.

Upon further consideration, your Committee has amended the measure by changing the effective date to July 1, 2050 to facilitate continuing discussion of this critical issue. Your Committee has also made a few technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 956, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 956, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 843      Ways and Means on S.B. No. 959**

The purpose of this measure is to provide for forensic medical examinations for children in foster custody placements.

The bill applies to children whom medical personnel reasonably believe to have been subjected to child abuse or neglect, and who are then taken into custody by the Department of Human Services. The bill also provides that all children entering foster care receive a pre-placement physical by the child's regular medical provider. If that provider or another provider is not available to do the examination, the child shall be referred to a medical facility for a forensic evaluation. The bill also appropriates \$150,000 for fiscal year 2003-2004 and \$250,000 for fiscal year 2004-2005 for forensic medical examinations of children in foster custody placements.

Your Committee finds that children who have been victims of abuse or neglect need documentation of their condition to ensure that appropriate care is provided to them. Mistreatment of these children also must be identified to protect the children from being placed back in the homes of those who have done them harm. The forensic and pre-placement examinations provided for in this bill will help keep these vulnerable children safe.

Your Committee has amended the bill by making the appropriations blank to foster continuing discussion, and by making a minor technical nonsubstantive change.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 959, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 959, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 844      Ways and Means on S.B. No. 961**

The purpose of this measure is to make an appropriation for the Good Beginnings Alliance.

Your Committee finds that the Good Beginnings Alliance is a public-private partnership charged with the responsibility of improving early childhood potential through the development of quality early childhood education and care services.

Your Committee has amended this measure by deleting the requirement that the Legislature fund this program annually and has further deleted the specific amounts appropriated to facilitate continuing discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 961, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 961, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 845      Ways and Means on S.B. No. 964**

The purpose of this measure is to appropriate funds for the Department of Human Services to provide treatment services for child victims of intrafamilial sexual abuse, including psychological treatment and case management services for child victims and their families.

Your Committee finds that child sexual abuse, if left untreated, has severe, long-term effects on victims and their families. However, your Committee finds that child victims of intrafamilial sexual abuse who are not within the State's Family Court system are currently unable to access appropriate treatment services through the Department of Human Services. This measure addresses this gap by extending the benefit of treatment services to these child victims and their families.

Your Committee has amended this measure by changing the sum appropriated to a blank amount in order to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 964, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 964, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 846      Ways and Means on S.B. No. 974**

The purpose of this measure is to appropriate funds to the Department of Human Services to:

- (1) Increase the number of childcare subsidies given through the Preschool Open Doors Program;
- (2) Pay administrative expenses; and
- (3) Provide parent workshops to recipients of child care subsidies in each county.

Your Committee finds that early childhood education is critical to a child's cognitive, emotional, social, and physical development. This measure will provide greater early education opportunities for Hawaii's children by assisting low-income families to access high quality childcare.

Your Committee has amended this measure by:

- (1) Changing the sums appropriated to unspecified amounts in order to facilitate further discussion; and
- (2) Making technical nonsubstantive changes for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 974, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 974, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 847      Ways and Means on S.B. No. 1286**

The purpose of this measure is to transfer the Housing and Community Development Corporation of Hawaii from within the Department of Business, Economic Development, and Tourism for administrative purposes to within the Department of Human Services for administrative purposes.

Your Committee finds that there is a continuing need to provide financing for infrastructure and other elements that lead to the development of low income housing for Hawaii's citizens, and that there remains a strong need to continue the construction, maintenance, and operation of rental housing for the State's neediest low income families and individuals to provide them with an affordable quality of life.

Your Committee agrees with the placement of the Housing and Community Development Corporation of Hawaii into the Department of Human Services for administrative purposes, which will enhance the coordination of low income housing and housing for the homeless with necessary supportive social services. Your Committee further finds that this measure will allow the Department of Business, Economic Development, and Tourism to focus on its core economic development mission.

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

- (1) Amending section 201G-143, Hawaii Revised Statutes, to specify that the Housing and Community Development Corporation of Hawaii shall annually forward to the Director of Human Services, in addition to the Director of Business, Economic Development, and Tourism and the Director of Finance, a description and financial statement of the planning, construction, repair, maintenance, and operation of teacher housing; and

- (2) Making technical nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1286, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1286, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 848            Ways and Means on S.B. No. 1351**

The purpose of this measure is to require the Department of Human Services (DHS) to develop standards, that include criminal history record checks, to ensure the responsible and reputable character of service providers who may have direct contact with individuals receiving adult services from the DHS.

Your Committee recognizes the need to provide safe environments for the vulnerable population--adults who are receiving services from licensed adult day care centers, foster grandparent programs, senior companion programs, or respite companion programs. To provide safe environments, it is necessary to ensure that service providers are caring and pose no danger to adult service recipients. This bill will enable the DHS to confirm that their adult service providers will provide safe, appropriate care to service recipients.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1351 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 849            Ways and Means on S.B. No. 1352**

The purpose of this measure is to extend and fund the demonstration projects that license home and community-based case management agencies.

Your Committee finds that Act 273, Session Laws of Hawaii 2001, authorized the Department of Human Services to license home and community-based case management agencies. These agencies, in turn, are authorized to certify community care foster family homes. By extending and funding the demonstration projects under Act 273, this bill ensures that the health, safety, and welfare of individuals placed in certified community care foster family homes will be maintained.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1352, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 850            Ways and Means on S.B. No. 1353**

The purpose of this measure is to make an emergency appropriation for the State's medical assistance program.

Specifically, this bill appropriates funds to allow the State's medical assistance program, or medicaid, to continue providing health and health related services to medicaid recipients who are aged, blind, or disabled, and to reimburse health care providers who provide health and health related services to this population.

Your Committee finds that the State's medicaid program's expenses have risen significantly above the levels anticipated for fiscal year 2002-2003. On July 1, 2001, the QUEST managed care program covered 124,258 recipients. Approximately eighteen months later, QUEST has grown by nearly thirteen thousand recipients. A plan to move the high cost aged, blind, and disabled medicaid fee for service population into the QUEST managed care plan has not been implemented because of high start-up costs and high capitation rates for the aged, blind, and disabled population. In addition, the continuing rising cost of prescription drugs is expected to lead to prescription drug expenditures that exceed the amount budgeted by over \$12,000,000 for fiscal year 2002-2003.

Your Committee believes that this emergency appropriation will allow the Department of Human Services' medical assistance program to continue providing health care to our neediest population, allowing them to receive the timely medical care they need and deserve.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1353 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 851            Ways and Means on S.B. No. 1354**

The purpose of this measure is to make an emergency appropriation of accumulated moneys in the Tobacco Settlement Special Fund for Department of Human Services children's health programs.

Specifically, this bill makes a one-time appropriation to transfer \$6,259,886 from the Tobacco Settlement Special Fund to the Department of Human Services for its children's health programs.

Your Committee was informed by the Department of Human Services that this bill may have an unconstitutional title. Your Committee intends to resolve this problem by inserting the contents of this bill into S.B. No. 585. However, your Committee notes that G.M. No. 186 specifically references this bill, and therefore, your Committee is recommending passage of this bill as a precautionary measure, in case the Legislature does not receive another Governor's message referencing S.B. No. 585.

Upon further consideration, your Committee has amended this bill by clarifying that:

- (1) The Department of Health is the expending agency for the purpose of the transfer of moneys out of the Tobacco Settlement Special Fund to the Department of Human Services; and
- (2) The Legislature is authorizing the Department of Human Services to expend the moneys transferred for fiscal year 2002-2003.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1354, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1354, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 852      Ways and Means on S.B. No. 1423**

The purpose of this measure is to establish a Commission on Fatherhood to make recommendations and oversee policies to create programs and services that promote healthy family relationships that are father friendly and inclusive.

Your Committee finds that there is a renewed understanding of the unique importance of fathers in the lives of their children. This important role is sometimes unintentionally overlooked in government programs and services dealing with children's health, welfare, and education. This measure would establish a statewide program, on a permanent and continuing basis, to promote healthy family and father-child relationships.

Your Committee has made a technical amendment to this measure by providing that, of the nine private members initially appointed by the Governor to this commission, three persons each shall be appointed for one year, two year and three year terms, respectively. Your Committee has further amended this measure by changing its effective date to July 1, 2030, and by making a few technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1423, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1423, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (English).

**SCRep. 853      Ways and Means on S.B. No. 1580**

The purpose of this measure is to maximize federal funding for various human services programs.

Specifically, this bill:

- (1) Appropriates a blank amount for fiscal year 2003-2004 in state matching funds for federal funds available for nonrecurring adoption expenses, and to contract with a nonprofit legal services provider for legal assistance to adoptive families;
- (2) Appropriates a blank amount for fiscal year 2003-2004 for a grant-in-aid to a nonprofit legal services provider to obtain successful applications, reconsideration reviews, and appeals to obtain federal supplemental security income benefits for at least one hundred applicants; and
- (3) Appropriates a blank amount for fiscal year 2003-2004 for a grant-in-aid to a nonprofit legal services provider to maximize federal benefits available to Hawaii residents dually eligible for benefits under medicaid and medicare.

Your Committee believes that this measure will help to maximize the amount of federal benefits to Hawaii residents who are eligible for those benefits, and thus also help to relieve funding pressure on the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1580 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 854            Ways and Means on S.B. No. 1584**

The purpose of this bill is to establish and fund the Pre-Plus public-private early childhood educational program for certain low-income children.

Early childhood education has been demonstrated to provide long-term educational and developmental benefits to children. Early childhood education programs are relatively expensive, and the demand for these programs is high. Pre-Plus facility growth and funding are necessary components for the State's commitment to early childhood development and education.

Your Committee finds that the Pre-Plus program, currently budgeted under the Office of the Lieutenant Governor, is more appropriately placed in the Department of Human Services.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1584, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 855            (Majority) Ways and Means on S.B. No. 945**

The purpose of this measure is to provide a stable source of funding for nonschool-hour programs for children and youth, and to appropriate funds for these programs.

Specifically, this bill:

- (1) Reduces the amount of tobacco settlement moneys appropriated into the emergency and budget reserve fund under section 328L-3, Hawaii Revised Statutes, from twenty-four and one-half to eighteen and one-half per cent;
- (2) Allocates six per cent of tobacco settlement moneys from the Hawaii tobacco settlement special fund, two per cent each, to the Office of Youth Services of the Department of Human Services, the Department of Education, and the Departments of Parks and Recreation of the various counties, for nonschool-hour programs;
- (3) Appropriates \$3,000,000 each to the Office of Youth Services of the Department of Human Services, the Department of Education, and the Departments of Parks and Recreation of the various counties, for nonschool-hour programs;
- (4) Provides that appropriated funds be awarded only to nonschool-hour programs that demonstrate a commitment to partnering with the public and private sectors and involve active participation by youth in all phases of program planning, implementation, and evaluation;
- (5) Requires nonschool-hour programs that receive funds pursuant to this measure to meet quarterly with their community partners for the purpose of program evaluation and improvement;
- (6) Requires the expending agencies to convene annually to share best practices and outcome information and submit an annual report on the programs funded to the Legislature; and
- (7) Exempts all procurement contracts for the provision of nonschool-hour programs authorized by this measure from chapters 103D and 103F, Hawaii Revised Statutes.

Your Committee finds that nonschool-hour programs provide a positive and safe alternative for the many school children in Hawaii who would otherwise remain unattended and unsupervised before and after the regular school day. This measure will allow the counties to expand their current youth programs and enable the State to extend its youth programs to sixth through eighth graders.

Upon due consideration, your Committee has amended this measure by:

- (1) Deleting designated percentages of allocated funds and changing amounts of appropriated funds to blank amounts to further discussion;
- (2) Making a technical amendment to section 328L-3(a)(1), Hawaii Revised Statutes, to ensure consistency with the proposed amendment to section 328L-2(b)(1);
- (3) Changing the effective date of this measure to July 1, 2020; and
- (4) Making other technical nonsubstantive amendments for purposes of clarity and drafting style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 945, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 945, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (English, Kawamoto).

**SCRep. 856      Ways and Means on S.B. No. 1240**

The purpose of this measure is to require the Department of Human Services to increase medicaid provider reimbursement payments to more closely approach the actual cost to providers of providing quality health care.

Specifically, this bill requires the Department of Human Services to withdraw its proposed amendments to the state medicaid plan that would:

- (1) Pay only one-half of the Data Resource Index (DRI) McGraw-Hill inflation adjustment;
- (2) Discontinue the return on equity (ROE) program; and
- (3) Modify the grandfathered capital component in the state medicaid plan,

thereby restoring the full DRI and ROE factors to the formula for calculating medicaid payments for the aged, blind, and disabled in the state medicaid plan. The Department of Human Services is also required to submit a proposal to amend Hawaii's medicaid plan that would, at a minimum, cover the actual costs of quality care provided, including:

- (1) Increased payments for mental health services;
- (2) Payments for services provided by certified registered nurse anesthetists, physicians' assistants, and nurse practitioners;
- (3) Increased payments for long-term care services in general; and
- (4) Increased payments for high acuity patients in long-term care facilities in particular.

The Department of Human Services must also propose annual inflationary adjustments to the per capita payments, based on a factor that is generally accepted nationally. Finally, the bill appropriates or authorizes funds for fiscal year 2003-2004 and fiscal year 2004-2005 for one-half of the DRI inflation factor and the return on equity factor components of health care payments for aged, blind, and disabled medicaid recipients.

Your Committee has amended this bill by changing the appropriated amounts to blank amounts for the purpose of promoting further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1240, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1240, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (English, Kawamoto).

**SCRep. 857      Ways and Means on S.B. No. 1647**

The purpose of this measure is to appropriate funds to provide individuals who are blind or visually impaired with telephonic access to time-sensitive information.

Specifically, this bill allows the universal service program to provide toll-free telephonic access to time-sensitive information for blind or visually impaired individuals and to allow the universal service fund to pay for such access. Finally, the bill appropriates general funds for fiscal year 2003-2004 and fiscal year 2004-2005 to provide this access.

Your Committee finds that, since 2000, eligible blind and disabled Oahu residents have been able to access the National Federation of the Blind-Newsline telephonic reading service at no cost. The Newsline service uses high-speed computers and telecommunications technology to electronically scan and "read" the daily newspapers, magazines, newsletters, and other types of time-sensitive reading materials, upon demand. States are charged a flat monthly fee, ranging from \$43,000 to \$65,000, regardless of the number of users accessing the service.

Start-up funding was provided through private grants. Subsequently, federal funding was received under the Library Services and Technology Act for a one-year demonstration project, allowing the expansion of the Newsline program to the neighbor islands. However, federal funding will terminate on or about March 2003.

Your Committee has amended this bill by changing the appropriation amounts to blank amounts for the purpose of promoting further discussion. Your Committee also amended this bill to change subsection "(e)" to "(f)" on page 8, line 5, to remain internally consistent with amendments made to section 269-42, Hawaii Revised Statutes. Finally, your Committee corrected the spelling of utilities on section 4, page 8, line 17.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1647, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1647, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

**SCRep. 858      Ways and Means on S.B. No. 425**

The purpose of this measure is to establish a Hawaii instrument pool into which individuals and companies may donate usage of their high technology instruments.

This measure also provides a tax credit for donation of high technology instruments, as designated by the High Technology Development Corporation, to the Hawaii instrument pool. The taxpayer must commit to donating the instrument for at least four months of its use per year for each of five consecutive twelve-month periods, following the date of the initial donation.

Your Committee finds that instrument pooling involves owners pooling their equipment and instruments and allowing other entities to use them when they are not otherwise in use and under specified conditions. This allows entities to have access to instruments and equipment that they lacked the capacity to purchase on their own, and has proven effective in fostering collaboration, facilitating research and development, and creating new economic opportunities.

Your Committee further finds that establishing an instrument pool will particularly benefit a number of small, start-up technology companies in Hawaii, in such areas as electronics, biotechnology, and software, that face difficulty acquiring or gaining access to specialized instruments. These specialized instruments are very costly, rare, or only used occasionally so that purchasing is impractical. Your Committee notes that access to these instruments is often the only barrier for a small company to enter into new industries, diversify its products and services, and rise to the next level of success.

Your Committee finds that this measure will provide an attractive incentive for companies to make their specialized technology instruments available on loan for smaller companies to use and, consequently, will assist Hawaii's high technology companies to enter into new and emerging technology industries.

Upon further consideration, your Committee finds that this measure raises the potential for a double tax credit, as the tax credit created by this measure could be taken in addition to the capital goods excise tax credit under section 235-110.7 or the high technology business investment tax credit under section 235-110.9.

Accordingly, your Committee has amended this measure by:

- (1) Eliminating the potential double tax credit by providing that if a tax credit for a qualifying instrument is claimed under the provision created by this measure, no tax credit shall be claimed under section 235-110.7 or 235-110.9; and
- (2) By making technical changes for the purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 425, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 425, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Aduja, Kim).

**SCRep. 859      Ways and Means on S.B. No. 426**

The purpose of this measure is to create a single state internet website to provide specific information about the State.

In particular, this measure requires the Director of Business, Economic Development, and Tourism, in consultation and cooperation with affected government agencies, to inventory all economic, demographic, environmental, and social science data available from all government agencies and relevant data from other jurisdictions, including data and indices related to the high technology industry.

This measure also requires the Department to: create an internet website for government agencies and the public to serve as a single point of access to the data gathered; and disseminate the information collected and analyzed to government agencies and the public on a timely basis. The data is to be in a format that is easily accessible and manipulated to conduct comparisons, cross-references, and comprehensive analysis.

Your Committee finds that, as the State embarks on an aggressive economic agenda, it is imperative that Hawaii's entrepreneurs, investors, and businesses have the necessary tools to prosper in the New Economy. The characteristics of the New Economy include an increase in knowledge-based jobs, higher levels of entrepreneurial dynamism and competition, increased product and service diversity, constant technological innovation, and the replacement of hierarchical organization structures with networked learning organizations.

Your Committee further finds that Hawaii's public policies and legislative initiatives must foster not only a positive business climate, but provide the necessary building blocks for competing in the New Economy. Your Committee finds that establishing a single state internet website to provide economic, demographic, environmental, and social science data about the State, as provided in this measure, will help to create a more positive business climate, as well as enhance the State's ability to compete in the New Economy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 426, S.D. 1, and recommends that it pass Third Reading.



Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 860      Ways and Means on S.B. No. 455**

The purpose of this measure is to appropriate funds up to \$75,000 for the Friends of Waipahu Cultural Garden Park to provide ongoing programs at Hawaii's Plantation Village.

In order to receive the funding provided by this bill, the Friends of Waipahu Cultural Garden Park must match the appropriation dollar for dollar.

Your Committee finds that Hawaii's Plantation Village is the only museum in the State dedicated to perpetuating Hawaii's sugar plantation history. This measure will allow Hawaii's Plantation Village to continue its educational programs and provide citizens, particularly our youth and visitors to the State, with increased awareness of and insight into Hawaii's diverse ethnic and multi-cultural heritage, which began in the early plantation days.

Your Committee has amended this measure by changing the sum appropriated to an unspecified amount to facilitate further discussion and making a technical nonsubstantive change for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 455, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 455, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 861      Ways and Means on S.B. No. 726**

The purpose of this measure is to require the Special Advisory Council for Technology Development to keep government policymakers informed of the problems and barriers faced by private sector high technology businesses seeking to establish and operate high technology businesses in Hawaii.

Your Committee finds that high technology businesses could significantly benefit from targeted assistance to help them identify opportunities and obstacles to establishing or operating high technology enterprises in the State. Your Committee believes that the Council, acting as a liaison between state government and the private sector, will help policymakers reduce or eliminate barriers to expanding technology-based industry in the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 726 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 862      Ways and Means on S.B. No. 1249**

The purpose of this measure is to authorize the High Technology Development Corporation to provide matching grants to small businesses that receive small business technology transfer awards or contracts from federal agencies.

This measure also appropriates general funds to the High Technology Development Corporation to make those grants.

Your Committee finds that the corporation's grants program has helped to increase research and development activities in the State and helped local companies attract millions of dollars into Hawaii. This measure will also encourage greater collaboration between university researchers and industry, and thereby help stimulate the commercialization of university research projects.

Your Committee has amended this measure by changing the appropriation figure to an unspecified amount for the purposes of continuing discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1249, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1249, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 863      Ways and Means on S.B. No. 1251**

The purpose of this measure is to designate the Comptroller as the State's Chief Information Officer.

Your Committee finds that state agencies have taken a myriad of approaches to handling information technology, both internally and for public use. These different approaches have led to an inconsistent system where useful information cannot be shared due to

incompatible systems and software. Your Committee finds that a Chief Information Officer is necessary to coordinate and consolidate existing systems to increase their compatibility and utility. The Comptroller, whose duties include managing the inventory and equipment for most state agencies, as well as oversight of the State's Information and Communication Services Division, is an appropriate position to handle the duties of the Chief Information Officer.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1251, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 864            Ways and Means on S.B. No. 1489**

The purpose of this measure is to appropriate funds for the student legislative participation pilot project.

Your Committee finds that it is important to involve and educate Hawai'i's youth about the political process. Your Committee believes this bill will encourage students to become civically responsible by instilling familiarity and an understanding of the system. This bill will involve two hundred fifty students from schools statewide, to expand the range of student participation in the legislature through on-line discussions, video conferencing, and other technological means. Additional students can be added if additional private funding is secured. The project will be led by a steering committee appointed by the President of the Senate and Speaker of the House of Representatives, which will include representatives from the Hawaii state student council, the Hawaii Association of Independent Schools, student conference leaders, and others. The Legislative Reference Bureau will staff the project and present an interim and final report.

Your Committee has amended the bill by making the amounts of the appropriation blank to further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1489, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1489, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 865            Ways and Means on S.B. No. 376**

The purpose of this measure is to allow Hawaii artists to display their art in state offices, agencies, or buildings and to allow the displayed artwork to be sold.

More specifically, the bill provides that, for any piece of art that is sold, eighty-five per cent of the sales price shall be kept by the State Foundation on Culture and the Arts and fifteen per cent paid to the artist. The measure also requires the Foundation to establish rules and implement the sale of art in state offices law.

Your Committee finds that this measure expands existing state policy permitting displaying local works of art within state buildings, a long-standing practice of which provides a positive benefit to both the artists and the public. In addition, this measure takes current procedures one step further by allowing an artist to sell a piece of art that is on display.

Upon further consideration, your Committee has amended this measure by adding a new section that authorizes the works of art special fund to be used to purchase books, works of literacy art, and other library resources for public libraries.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 376, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 376, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 5 (English, Kanno, Kawamoto, Kim, Sakamoto).

**SCRep. 866            Commerce, Consumer Protection and Housing on S.B. No. 780**

The purpose of this measure, as received by your Committee, is to allow time spent away from work to receive medical treatments for workplace injuries to be considered as periods of temporary partial disability and therefore compensable under the workers' compensation law.

Testimony in support of this measure was submitted by the Hawaii Chapter American Physical Therapy Association, Consumer Lawyers of Hawaii, and the ILWU Local 142. Testimony in support of the concept of this measure was submitted by the Hawaii Insurers Council. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Chamber of Commerce of Hawaii, and the Hawaii Employers' Mutual Insurance Company.

Your Committee finds that there are often situations where a worker returns to employment before completion of medical treatments related to workplace injuries, but their time away from work to receive ongoing treatment is not considered compensable under the workers' compensation law. Your Committee further finds that while there is merit to compensating such time spent receiving

treatments, the more appropriate mechanism for providing this consideration would be to provide medical wage loss benefits for the period of time during which the employee is receiving the treatments.

Thus, your Committee has amended this measure by:

- (1) Deleting the amendment to section 386-32, Hawaii Revised Statutes (HRS); and
- (2) Inserting an amendment to section 386-21, HRS, to allow for time spent away from work for appointments for medical treatments resulting from work related injuries to be eligible for medical wage loss benefits pursuant to this section.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 780, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 780, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

**SCRep. 867 Commerce, Consumer Protection and Housing on S.B. No. 1582**

The purpose of this measure is to clarify allowable workers' compensation reimbursements for chiropractic, the definition of "chiropractic", the scope of chiropractic practice, and acts that constitute violations of the chiropractic licensing law.

The Board of Chiropractic Examiners, Hawaii State Chiropractic Association, and Massage Therapists Association of Hawaii testified in support of this measure. The Chamber of Commerce of Hawaii, State Farm Insurance Companies, Hawaii Insurers Council, Hawaii Medical Association, ILWU Local 142, and Hawaii Employers' Mutual Insurance Company opposed the measure. The Department of Commerce and Consumer Affairs and Department of Labor and Industrial Relations commented on the measure.

This measure:

- (1) Limits workers' compensation reimbursement for chiropractic to treatment of the human spinal column;
- (2) Defines chiropractic as the science of palpating and adjusting the articulations and adjacent tissues of the human body, limited to the spinal column, head, lower and upper extremities, and rib cage;
- (3) Requires a further definition of chiropractic practice in administrative rules, includes the referral of a specimen for laboratory examination within the scope of practice, and excludes therefrom chiropractic extraspinal manipulative treatment not based on generally accepted professional chiropractic standards and not included in accredited educational programs; and
- (4) Clarifies acts that constitute a violation of the chiropractic licensing law, including the use of certain professional titles by unlicensed persons, but allows licensees to use the title "chiropractic physician".

Your Committee heard concerns that this measure expands the scope of chiropractic practice, allows chiropractors to prescribe physical therapy and massage therapy, and effectively raises the thirty-visit limitation on chiropractic treatments in the motor vehicle insurance law, and in turn, the cost of insurance.

By approving this measure, your Committee proposes to update and make more current the definition of "chiropractic". It is not your Committee's intent to expand the scope of chiropractic practice or to effect increases in the costs of providing workers' compensation and motor vehicle insurance benefits. Therefore, your Committee has amended this measure to include language that expressly disclaims any such intent in order to preclude applications of the law that may result in increased utilization, such as the recoding of chiropractic visits based on the amended definition of "chiropractic". In addition, your Committee made a technical amendment to reflect preferred drafting style.

Finally, your Committee notes that the Insurance Division has prepared an expedited economic impact analysis to determine the likely effects of expanded chiropractic treatment on the costs of motor vehicle, workers' compensation, and health insurance. Your Committee respectfully proposes that future discussions and review of this issue include the consideration of this analysis.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1582, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1582, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Kim).

**SCRep. 868 (Joint) Commerce, Consumer Protection and Housing and Transportation, Military Affairs, and Government Operations on S.B. No. 1057**

The purpose of this measure is to authorize the Governor to appoint the Insurance Commissioner, subject to the advice and consent of the Senate.

The ILWU Local 142 and the Hawaii State AFL-CIO submitted testimony in support of this measure. Testimony in opposition to this measure was submitted by the Department of Commerce and Consumer Affairs.

Your Committees find that the position of Insurance Commissioner is of vital importance in state government. The Insurance Commissioner regulates a critical industry with significant impact on both commercial enterprises and the average consumer. To require the Insurance Commissioner to be appointed by the Governor, subject to the advice and consent of the Senate, will ensure that the individual selected receives the full support of the executive and legislative branches. Your Committees further determine that the alteration in the appointment process will also provide the Insurance Commissioner with the unfettered ability to execute the duties and responsibilities of the position in an objective and impartial manner.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1057 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Ige, Kanno, Sakamoto).

**SCRep. 869 (Joint) Health and Transportation, Military Affairs, and Government Operations on S.B. No. 889**

The purpose of this measure is to require premises licensed to sell intoxicating liquor to post signs warning that the consumption of alcohol impairs one's ability to drive a car and may cause birth defects.

Healthy Mothers, Healthy Babies Coalition of Hawaii and an individual submitted testimony supporting this measure. Comments on this measure were provided by Faith Against Drugs.

Your Committees find that each year, more than 40,000 babies are born with some degree of alcohol-related effects. Even low levels of drinking can lead to deficiencies in information-processing by infants. Drinking while pregnant is the nation's leading cause of preventable birth defects which affects a lifetime, and costs an estimated \$588,000 per child in direct and indirect costs. Simple warnings like those provided by this measure could help to reduce the unwanted effects and costs of mothers who drink alcoholic beverages while pregnant.

As affirmed by the records of votes of the members of your Committees on Health and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 889 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Inouye, Kanno, Tsutsui, Whalen).

**SCRep. 870 (Joint) Water, Land, and Agriculture and Judiciary and Hawaiian Affairs on S.B. No. 1152**

The purpose of this measure, as received by your Committees, is to provide for native Hawaiian representation on the Board of Land and Natural Resources, the Land Use Commission, and the advisory board for Coastal Zone Resource Management.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, and a concerned citizen. Testimony in support of the intent of this measure was submitted by the State Land Use Commission. Testimony in opposition to the measure was submitted by the Department of Business, Economic Development and Tourism's Office of Planning. The Board of Land and Natural Resources took no position on the measure.

Your Committees find that the board, commission, and advisory body mentioned in this measure regularly make decisions impacting the rights of native Hawaiians. These decisions often have immediate and lasting impacts on matters relating to native Hawaiian cultural, economic, social, religious, political and historical concerns, all of which State law recognizes as being attached to the use and management of Hawaii's natural resources. Despite this recognition under Hawaii law, however, native Hawaiians have had no more of a voice on these bodies than any other member of the general public. This measure is intended to address this deficiency in the State's regulatory scheme, particularly with respect to issues involving Hawaii's land and natural resources, by allowing for the appointment of a trustee of or a representative designated by the Office of Hawaiian Affairs (OHA).

Upon further consideration, your Committees have become aware that Article V, section 6 of the Hawaii State Constitution provides that appointees to state boards and commissions be nominated and, by and with the consent of the Senate, appointed by the Governor. Additionally, your Committees note that a nominee to a state board may not concurrently hold another public office as would be the case if an OHA trustee were appointed to the Board of Land and Natural Resources. Thus, your Committees have amended this measure by:

- (1) Deleting representation of an OHA trustee on the Board of Land and Natural Resources;
- (2) Requiring that one of the nine member positions of the Land Use Commission be occupied by a trustee or a representative of OHA, and applying the prohibition of holding another public office to the remaining eight member positions; and
- (3) Making a technical, nonsubstantive change for the purposes of clarity.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1152, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1152, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Whalen).

**SCRep. 871 (Joint) Water, Land, and Agriculture and Health on S.B. No. 1260**

The purpose of this measure is to authorize the Department of Health (DOH) and Tripler Army Medical Center to import microorganisms for laboratory diagnostics without review and permit approval from the Department of Agriculture (DOA) in order to prepare for and respond to bioterrorism acts and other public health emergencies in a timely manner.

The measure also authorizes laboratories that are federally certified under the Clinical Laboratories Improvement Amendments of 1988 (CLIA) and registered with DOH to import microorganisms for laboratory testing performed on humans, without prior review and permit approval from the DOA, in order to ensure accurate, reliable, and timely test results from federally certified laboratories.

The Department of Health and the Board of Agriculture submitted testimony in support of this measure.

Your Committees find that existing law provides a regulatory structure for microorganism import that involves a risk assessment review and permit process that, depending on risk level, requires action by the DOA or the Board of Agriculture (Board) prior to importation. Although the law also provides for the issuance of emergency import permits for state or federal agencies to address emergencies or disasters, that procedure is inadequate to meet the immediacy of an emergency situation.

Your Committees determine that authorizing an exemption from the review and permit approval process will allow the DOH and Tripler Army Medical Center the necessary access to import any species of microorganisms crucial for performing laboratory diagnostics for either bioterrorism preparedness or public health.

Your Committees also find that the CLIA established standards for all laboratory testing on human specimens for the purpose of diagnosis, prevention, treatment of disease, or impairment or assessment of health. Certified laboratories are required by federal law to import microorganisms to demonstrate laboratory proficiency in a timely manner. In order to maintain CLIA certification, the laboratory must submit extensive information to DOH regarding new or unidentified microorganisms and the laboratory which results in the further delay of receiving the microorganisms. Your Committees believe that CLIA laboratories should be exempt from the permit requirement if those laboratories register with the DOH pursuant to rule and import only microorganisms consistent with their federal certifications.

For purposes of clarity, your Committees have amended the measure as follows:

- (1) By specifying that for transfers of microorganisms between the DOH and Tripler Army Medical Center, notification to the DOA prior to such transfers is required; and
- (2) By making technical, nonsubstantive amendments to conform the measure to recommended drafting style.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1260, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1260, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 872 Water, Land, and Agriculture on S.B. No. 1281**

The purpose of this measure is to exempt lands held by the High Technology Development Corporation (HTDC) from the definition of "public lands" under section 171-2, Hawaii Revised Statutes, and consequently from the management of the Department of Land and Natural Resources.

HTDC submitted testimony supporting this measure. The Board of Land and Natural Resources submitted comments on this measure.

Your Committee finds that the purpose and mission of HTDC, as established under chapter 206M, Hawaii Revised Statutes, is to facilitate the growth and development of the commercial high technology industry in Hawaii. Its broad range of services, programs, and duties include developing and encouraging industrial parks as high technology innovation centers. Exempting lands held by HTDC from the management of the Department of Land and Natural Resources, would further support the purpose and mission of HTDC by providing HTDC the authority to acquire, own, lease, hold, clear, improve, and rehabilitate real property.

Your Committee has amended this measure by specifying the exempted land as that which the HTDC holds title for the Maui Research and Technology Center situate at Waiohuli-Keokea, Kula, Makawao, Maui, identified as tax map key: (2) 2-2-24:02, containing an area of 5.145 acres, more or less.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1281, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1281, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 873 (Joint/Majority) Water, Land, and Agriculture and Ways and Means on S.B. No. 254**

The purpose of this measure is to amend a prior appropriation to demolish and rebuild a bridge crossing the Waimea Irrigation System in Puukapu Homesteads, Second Series Puukapu, South Kohala, Island of Hawaii.

Testimony in support of this measure was submitted by five concerned property owners. Testimony in support of the intent of the measure was submitted by the Board of Agriculture.

This is an emergency appropriation, amending an existing appropriation of capital improvement funds. In accordance with Section 9, Article VII of the Constitution of the State of Hawaii, the Governor requested the immediate consideration and passage of this measure, per G.M. 266. Because the timely passage of the General Appropriations Act of 2003 cannot be assured, this measure was requested to attend to the unsafe condition of the existing bridge.

Your Committees find that homeowners, on Kamuela property that was subdivided to two-acre parcels in 1926, have built a wooden bridge across a state-owned and managed irrigation ditch. The ditch, which was used to irrigate sugar cane fields along the Hamakua Coast, was managed by the Department of Land and Natural Resources until the late 1980s, when it was transferred to the Department of Agriculture. Since the time the State began managing the irrigation ditch, a cattle crossing wide enough for pedestrians but not vehicles spans the ditch about a hundred yards from the wooden bridge. The cattle crossing fulfills the State's lease requirement for a bridge over the ditch. In the 1970s, however, residents of the subdivision built a wooden bridge, wide enough for motor vehicles, to access several lots on the other side of the ditch. The bridge is the only vehicular access to the lots on the other side of the ditch, and it connects to a private road that was built and is maintained by the landowners. The landowners did not obtain an easement for the bridge, nor do any county or State records show that permission was granted or requested, according to the Department of Agriculture.

Recently, some residents approached the administration, requesting assistance with the bridge, which is currently in a state of disrepair and so unsafe that emergency fire and medical vehicles and the gas company refuse to drive over it. The residents raised the issue that the Department of Agriculture may be liable for any accidents arising from the bridge because the bridge crosses a state-owned water ditch.

Your Committees expressed many concerns about this measure and about the State's existing and potential liability surrounding the bridge. Because the bridge was built illegally, condemning and closing the bridge may be enough to remove liability. The Department of Agriculture (Department) was asked whether a sign had been erected warning of the bridge's dangers and closing the bridge to vehicular traffic. The Department responded that a sign was not there now, but would be erected. The Department also stated that the Attorney General's office was investigating the State's existing liability in this situation, and should there be any liability, how best to absolve the State and make any such bridge the landowners' responsibility. Members of your Committees wondered whether that would be possible now that the State has notice of the existence of the bridge. Your Committees would like to make it clear that they do not believe that the State is currently liable, and would like to ensure that the State will not ever be liable for this bridge and actions occurring on or around it.

Your Committees also expressed concern about the lack of knowledge about how many such illegal bridges cross the State's irrigation ditches, and whether an inventory has been taken. The Department said that such an inventory was in the planning stages, but that it doubted many such bridges as this one existed. Your Committees noted that this measure may set a precedent for private landowners and developers expecting the State to provide them with improved access infrastructure without an easement, and they requested that an inventory of the irrigation ditches be done.

Another concern of your Committees is the type of replacement bridge to be built, if one was. Simply building another pedestrian crossing would be redundant to the cattle crossing. Building a vehicular crossing, or any crossing, with State funds may automatically open the State to possible suits, even if the bridge was built to required safety standards, as the Department plans. The amount of money requested by the measure would only allow for construction of another wooden bridge, which would also not be strong enough for emergency vehicles (or other vehicles weighing more than 6,000 pounds) to cross.

Your Committees questioned the practicality of the plan, and whether this project would better fall under a request for an agricultural loan. The Department responded that it was unlikely because not much agricultural activity exists on the other side of the ditch, although the subdivided land is in an agricultural district. Your Committees also asked whether the subdivision's landowners would be involved in a cost-sharing program for the bridge, and it was determined that this may be the case if Hawaii County was involved in building the bridge to standards that would allow emergency vehicles to cross.

Your Committees find that more research is needed on these issues, and believe this measure should continue in the legislative process to promote further discussion. Therefore, the measure has been amended to remove mention of state liability and to change the effective date to June 30, 2050.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 254, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 254, S.D. 2.

Signed by the Chairs on behalf of the Committees.  
Ayes, 13. Noes, 3 (Kawamoto, Hemmings, Slom). Excused, none.

**SCRep. 874 (Joint) Economic Development and Ways and Means on S.B. No. 358**

The purpose of this measure is to provide a tax incentive for businesses to create high paying jobs within enterprise zones.

Prior to the hearing on this measure, your Committees circulated a proposed version of this measure that would replace its contents with provisions that provide that investments made through the Hawaii technology investment program (HTIP) of the Hawaii Strategic Development Corporation (HSDC) qualify for the high technology business investment tax credit (Credit) pursuant to section 235-110.9, Hawaii Revised Statutes. The proposed draft also required that insurance companies invest through HTIP to qualify for the Credit.

The Department of Business, Economic Development, and Tourism, Hawaii Venture Capital Association, Hawaii Technology Trade Association, PacifiCap Group, LLC, and AIG Hawaii Insurance Company submitted testimony supporting the intent of the proposed draft but opposed the provisions relating to insurance companies. Comments on proposed draft of this measure were received from the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find that this measure provides an added incentive for jobs creation in enterprise zones. However, upon further consideration, your Committees believe this measure should focus on utilizing tax credits to increase the availability of venture capital in Hawaii.

Venture capital funding is typically provided to companies, particularly high technology companies, with proven concepts. The additional infusion of capital allows companies to expand rapidly while providing investors substantial returns on their investments. Over the last decade, the Hawaii Strategic Development Corporation (HSDC) has provided funds to venture capital firms who have, in turn, invested in more than fifty companies in Hawaii — a direct result of which was an increase in economic diversity and development in Hawaii. The success of HSDC further evidences the need to support programs that create venture capital opportunities in the State.

Therefore, your Committees have amended this measure by replacing its contents with provisions that attract private sector resources to HSDC by designating HSDC a qualified high technology business when a professional investor invests in HSDC. As a result, the professional investor would be eligible to claim the high technology business investment tax credit under section 235-110.9, Hawaii Revised Statutes.

In light of shortfalls in general fund revenue, your Committees believe that this measure, as amended, will make available needed venture capital financing during these challenging economic times. Your Committees are aware that tax revenue losses in 2001 due to tax credit claims pursuant to 235-110.9, Hawaii Revised Statutes, included \$3.3 million claimed by individual taxpayers, \$224,083 claimed by corporations, \$6.013 million claimed by insurance underwriters, and less than \$2,500 claimed by estates and trusts. However, the high technology industry and other trade organizations are currently conducting a study of the number of jobs created from use of incentives established by Act 221, Session Laws of Hawaii 2001. Your Committees believe that the data will show that the tax revenue losses are far outweighed by the creation and expansion of high technology companies that are generating high paying jobs, diversifying Hawaii's economy, and producing innovative products and services due to the availability of additional venture capital.

To ensure further discussion on the merits and provisions of this measure, your Committees have delayed its effective date to July 1, 2050.

As affirmed by the records of votes of the members of your Committees on Economic Development and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 358, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 358, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 13. Noes, none. Excused, 5 (English, Hooser, Kanno, Kawamoto, Sakamoto).

**SCRep. 875 (Joint) Economic Development and Labor on S.B. No. 837**

The purpose of this measure is to establish a workforce development strategic planning committee comprised of members representing private sector technology industries to:

- (1) Review and analyze the State's workforce development programs; and
- (2) Develop and submit a detailed strategic plan for workforce development in the State to the 2004 Legislature.

Your Committees received testimony supporting this measure from the Department of Business, Economic Development, and Tourism and the University of Hawaii.

Your Committees find that the Inventory of Workforce Development Programs Report to the Governor, 2003 (Report), stated the following:

"A prepared and competitive workforce is the backbone of the state's economic vitality. Hawaii invests approximately \$73.5 million in federal funds and over \$25 million in state funds on a range of workforce development programs. This annual inventory of government-supported workforce services helps program planners to keep track of funding streams, collaborate with other programs, and identify service gaps in the state."

Unfortunately, your Committees further find that agencies providing workforce training in Hawaii's workforce development programs do not compile data on which programs are successful in placing workers in higher-paying jobs or whether they are providing training in areas of high demand. State agencies appear to meet accountability requirements for the funding allocation, but cannot identify the value produced by the expenditures within the workforce. The Report further states that it identifies service gaps in the State but no documentation exists on whether that gap needs to be filled or not.

The Workforce Development Act of 1998 (WIA), implemented in 2002, succeeded the Job Training Partnership Act. The funds are annually appropriated by the United States Congress, distributed to the states, and then allocated to the counties by the formula mandated in statute. Workforce development programs receive over \$100 million from various federal and state sources. The federal government contributes almost \$85 million of which \$50 million (in the two years of the program) is WIA funds. The total amount of \$100 million is allocated into five state departments (the Departments of Business, Economic Development, and Tourism, Education, Human Services, Labor and Industrial Relations, and Public Safety) and the University of Hawaii, encompassing twenty-five programs in Hawaii.

Your Committees also find that the Department of Business, Economic Development, and Tourism receives \$630,000 for public housing residents self-sufficiency programs. The Department of Education receives \$10.25 million for School-to-Work, Adult and Vocational Education, and the Department of Human Services receives money for Food Stamp Employment and Training and First-to-Work.

The Department of Labor and Industrial Relations receives the most money, approximately \$40 million, for a diversified program that includes job seekers, low income over age fifty-five, apprentices over age sixteen, incumbent workers, and immigrant and refugee programs. The Department of Public Safety receives just over \$200,000 for Vocational Education for Offenders.

In spite of the State of Hawaii's ongoing expenditures, Hawaii lags behind other jurisdictions in workforce skill levels, which is cited as one reason that companies are hesitant to locate here. According to the Honolulu Benchmark Report, October 2001, Honolulu has more than twice as many workers at the bottom of the Workforce Skill Mix as at the high end (44 per cent low and 18.5 per cent high). This gap between high-end and low-end jobs is significantly higher in Honolulu than in all but one of the ten equivalent-sized cities. The gap between low-end and medium is 44 per cent and 37.5 per cent, respectively. That makes it difficult for companies in high demand industries to feel confident they can find a competitive pool of highly skilled workers here. Your Committees find that it is time to refocus the State's spending patterns so that the State invests in programs that meet the needs of incoming and resident businesses, and train workers accordingly.

Within our community are several initiatives that demonstrate real promise in a workforce development context. One outstanding example is the Community Entrepreneur Foundation, which is a consortium of public school students integrating academic content areas directly within their business ventures. For example, Waianae High School's Digital Media and Production Center trains students in telecommunications and add to their resumes by being paid to produce corporate videos. Leilehua High School has four Vocational Education Academies: Culinary Arts Academy's work-based learning and post-secondary placement in the restaurant industry; Tech Threads, for digital embroidery along with marketing and advertising skills; Tech Images, teaching graphic technology as a hands-on business opportunity; and Cinema Tech for all areas of television production while offering multimedia production capabilities.

Each of these academies offers services for pay, comparable to real work experience. They produce brochures and plan marketing campaigns and produce professional quality documents. These groups function on little or no money, but on a belief that proper training is essential to success. More importantly, they can track student placements and document where they succeed and where they can make improvements. The schools work with the business community to find out what businesses' needs are; and then work with business to deliver appropriate training.

Another well-tested initiative is Business and Youth Working Together, a business mentoring project of the Workforce Development Council (Council), that serves 400 students every summer in state-wide projects in many fields, including construction, welding, carpet-laying. The students begin a job and follow it through to the end so that they learn how all the different aspects fit together. At present, volunteers do it all, and they desperately need a statewide coordinator position. Funding for this position--\$85,000 for a coordinator and related expenses--is included in Senate Bill. No. 1425. A nonprofit corporation, High-Tech Quest, places 100-150 students into Oahu's tech companies. In spite of all the money poured into workforce development, currently, there is no clearinghouse for what is available so that businesses can project future needs and workers can get the necessary information on how to improve their skills in areas that will offer future job possibilities.

Your Committees believe that there are probably many other examples of "best practices" initiatives. These may not currently have as broad a reach as is needed. State workforce training programs reach a wider audience but do not measure placement results at present. Ultimately, workers should be able to find the best training available, and employers should be assured there will be highly skilled workers for their needs. This measure provides a process to align performance targets of the various workforce development initiatives in the State. Your Committees believe that, with this approach, Hawaii can leverage its existing resources and energies to produce more direct results in upgrading Hawaii workforce skills.

Your Committees have amended this measure by:

- (1) Converting the workforce development strategic planning committee into a workforce development task force;
- (2) Clarifying that the purpose of this measure is to review and analyze workforce development for all industries in the State;
- (3) Recomposing the membership of the task force to include representatives of private sector businesses on a broader scope, state workforce development agencies, the community, and the Legislature;



- (4) Further requiring the task force to identify the strategic goals of workforce development programs and to identify the resources required, obstacles that need to be overcome, and best practice models that should be adopted in implementing the strategic plan;
- (5) Requiring all state workforce development agencies (the Departments of Business, Economic Development, and Tourism, Education, Human Services, Labor and Industrial Relations, and Public Safety and the University of Hawaii) to report on the programs being offered, the number of individuals that have been placed in employment through their respective workforce development programs, and the type or category of employment garnered; and
- (6) Providing that the operations of the task force shall be funded, as practicable, by the members of the task force.

As affirmed by the records of votes of the members of your Committees on Economic Development and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 837, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 837, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Aduja, Taniguchi, Trimble).

**SCRep. 876      Transportation, Military Affairs, and Government Operations on S.B. No. 1262**

The purpose of this measure is to amend various provisions of the state procurement code.

Prior to the public hearing, your Committee drafted several Proposed SD1 versions of this measure, to incorporate amendments sought by all of the parties involved, including the Administration, contractors, subcontractors, unions, and legislators.

Your Committee circulated several versions of the Proposed SD1 to the interested parties prior to the public hearing. Since this measure contains so many unrelated amendments to the procurement code, and since there were several drafts in circulation prior to the hearing, nearly all of the testimony received by your Committee was equivocal, supporting some provisions, opposing others, and requesting amendments.

Your Committee received testimony from the Department of Accounting and General Services (DAGS), the State Procurement Office (SPO), the County of Kauai Department of Water, the American Public Works Association, the Building Industry Association of Hawaii, the Subcontractors Association of Hawaii, the Plumbing and Mechanical Contractors Association of Hawaii, the General Contractors Association of Hawaii, the Hawaii Chapter of Associated Builders and Contractors, Inc., the American Council of Engineering Companies, the Sheet Metal Contractors Association, Pacific Structural Consultants, Inc., the American Institute of Architects Hawaii State Council, Network Enterprises, Inc., the American Society of Civil Engineers, and Miyasato Kuniyoshi Engineers LLC.

Your Committee attempted to reconcile the interests of the various parties affected by this measure, and the resulting SD1 version of this measure represents a compromise between several competing interests. Your Committee has incorporated several amendments to the procurement code in this measure, which will serve as the Senate's vehicle for procurement code amendments this session.

**PROCUREMENT PREFERENCE FOR SMALL BUSINESSES**

As introduced, this measure proposed a new provision in the procurement code to assist small businesses in receiving subcontracts on state projects.

Your Committee believes that such a preference does not address the primary problem of state contracts being awarded to out-of-state contractors. Therefore, your Committee deleted the small business preference and instead amended section 103D-310, Hawaii Revised Statutes (HRS), to level the playing field between local contractors and out-of-state contractors.

Your Committee firmly believes that since state contracts are funded with public funds received from our taxpayers, local companies should be awarded state contracts whenever possible. In recent legislative sessions, your Committee has worked diligently to enact a preference for local companies employing state residents.

Your Committee's past attempts to enact a state resident preference have been rebuffed by the Attorney General's (AG) apparent belief that giving a preference for state residents is unconstitutional. Your Committee is unaware of any controlling legal precedent on point, nor has the AG ever testified before your Committee on this issue. Instead, testimony from DAGS and the SPO flatly states that such provisions are unconstitutional.

In the spirit of compromise, your Committee has amended section 103D-310, HRS, based on language recommended by DAGS, to try and give local contractors an equal shot at state contracts. As amended, all offerors on state contracts must demonstrate compliance with all State employment laws, including the general excise tax law, the disability compensation law, the employment security law, the temporary disability insurance law, and the prepaid health care law.

Apparently, in the past, out-of-state contractors were not required by DAGS to demonstrate compliance with these laws, and as a result, their bids were often lower than in-state contractors, who are required to comply with all Hawaii laws. Your Committee is hopeful that this new requirement will enable local contractors to win more contract awards.

Your Committee also included a requirement that the contractor be incorporated or organized under the laws of the State of Hawaii. Your Committee believes that the State has an important interest in ensuring that corporations, partnerships, and sole proprietors working on state projects are organized in the State, so that they can be better monitored, be more accountable, and always have on file a current agent in the State.

#### **STATE PROCUREMENT INSTITUTE**

This measure also contains provisions to establish a Hawaii Procurement Institute at the University of Hawaii (UH), in conjunction with the William S. Richardson School of Law, to conduct procurement education, training, and research.

DAGS testified that the Institute will work within existing funds at the UH, and will also be supported by contributions from user groups such as contractors. Your Committee generally supports the concept of the Institute, but reserves final judgment until it becomes clear exactly what the Institute's duties will be, and whether it will, in fact, be self sustaining.

#### **LISTING OF ALL SUBCONTRACTORS IN BIDS**

As introduced, this measure contained provisions to ensure that all subcontractors are listed in bids, and giving the purchasing agencies discretion to award contracts even if the low bidder omitted a subcontractor in the bid.

Based on the Hawaii Supreme Court's decision in *Okada Trucking Co., Ltd. v. Board of Water Supply*, 97 Haw. 450 (1/28/02), and subsequent appellate court opinions based thereon, your Committee understands that contractors are required to list subcontractors in their bids. Consequently, with the concurrence of DAGS, your Committee has deleted that section from this measure.

#### **PROCUREMENT OF PROFESSIONAL SERVICES**

This measure also amends section 103D-304, HRS, relating to procurement of professional services. Specifically, this measure amends the composition of the review committee required under section 103D-304, HRS, and specifies that the review committee members' names shall be public information placed in the contract file.

This measure also amends section 103D-304, HRS, to require that an independent selection committee rank professional service providers according to specified criteria, and that the head of the purchasing agency negotiate with providers according to their ranking. Your Committee agrees with all of these amendments to ensure that professional services contracts are awarded based on professional qualifications only.

Your Committee further amended section 103D-304, HRS, to provide that design professional services, such as architect services, shall only be procured under section 103D-304, HRS, or emergency procurement procedures. Your Committee believes that the unique nature of design professional services justifies this amendment.

Your Committee also amended section 103D-304, HRS, further to require an equal distribution of work among providers that have the same qualifications. This amendment will help to ensure that all qualified professional service providers are granted state contracts.

#### **PRE-BID CONFERENCE**

Your Committee also amended this measure to insert a provision requiring a pre-bid conference to be held for every construction or design-build project with an estimated contract value of \$100,000 or more.

Your Committee finds that many state projects are held up in order to resolve a protest by one of the unsuccessful offerors. Moreover, the number of protests has increased in recent years, which has stifled the efficiency of the procurement process. Many of these protests are difficult to resolve, because they are based on the uncertainty and ambiguity of bid requirements.

Your Committee believes that requiring a pre-bid conference for every large construction project and design-build project will enable potential bidders to have their questions answered prior to bidding, and will enable protests to be resolved quickly.

#### **REPEAL OF STATE TAXPAYER PREFERENCE**

Your Committee also amended this measure to repeal section 103D-1007, HRS, the so-called state taxpayer preference. With the addition of the provisions in this measure to require all offerors to be organized under the laws of Hawaii and to comply with all applicable employment laws, your Committee finds the state taxpayer preference unnecessary.

Moreover, your Committee finds that the state taxpayer preference did not serve its purpose to assist local contractors to win construction project awards. Instead, many mainland contractors were easily able to qualify for the preference. Therefore, your Committee supports the more stringent requirements contained in this measure.

Your Committee also made several technical, nonsubstantive amendments to this measure for accuracy and clarity.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1262, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1262, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Whalen).

**SCRep. 877 (Joint) Transportation, Military Affairs, and Government Operations, Economic Development and Judiciary and Hawaiian Affairs on S.B. No. 975**

The purpose of this measure is to provide the State and counties with immunity from tort liability for claims arising out of hazardous recreational activities.

Your Committees received testimony in support of this measure from the Board of Land and Natural Resources, the Maui County Mayor, the Hawaii County Mayor, the County of Kauai, the Chair, Vice Chair, and three members of the Maui County Council, the Hawaii County Departments of Parks and Recreation and Corporation Counsel, the Vice Chair of the Kauai County Council, the Cooper Center Council, and twenty-one concerned citizens from the community of Volcano. The Consumer Lawyers of Hawaii submitted testimony in opposition to this measure.

Your Committees find that Hawaii's unique and varied natural landscape lends itself to many outdoor recreational activities. Residents and visitors alike revel in the opportunity to engage in all manner of watersports and land activities in Hawaii, and indeed that is one of the attractions that makes our island home seem like paradise.

Your Committees are concerned, however, over the increasing number of lawsuits that have been brought against the State and counties in recent years. The lawsuit resulting from the Sacred Falls tragedy is the most troubling civil suit against the State, but the examples are numerous and ever-growing. It seems that every week a person, usually a visitor, is injured while enjoying the outdoors or engaging in some activity that is beyond his or her capabilities.

Given the rash of recent judgments against the State, your Committees are concerned that every person who is injured, no matter how many warning signs are posted or fences constructed, will run to court to sue the State.

Your Committees agree that this problem should be stopped, and therefore support this measure. While there may be limited instances in which a lawsuit against the State or a county is warranted by a person injured in the islands, your Committees believe that this measure will forestall most frivolous suits.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Economic Development and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 975 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 11. Noes, none. Excused, 4 (Baker, Kanno, Trimble, Whalen).

**SCRep. 878 Transportation, Military Affairs, and Government Operations on S.B. No. 807**

The purpose of this measure is to amend various provisions relating to residents' and property owners' rights to protest and prevent a liquor license from being issued in their neighborhood.

Your Committee received testimony in support of this measure from four concerned citizens. Your Committee also received petitions signed by over 100 persons in support of this measure.

Your Committee finds that existing law regarding liquor license applications contains several provisions to allow residents living near the applicant's business to protest the granting of a license. If a specified percentage of neighbors protest, the liquor commission must deny the license.

This measure amends those provisions. First, this measure deletes the existing provision of law that requires the liquor commission to deny a license application for a business located within 500 feet of a playground or school, if 40 per cent of adjacent residents object.

Also, this measure deletes the provisions of law that owners of multiple pieces of property may register a protest vote for each piece of property. Under existing law, an owner of five properties located near a liquor license applicant may register five votes against that project. While your Committee believes that it is often fair for an owner of multiple properties to have multiple votes, nonetheless your Committee has agreed to move this measure forward for further discussion.

In addition, this measure clarifies the existing provision of law that requires the liquor commission to deny an application, regardless of the location of the applicant's business, if a majority of adjacent neighbors object.

Specifically, this measure clarifies that in order for a license to be denied by statute, a majority of current property owners must object; under existing law, this issue was unclear.

Finally, this measure changes the law with respect to objections by associations of property owners. Under existing law, if a majority of association members voted against or for a license application, that majority vote was deemed a vote of the entire association. This measure removes that presumption. Moreover, this measure removes the provision that "each property counts only once." With this amendment, several property owners can register their votes even if they live on the same single property.

Your Committee made a technical, nonsubstantive amendment to this measure.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 807, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 807, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 879            Transportation, Military Affairs, and Government Operations on S.B. No. 1263**

The purpose of this measure is to enable the State to purchase goods and services, and award construction contracts, through an electronic procurement process.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services (DAGS) and the State Procurement Office (SPO).

Your Committee finds that this measure lays the foundation for improving procurement efficiency, by allowing government agencies to take advantage of electronic procurement. Many other jurisdictions and the federal government use electronic procurement methods in some form.

Your Committee believes that it is the right time for Hawaii to utilize electronic procurement. First, the process is more transparent in addition to being more efficient, because all interested persons can inspect the bid requirements and responses.

In addition, electronic procurement will cut down on the need for contractors to drive to DAGS' office to pick up bid specifications, and will also eliminate much unnecessary paperwork.

Your Committee was concerned about the effect this measure would have on contractors without full computer access. However, the SPO assured your Committee that the electronic procurement process will be completely voluntary, thereby allaying your Committee's concerns.

Your Committee has made several technical, nonsubstantive amendments to this measure for purposes of clarity, accuracy, and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1263, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1263, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 880            Ways and Means on S.B. No. 26**

The purpose of this measure is to transfer the responsibility for sale and distribution of the House and Senate journals from the Lieutenant Governor to the respective houses of the Legislature.

The bill also provides that the proceeds of the sale of the journals shall be used to defray any and all expenses of the respective houses. At present, the journals of the Senate and House of Representatives are published in accordance with the rules of each house, but are sold and distributed by the Lieutenant Governor. Your Committee finds that it is more appropriate for each house to be in charge of the whole chain of publication, sale, and distribution of its journals.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 26 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 881            Ways and Means on S.B. No. 44**

The purpose of this measure is to provide further economic relief for airport concessions still suffering from the terrorist events of September 11, 2001.

In addition, this measure permits such airport concessions whose concession agreements are terminated due to a new concession operator to recover their bonds and deposits and provides an exemption to the five year ban on doing business with the State, provided by present law. This measure also provides that those concessions suffering any losses and damages due to termination have no claim for damages or losses against the State.

Your Committee finds that airport concessions have never fully recovered from the events of September 11, 2001. The implementation of stricter security measures following those attacks, which require a ticket to proceed beyond the security checkpoint,

has also removed a large number of potential customers for concessionaires, whose businesses are located entirely beyond the security checkpoints.

Your Committee further finds that a possible war with Iraq in the near future or increasing tension with North Korea would result in a further decline in the number of air travelers to Hawaii in the coming year. Without additional relief, your Committee finds that many airport concessionaires will suffer the consequences of breaching their contracts with the State, which includes being barred from doing business with the State for five years. Your Committee believes that this measure will remedy this unfair situation by providing needed economic relief to qualifying airport concessionaires.

Your Committee has amended this measure by changing the effective date in order to promote continuing discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 44, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 44, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 882            Ways and Means on S.B. No. 235**

The purpose of this bill is to establish a tax credit for qualified costs incurred in the development of law enforcement, emergency medical services, and public safety training facilities on state land at Kalaeloa, Oahu.

The tax credit established in the measure, among other things:

- (1) Applies to qualified costs incurred during five consecutive taxable years, beginning with the tax year after the enactment of the measure;
- (2) Amounts to a maximum credit of \$5,000,000 in the aggregate for all qualified taxpayers in any one year; and
- (3) Amounts to a maximum credit of \$25,000,000 in the aggregate for all qualified taxpayers for all five years.

Your Committee finds that this measure provides tax credits to assist in the development of a Virtual Training Center where emergency response personnel and other law enforcement and medical personnel can train for simulated emergencies in a classroom setting. This training center could train Hawaii support personnel to fulfill their mission to help and protect our residents in a safe and cost effective manner. It also has the potential to serve as a training hub for the Pacific Rim area.

Upon further consideration, your Committee has amended the bill by making amendments that:

- (1) Clarify that the tax credit may be earned for qualified costs incurred in taxable years from January 1, 2004 through December 31, 2009;
- (2) Change the maximum amount of tax credit for five years and for any one year to an unspecified amount;
- (3) Specify that a taxpayer may continue to claim the tax credit for qualified costs incurred before January 1, 2010, subject to maximum amounts specified;
- (4) Clarify that taxpayers who claim a tax credit under this measure may not claim a tax credit under chapter 237, 237D, 238, 239, 241, or 431, Hawaii Revised Statutes, for the same qualified costs or for other activity or business at Kalaeloa, Oahu;
- (5) Provide that statements filed pursuant to the proposed new section are public documents; and
- (6) Made technical amendments for purposes of clarity.

In addition, your Committee has amended the bill by changing the effective date to January 1, 2050 to encourage discussion on this important issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 235, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 235, S.D. 3.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Aduja, Kim).

**SCRep. 883            (Majority) Ways and Means on S.B. No. 296**

The purpose of this measure is to require mandatory ethics training for a number of state officers.

Specifically, the bill requires the Governor, Lieutenant Governor, all legislators, elected members of the Board of Education, trustees of the Office of Hawaiian Affairs, and executive department heads and deputies to complete mandatory ethics training courses administered by the Hawaii State Ethics Commission.

Your Committee finds that mandatory ethics training courses will help top state officials to better understand the intricacies of Hawaii's ethics and lobbying laws and enable them to confidently conduct their official duties with integrity and the highest of ethical standards.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 296, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 2 (Hemmings, Slom). Excused, 2 (Kim, Sakamoto).

**SCRep. 884            Ways and Means on S.B. No. 317**

The purpose of this measure is to make an appropriation to the Fiftieth Anniversary Commemoration of the Korean War Commission to allow it to complete its commemoration of the fiftieth anniversary of the war.

The Fiftieth Anniversary Commemoration of the Korean War Commission was established by executive order in 1999 and funded by the Legislature in 2000. The executive order provided that the Commission be terminated at the end of the 2001 regular legislative session unless otherwise extended. The Legislature did extend the Commission to December 31, 2003, and appropriated additional funds for its work.

Your Committee finds that the commemoration is not yet complete, and there are numerous events planned in 2003, including a parade, banquet, educational activities, public displays, a veterans' reunion and tribute, dedication of the Waipahu Veterans' Memorial, and a massing of colors. Your Committee thus finds that it is necessary to appropriate additional funds to allow for the finalization of these events.

Your Committee has amended this bill by making the amount of the appropriation blank for the purposes of furthering discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 317, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 317, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 885            (Majority) Ways and Means on S.B. No. 318**

The purpose of this measure is to require that the State and counties attempt to obtain services through a public-private managed competition system pursuant to section 46-36 and chapter 89A, Hawaii Revised Statutes, prior to contracting with a private entity for services.

Your Committee finds that, by requiring state and county government agencies to seek services initially through public-private managed competition, this measure will assist government employees affected by privatization to compete on a level playing field to provide services and retain their jobs.

Upon further consideration, your Committee has amended the bill by deleting a reference to a repealed law, and by making a technical, nonsubstantive change for purposes of clarity and uniformity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 318, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 318, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Kim, Sakamoto).

**SCRep. 886            Ways and Means on S.B. No. 344**

The purpose of this measure is to increase the supply of hurricane shelter space in Hawaii, by retrofitting public buildings in accordance with modern standards.

Specifically, this bill authorizes the issuance of \$4,000,000 in general obligation bonds for fiscal year 2003-2004 to retrofit public buildings with hurricane protective measures.

Your Committee finds that the installation of hurricane protective measures on public buildings will help reduce the severe shortfall in hurricane shelter space and serve a public purpose by preserving and protecting the health, safety, and welfare of the residents and visitors of this State.

For the purpose of promoting further discussion, your Committee has amended this bill by changing the amount of the general obligation bond issue to a blank amount. Your Committee has also made several technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 344, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 344, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 5 (Espero, Hooser, Kanno, Kim, Sakamoto).

**SCRep. 887 (Majority) Ways and Means on S.B. No. 386**

The purpose of this measure is to prohibit the Governor and the Director of Finance from restricting a state agency's ability to expend federal grant moneys if the granting federal agency has already approved the state agency's grant application.

In addition, this measure allows the granting federal agency and the state agency, by agreement, to modify the amount of federally granted funds to be expended by the state agency without the approval of the Governor or the Director of Finance.

Your Committee finds that state agencies are currently required to seek the approval of the Governor when making certain expenditures of federal grant moneys, even though the expenditures have already been approved by the federal granting agency. This superfluous approval process is wasteful, interferes with the timely allocation and expenditure of federal grant moneys, and does not improve grant management or program administration.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 386 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Kim, Sakamoto).

**SCRep. 888 Ways and Means on S.B. No. 399**

The purpose of this measure is to appropriate general funds over the next two fiscal years to the City and County of Honolulu for a Computer Statistics (COMSTAT) law enforcement program.

Specifically, this measure requires the Honolulu Police Department to establish and implement a COMSTAT law enforcement program in the first year and then to interface computer links with other county police departments in the State for the development of a statewide COMSTAT law enforcement program in the second year.

Your Committee finds that COMSTAT is an information system that collects accurate, timely intelligence, analyzes the data, and formulates a process plan. COMSTAT is a successful law enforcement program in several large cities on the mainland. Crime statistics have fallen dramatically and the residents are more confident in the ability of law enforcement to carry out its vital responsibilities.

Your Committee has amended this measure by changing the effective date from January 1, 2004 to January 1, 2054, for the purposes of continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 399, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 399, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 889 Ways and Means on S.B. No. 458**

The purpose of this measure is to amend the public procurement code to increase the small purchase procurement exception dollar ceiling to \$250,000 for construction projects.

In addition, this measure establishes a preference in the procurement code for contractors that are Hawaii domestic corporations and provide all necessary documentation to the purchasing agency to demonstrate compliance with applicable Hawaii laws.

Your Committee finds that increasing the small purchase ceiling for construction projects will facilitate important state projects, particularly school repair and maintenance projects. Your Committee further finds that establishing a preference for contractors that are Hawaii domestic corporations and provide necessary documentation will ensure a level playing field so that Hawaii contractors may compete fairly with out-of-state contractors.

Upon further consideration, your Committee has amended this measure by changing the effective date to July 1, 3003.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 458, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 458, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 4 (Espero, Hooser, Kanno, Kim).

**SCRep. 890 (Majority) Ways and Means on S.B. No. 464**

The purpose of this measure is to relieve traffic congestion and improve efficiency of transportation on Oahu.

Specifically, this bill requires the Department of Transportation, in conjunction with the Oahu Metropolitan Planning Organization and the City and County of Honolulu, to develop an action plan for implementation of a fixed rail transit system or monorail on Oahu, describing site selection and feasibility, structure of the transit operations and facility development, economic analyses and financing, permits and approvals, and design and construction. The plan is to be submitted to the Legislature no later than twenty days prior to the convening of the Regular Session of 2004. The bill further requires the Department of Transportation to begin the process of acquiring land for the system.

Your Committee finds that the building a fixed rail transit system or monorail on Oahu has been and remains a subject of sharp debate in the community with cogent and informative points of view being expressed on both sides.

Upon further consideration, and in the interest of stimulating further discussion, your Committee has amended this bill to take effect on July 1, 2025, and by making other technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 464, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 464, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Kim, Sakamoto, Hemmings).

**SCRep. 891 Ways and Means on S.B. No. 528**

The purpose of this measure is to transfer certain Hawaii county lands and improvements now used for public school purposes to the State.

Your Committee finds that Act 97, Session Laws of Hawaii 1965, transferred the responsibility for the planning, construction, improvement, and maintenance of public school facilities and grounds, and the transportation of school children, from the counties to the State. Prior to the passage of Act 97, Hawaii county issued bonds to plan, construct, improve, and maintain public schools and grounds in that county. Now that these functions are the responsibility of the State, your Committee finds it is appropriate that all remaining county land and improvements under the operation of the Department of Education be transferred to the State.

Your Committee has made technical nonsubstantive changes to this measure for clarity (specifically to correct the misspelling of "Keaukaha") and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 528, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 528, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Kim, Sakamoto, Hemmings).

**SCRep. 892 Ways and Means on S.B. No. 579**

The purpose of this measure is to appropriate funds for a grant-in-aid to the Honolulu Police Department for the development of a non-emergency — or 3-1-1 — report system.

In addition, this measure requires the Honolulu Police Department to:

- (1) Establish a 3-1-1 call section to receive non-emergency phone requests;
- (2) Develop a web site in order to provide access to an on-line request form that can be filled out by the public;
- (3) Utilize district station personnel to handle phone-in and walk-in requests for non-emergency services;
- (4) Improve 9-1-1 information in telephone directories in order to instruct the public on the appropriate usage of 9-1-1; and
- (5) Develop educational programs and directory information in order to instruct the public on the appropriate usage of 3-1-1.

Your Committee finds that the Honolulu Police Department receives over 1,000,000 calls each year through the enhanced 9-1-1 emergency telephone service requesting police, fire, or ambulance services. About seventy to eighty per cent of these calls — or approximately 700,000 to 800,000 calls — are for police services, and of that number, about seventy per cent — or approximately 490,000 to 560,000 calls — are requests for non-emergency police services. Requests for non-emergency police services frequently overwhelm available 9-1-1 operators, resulting in a backlog of emergency calls awaiting the dispatch of a police officer to the scene of a real emergency.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 579, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Kim, Sakamoto, Hemmings).

**SCRep. 893      Ways and Means on S.B. No. 684**

The purpose of this measure is to improve and strengthen the statewide program on parking for persons with disabilities.

Generally, the bill:

- (1) Includes “vascular” conditions as a qualification for parking privileges;
- (2) Includes the access aisles that are adjacent to parking spaces as part of parking spaces for persons with disabilities;
- (3) Authorizes replacement of stolen placards through the same procedure as replacement of lost or mutilated placards;
- (4) Clarifies that parking privileges for persons with disabilities apply to public parking spaces;
- (5) Lowers the penalty for failure to display the proper permit or identification card; and
- (6) Provides penalties for illegally parking in an access aisle adjacent to a parking space for a person with a disability.

Your Committee has amended the bill by:

- (1) Adding “extreme colitis” as a qualifying condition for a parking space to recognize that there may be other medically diagnosed conditions other than the inability to walk more than two hundred feet that may require an individual to have closer access to a particular area; and
- (2) Changing the effective date to July 1, 2050 to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 684, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 684, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 4 (English, Hooser, Kawamoto, Sakamoto).

**SCRep. 894      Ways and Means on S.B. No. 686**

The purpose of this measure is to provide more equity for certain resident state bidders in the bid process of procurement contracts for less than \$25,000.

Your Committee finds that, in the procurement bidding process, local bidders are sometimes at a disadvantage when including applicable general excise and use taxes in their bid amounts, while out of state bidders may not be subject to the same requirements. This measure, while not absolving a bidder of any tax liabilities, will require a purchasing agency to exclude the amount of applicable general excise tax or use tax in the bid amount during the evaluation of any bid.

Your Committee has amended this measure by substituting, for the word “corporation” in the new proposed section 103D- (b)(1), the word “business”, which is included in the definitions contained in section 103D-104, to broaden the forms of legal entities included under this provision. Your Committee has further made other technical nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 686, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 686, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 4 (Espero, Hooser, Kanno, Kim).

**SCRep. 895      Ways and Means on S.B. No. 711**

The purpose of this measure is to require the Department of Transportation to use federal alternative standards in the construction, reconstruction, resurfacing, restoration, or rehabilitation of a scenic highway within the state scenic highway system.

In addition, this measure would establish a scenic highways advisory commission, which among other things will determine those highways that receive a “scenic” designation. Further, the measure imposes limits on the liability of the State in any accidents occurring on any state scenic highway that has been subject to alternative federal standards.

Your Committee finds that recent new flexible federal alternative highway design standards encourage good highway design that is sensitive to its surrounding environment, especially in historic and scenic areas. These same design standards should be used within the state highway system, especially for highways that have scenic, aesthetic, historical, or cultural significance.

Your Committee further finds that these more flexible alternative design standards may increase the liability of the State in accidents occurring on scenic highways and therefore, this measure limits the liability of the State in vehicular accidents on scenic highways.

Your Committee has amended this measure by:

- (1) Limiting the liability of public utilities in accidents in scenic highways resulting from improvements the utility company has placed or maintained in a scenic highway in accordance with state highway standards;
- (2) Changing the effective date to facilitate further discussion on this measure; and
- (3) Making technical nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 711, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 711, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kanno).

**SCRep. 896            Ways and Means on S.B. No. 835**

The purpose of this measure is to waive motor vehicle fees for certain elderly persons.

Specifically, this bill provides for the waiver of unpaid motor vehicle weight taxes, fees, and penalties for motor vehicle owners who are seventy years of age or older and who transfer the vehicles to persons who receive medical assistance through the Department of Human Services or tax-exempt organizations.

Your Committee finds that this measure is a humanitarian gesture. Your Committee recognizes that the motor vehicles of the elderly often sit unregistered and unused for transportation. However, they are not officially recorded as stored vehicles, which are exempt from motor vehicle weight taxes. This measure effectively treats those vehicles as stored vehicles that are exempt from the vehicle tax.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2003 to July 1, 2053, for the purposes of continued discussion on the matter; and
- (2) Making a technical nonsubstantive change for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 835, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 835, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (English).

**SCRep. 897            (Majority) Ways and Means on S.B. No. 880**

The purpose of this measure is to transfer the state capitol tour service from the Office of the Governor to the Legislature.

Your Committee finds that the state capitol tour service was transferred from the Legislature to the Office of the Governor temporarily while the state capitol was undergoing renovations. Although the renovations have been completed for quite some time, the state capitol tour service was never transferred back to the Legislature.

This bill corrects this oversight by transferring the state capitol tour service from the Office of the Governor back to the Legislature.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 880 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Kim, Sakamoto, Hemmings).

**SCRep. 898            (Majority) Ways and Means on S.B. No. 966**

The purpose of this measure is to establish the Office of Resource Maximization (Office) within the Office of the Lieutenant Governor.

In particular, the Office is established to:

- (1) Secure federal and private foundation grants;
- (2) Consult with the Governor in the preparation of the state budget;
- (3) Advise each state department and agency receiving a grant on the effective administration of the grant moneys; and
- (4) Provide ombudsman services to encourage state agencies to enter partnerships with nonprofit organizations to maximize receipt of federal revenues.

In addition, the Office is responsible for writing and coordinating applications for federal and private foundation grant moneys on behalf of state departments, state agencies, and purchase of service providers, and is required to oversee the administration of those grants to comply with federal and foundation requirements.

Your Committee finds that the federal government provides grants to states to fund various programs, including health, human services, economic development, labor training, technology, and education, and that private foundations also provide grant moneys to the State for various programs and research projects.

Your Committee further finds that grant writing and coordination is a specialized function that requires research into available federal and private foundation funding, expertise in grant writing, and coordination of the flow of various grants to the recipient.

Your Committee also finds that establishing the Office will assist the State in maximizing its ability to secure federal and private foundation moneys, thereby reducing the burden on the general fund to pay for needed public services and programs. State revenues may also be increased by proper planning and evaluation of the state budget, to ensure adequate resource allocation and prioritization of programs.

Upon further consideration, your Committee has amended this bill by amending the new section added to the Hawaii Revised Statutes by section 2 of the bill to cross reference two other sections that authorize the collection of federal grants.

In particular, your Committee finds that section 29-2(10), Hawaii Revised Statutes, requires the coordinator of the Hawaii Office of Federal Programs Coordinator in Washington, D.C., to "be authorized to accept, disburse, and allocate funds which may become available from other governmental units...". In addition, section 29-24 established the "interagency federal revenue maximization revolving fund" that requires the comptroller, by contract, to "retain the services of certified public accountants and other consultants to pursue and collect federal fund reimbursements...".

Your Committee has accordingly amended the bill to provide that the Office work in coordination with these other agencies to facilitate statewide grant seeking efforts to maximize the amount of federal funding available to the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 966, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 966, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Kim, Sakamoto, Hemmings).

**SCRep. 899            Ways and Means on S.B. No. 1050**

The purpose of this measure is to provide, with respect to any deceased World War II Filipino American veteran, direct up-front payment by the State to a mortuary or crematory for providing funeral and burial services and for transporting the remains to the Philippines.

Your Committee finds that World War II Filipino American veterans who died after June 30, 1994, are presently being assisted through a state program, the Veterans Burial Grant Program, administered by the state Office of Veterans Services. Under this program, Filipino American veterans are entitled to receive a burial grant to cover funeral and burial services and transporting remains to the Philippines; however, this grant comes in the way of a reimbursement after a deceased veteran's family or interested party has already made such payments. In some instances, due to the lack of cash for these tremendous up-front costs, the remains of some veterans have not been properly tended to for weeks while the family or interested parties raise the necessary funds.

This measure will provide for a direct payment of up to \$2,500 by the Comptroller to a licensed provider of mortuary or crematory services for these Filipino American veterans to avoid any delay in the provision of these services.

Your Committee has amended this measure by deleting the specific amount appropriated to facilitate continuing discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1050, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1050, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 4 (Hooser, Kim, Sakamoto, Hemmings).

**SCRep. 901      Ways and Means on S.B. No. 1136**

The purpose of this measure is to remove law enforcement mileage fees from the costs covered by processing fees for administrative driver's license revocation hearings.

Your Committee finds that this measure clarifies an amendment enacted in Act 157, Session Laws of Hawaii 2001, which provided that the costs of issuing subpoenas for witnesses, including mileage fees, are to be borne by the party requesting the subpoena.

However, your Committee finds that an inadvertent drafting error in Act 157 retained apparently contradictory language in the prior version of the statute. In particular, Act 157 did not delete the reference to law enforcement mileage fees from the list of administrative costs covered under the \$30 statutory charge for fees and costs.

Your Committee finds that this measure eliminates confusion by clarifying that the party requesting the subpoena must pay for the law enforcement mileage fees as with any other witness mileage fees, in addition to the \$30 fee.

Your Committee has amended this measure to make a technical nonsubstantive change.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1136, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1136, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 4 (Hooser, Kim, Sakamoto, Hemmings).

**SCRep. 901      Ways and Means on S.B. No. 1149**

The purpose of this measure is to allow any federal, state, or county election other than a regularly scheduled primary or general election to be conducted by mail.

Specifically, this bill:

- (1) Authorizes the chief election officer to determine whether a federal or state election may be conducted by mail or at polling places;
- (2) Authorizes the county clerk to determine whether a county election may be conducted by mail or at polling places; and
- (3) Requires the chief election officer to adopt rules pursuant to the Administrative Procedure Act (chapter 91, Hawaii Revised Statutes), to provide for uniformity in the conduct of federal, state, and county elections by mail.

Your Committee finds that special elections in Hawaii are particularly notorious for their low voter turnout. This measure will reduce the high cost of running special elections and encourage greater voter participation by providing voters with the ease and convenience of voting by mail.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1149 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 902      Ways and Means on S.B. No. 1261**

The purpose of this measure is to allow purchases of goods and services by state and county agencies through the use of state-approved procurement cards.

Your Committee finds that the current system of payment for goods and services through the issuance of purchase orders and processing of invoices is cumbersome and incompatible with implementation of the State's Purchasing Card (pCard) program. This measure will streamline purchase and payment processes and reduce attendant administrative burdens and costs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1261 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 4 (Hooser, Kawamoto, Kim, Hemmings).

**SCRep. 903      Ways and Means on S.B. No. 1347**

The purpose of this measure is to remove the requirement that the chairperson of the precinct officials be of the same party as the Governor.

Your Committee finds that abolishment of the longstanding requirement that precinct chairs belong to a particular political party will reinforce the State's commitment to ensuring an electoral process that is nonpartisan.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1347, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Kim, Sakamoto, Hemmings).

**SCRep. 904            Ways and Means on S.B. No. 1374**

The purpose of this measure is to provide authority to the State Fire Council to expend federal grant money for the purpose of firefighting training.

The bill also includes appropriations from federal funds to the Department of Labor and Industrial Relations to carry out fire-related projects, including firefighter training.

Your Committee finds that firefighting is a hazardous job that can be made safer with proper training. Your Committee finds that the authority granted in this bill allows the State Fire Council to administer federal grant assistance, including firefighter training, is appropriate and should be established.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1374 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Kim, Sakamoto, Hemmings).

**SCRep. 905            (Majority) Ways and Means on S.B. No. 1401**

The purpose of this measure is to authorize the Department of Transportation to establish passenger facility charges for overseas domestic and international airline passengers only.

Furthermore, this measure establishes a passenger facility charge special fund whose proceeds will be the passenger facility charges and whose disbursements will be used for capital improvement program projects. This bill also exempts the fund from being assessed for central services expenses and for contributions to the works of art special fund.

Your Committee finds that passenger facility charges are authorized under federal law to provide public agencies with an additional capital funding source to expand the national airport system. Currently, airports in the majority of states collect passenger facility charges. Your Committee finds that this measure will provide the Department of Transportation with another funding source for its capital improvements.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1401 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Kim, Sakamoto, Hemmings).

**SCRep. 906            (Majority) Ways and Means on S.B. No. 1404**

The purpose of this measure is to clarify the counties' authority to assess impact fees for state highway improvements that serve new or more intensive development.

In addition, this measure establishes the highway development special fund for the department of transportation to administer county impact fees assessed for state highway projects. This measure also amends the existing impact fee law under chapter 46, part VIII, Hawaii Revised Statutes, relating to the calculation of impact fees by allowing, rather than requiring, seven factors to be considered when enacting or adopting impact fees.

Your Committee finds that new development of land has a tremendous impact on existing roads and highways. New development leads to more motor vehicles using roadways, requiring increased repair and maintenance as well as traffic mitigation measures. Impact fees imposed on developers will help to defray the cost of highway improvements brought by development, are more predictable and equitable than case-by-case permit exactions, and are more acceptable to the public than using only public funds.

Your Committee agrees with the intent of this measure as an appropriate balance between the right of private entities to develop their land and the need of the State to maintain and improve state roadways.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1404, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 3 (Kim, Sakamoto, Hemmings).

**SCRep. 907            Ways and Means on S.B. No. 1408**

The purpose of this measure is to require the Department of Transportation to prepare a new statewide transportation plan.

The bill also requires the Department to establish a statewide transportation advisory committee to assist the Department in developing the plan.

Furthermore, this measure repeals provisions under the statewide transportation planning statutes that deal with the 1978 statewide transportation plan and the statewide transportation council formed to assist the Department with that plan.

Your Committee finds that present statutes are outdated and do not accurately reflect current federal requirements and practices governing plan development and the continuing statewide transportation planning process.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1408, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Kim, Sakamoto, Hemmings).

**SCRep. 908            Ways and Means on S.B. No. 1477**

The purpose of this measure is to enable the counties to enter into lease/leaseback transactions of certain of their assets in such a manner that they retain complete operating control of the assets while also enjoying significant cash benefits.

Your Committee finds that this measure would allow the counties to enter into agreements with private third parties whereby they grant a long-term leasehold interest in their water supply, waste water, or other waste disposal systems to the third party and then lease the same system back for a lesser lease term, thereby maintaining title and physical control over the system. Upon execution of the long-term lease, the county will receive a one time front end lease payment of the full one hundred per cent value of the leased system. The major portion of the payment is deposited into a defeasance deposit which is guaranteed by a highly rated financial institution and is set up to make all the leaseback payments to the private third party for the term of the leaseback. The remainder portion of the front end lease payment, which could represent in some cases approximately three to four per cent of the fair market value of the leased system, would be an immediate cash benefit to the county.

Your Committee further finds that these transactions have been entered into successfully and safely by other municipalities in other states for years.

Your Committee has made technical nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1477, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1477, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Kim, Sakamoto, Hemmings).

**SCRep. 909            Ways and Means on S.B. No. 1478**

The purposes of this measure are to grant relief to airport concessionaires who have suffered from the effects of the unforeseen terrorist attacks of September 11, 2001, and to contract with a single management company for taxi services at the State's airports.

Specifically, this bill requires all public contracts for the operation of concessions at airports in the State to contain force majeure terms to absolve the parties of liability for failure to perform due to outside forces. The bill further requires that the concession for taxi services at the State's airports be granted to a single management company, which may then subcontract with one or more taxi companies to provide taxi services.

Your Committee finds that although airport concessionaires have suffered and should not bear the entire burden of losses due to unforeseen terrorist events, this measure will benefit from more thorough discussion of the effects of inserting force majeure terms into each contract as required by this bill.

For purposes of further discussion, your Committee has amended this bill by changing the effective date to July 1, 2025, and by making other technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1478, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1478, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Kim, Sakamoto, Hemmings).

**SCRep. 910            Ways and Means on S.B. No. 1479**

The purpose of this measure is to appropriate funds for the maintenance of veterans cemeteries in the counties of Kauai, Maui, and Hawaii and the City and County of Honolulu.

Your Committee finds that burial for qualified veterans and their dependents in veterans cemeteries in this State is an honor reserved for those who have made the ultimate sacrifice for the service of their country. The establishment of these veterans cemeteries reflects the commitment of the people of Hawaii to those who served in the armed forces of the United States.

Your Committee further finds, however, that Hawaii's veterans cemeteries suffer from inadequate care and maintenance due to lack of sufficient funding. Your Committee finds that this measure will appropriate necessary funds to maintain these cemeteries in tribute to and respect for Hawaii's veterans.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1479, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Kim, Sakamoto, Hemmings).

**SCRep. 911 (Majority) Ways and Means on S.B. No. 1657**

The purpose of this measure is to establish a Parking for Persons With Disabilities Special Fund.

The bill also raises the state vehicle registration fee by seventy cents, the proceeds of which are deposited into the Parking for Persons With Disabilities Special Fund.

Your Committee finds that thirty-three thousand removable windshield placards and temporary removable windshield placards were issued in 2000 by the four counties to qualified persons with disabilities. The counties have assumed the costs of this program through nominal fees paid by applicants. Recently, however, the federal courts have ruled against assessing disabled persons such fees based upon the Americans with Disabilities Act, in effect terminating the program.

This bill provides a budgetary mechanism to raise the funds necessary to continue this program by increasing the state vehicle registration fee by seventy cents. The dedicated fees are then deposited in the Parking for Persons With Disabilities Special Fund to pay for the administration of the statewide parking for disabled persons program.

Your Committee has amended the bill by changing the effective date to July 1, 2050, to promote further discussion, and by making a few technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1657, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1657, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Kanno).

**SCRep. 912 Ways and Means on S.B. No. 1311**

The purpose of this measure is to remove the exemption of specified funds from paying central service and departmental administrative expenses.

The bill also makes appropriations from those funds to the departments that administer them.

Your Committee finds that central service and departmental administrative expenses are a significant component of the state budget. Currently, thirty-four funds are exempt from central service fees, and twenty-nine are exempt from departmental administrative expense fees. Your Committee finds that not all of the funds currently exempt still merit this special treatment. This bill would remove the exemption of fifteen funds from central service fees and fourteen funds from departmental administrative expenses. Your Committee finds that removing the exemption for these funds is appropriate.

Your Committee has amended this bill by:

- (1) Clarifying that the appropriations from the funds are to be used for the operating expenses of the fund, including the now-applicable central service and departmental administrative service fees;
- (2) Changing the effective date to facilitate further discussion of this measure; and
- (3) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1311, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1311, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 5 (English, Kanno, Kawamoto, Kim, Sakamoto).

**SCRep. 913 Ways and Means on S.B. No. 1400**

The purpose of this measure is to streamline the delinquent tax remission of penalties and interest process by removing the requirement that taxes are not delinquent for more than ninety days.

The measure also allows delinquent taxpayers who owe \$50,000 or less in taxes to have their claims compromised by the Department of Taxation without the need for gubernatorial approval.

Your Committee finds that the size of the State's delinquent tax accounts grew significantly between June 30, 2001, and June 30, 2002. This increase is due to the September 11, 2001, terrorist attacks and its subsequent impact on the national and Hawaii economies. Current law allows the Department of Taxation to provide administrative relief by waiving penalties and interest added to any tax that is delinquent for ninety days or less, without gubernatorial approval. Claims that are owed after that date must be approved by the Governor through the compromise process. The difference in the timing is striking: it takes the State approximately one week to make a decision waiving penalties and interest on claims ninety days or under, and twelve to eighteen months for claims outside that time period.

Your Committee finds that there is substantial benefit to the State to make more use of the shorter waiver period, as the State receives its money much more quickly. Your Committee also finds that this bill will reduce the average time for the State to process and make a decision on offers of compromise, increase the number of accepted offers of compromise, and reach a realistic, timely, and appropriate acceptance rate.

Your Committee has amended the bill by specifying that all claims compromised by the Department of Taxation shall appear on the Department's website for five calendar days prior to approval. Your Committee also made technical nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1400, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1400, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Kim).

**SCRep. 914      Ways and Means on S.B. No. 1661**

The purpose of this measure is to require the Housing and Community Development Corporation of Hawaii to complete construction of the Villages at Kapolei within five years and to coordinate with the Department of Transportation in implementing traffic study recommendations.

Your Committee finds that the Villages at Kapolei, a project of the Housing and Community Development Corporation of Hawaii, is ten years old and has yet to be completed. As part of Oahu's "second city", Kapolei is a planned community located on the Ewa plains of Oahu. Your Committee finds that, to date, three villages have been completed, three are still under construction, two more are yet to begin construction, and a total of five thousand units are planned.

Your Committee finds that community growth has brought an increase in traffic and unsafe traffic patterns, leading the Villages of Kapolei Homeowners' Association to commission a study regarding traffic calming measures and reducing traffic congestion. Your Committee believes that this measure is necessary to ensure the health, safety, and welfare of the residents of the Villages at Kapolei.

Your Committee has amended this measure to make technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1661, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1661, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 915      Ways and Means on S.B. No. 75**

The purpose of this measure is to formally establish a temporary State P-20 Council (Council) to provide leadership in bringing a measure of continuity to the different levels of public education.

Your Committee finds that the Council has already been informally established among the University of Hawaii, the Department of Education, and the Good Beginnings Alliance. This measure serves to formally recognize the Council and to reaffirm the Legislature's commitment and oversight of the Council's goals and activities. In this regard, the Council should consider the involvement of the Hawaii Workforce Development Council in the exercise of their duties and responsibilities.

Your Committee has amended this measure by specifying that the Council will conduct its first review of its role and efficacy prior to June 30, 2007, which is before the repeal of this measure by operation of law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 75, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 75, S.D. 2.



Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 916            Ways and Means on S.B. No. 360**

The purpose of this measure is to establish a reusable resource center to collect and distribute recyclable materials for use by public school teachers, parents, and others as tools for learning in classrooms, homes, and the community.

The bill also requires the Department of Education to: develop private-public partnerships for the planning, development, staffing, operation, and management of the center; explore the feasibility of establishing incentive for participation by the private sector; and establish satellite centers in each county, as needed.

Your Committee finds that this type of resource recycling center has been used with great success in other states, in a win-win partnership between teachers, who receive useful recycled educational materials at minimal cost, and private industry, which has reduced waste and earned tax deductions. The benefits of recycling are taught in our schools and stressed in our island community. By establishing this center, the State will be helping to provide an abundance of hands-on teaching materials for our schools and the community while supporting the values of recycling and reducing waste.

Your Committee approves of the broad scope of this bill, which applies not only to public schools but to day care centers, Head Start programs, colleges and universities, theaters, and museums. Your Committee also approves of the concept of satellite resource centers in all counties, as needed.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 360 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Espero, Kanno, Kim).

**SCRep. 917            Ways and Means on S.B. No. 576**

The purpose of this measure is to prevent the University of Hawaii Board of Regents from making expenditures from the University of Hawaii tuition and special fees fund to generate private donations to the University of Hawaii Foundation.

Your Committee believes that it is necessary to ensure that the State's higher education policy maintains a balance between providing increasing fiscal autonomy to the University of Hawaii and accountability to the public. While your Committee recognizes the importance of the University of Hawaii seeking private contributions, if public funds are used, the public has the right to know whether the University of Hawaii's investment of public funds is fiscally sound. Your Committee notes that the University of Hawaii Foundation, a private nonprofit organization, has not been the most cooperative organization when questions about its finances have been raised, even though it is a recipient of public funds. Your committee is recommending passage of this bill to promote discussions on this issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 576 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 918            (Majority) Ways and Means on S.B. No. 667**

The purpose of this measure is to establish a new governance and administrative structure for Hawaii's public school system by:

- (1) Creating a state board of education comprised of seven members elected from seven school board districts and six members appointed by the Governor, with the advice and consent of the Senate;
- (2) Designating seven regional education agencies, governed by appointed boards of directors and administered by regional superintendents, to serve as the primary administrative units for the delivery of educational services;
- (3) Requiring regional superintendents to establish principal advisory councils to solicit and receive input regarding regional administrative policies, procedures, and operations;
- (4) Delineating the roles and responsibilities of the state board of education, the state superintendent, the regional education agencies, the governing boards, and regional superintendents; and
- (5) Establishing school complex-based management within the regional education agencies.

Your Committee views this measure as a catalyst for promoting discussion and encouraging consensus building among stakeholders to address the many issues and challenges facing our public school system and to bring about positive and meaningful educational reform in Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying that the salary of the superintendent of education shall be as provided in section 26-52(1), Hawaii Revised Statutes;
- (2) Amending section 26-53(b), Hawaii Revised Statutes, to make existing statutory language that sets the salary of the deputy superintendent of education consistent with the proposed amendments to section 302A-1101(b)(4), Hawaii Revised Statutes; and
- (3) Making other technical nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 667, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 667, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Kanno).

**SCRep. 919 (Majority) Ways and Means on S.B. No. 929**

The purpose of this measure is to establish an after-school programs special fund to be administered by the Department of Education.

Specifically, this bill:

- (1) Requires all fees collected for after-school programs administered by the Department of Education and operated at public schools to be deposited into the special fund;
- (2) Allows the Legislature to appropriate general funds into the special fund to support the operations of the after-school programs; and
- (3) Requires moneys in the special fund to be used to pay the expenses of the after-school programs, including salaries, personal services contracts, supplies, and other operating expenses.

Your Committee finds that creation of a special fund will benefit the State's highly popular and successful After-School A+ Program for latchkey children, by allowing the Department of Education flexibility to adjust monthly fees to cover program costs. This measure will also enable the After-School A+ Program to become more self-sufficient and less vulnerable to budget cuts caused by downturns in the economy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 929, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, 3 (Hemmings, Slom, Trimble). Excused, 4 (Espero, Hooser, Kanno, Kim).

**SCRep. 920 Ways and Means on S.B. No. 354**

The purpose of this measure is to extend certain energy conservation income tax credits for another five years.

In particular, this measure eliminates the percentage and dollar caps and extends the tax credits on heat pumps and ice storage systems from July 1, 2003, to July 1, 2008. This measure does not extend the tax credits for solar and wind energy systems, which will end on July 1, 2003.

Your Committee finds that the energy conservation tax credits that are extended by this measure are necessary to increase the State's energy self-sufficiency by providing incentives for businesses to utilize energy conservation devices and systems. Your Committee further finds that supporting the use of energy technologies that use renewable resources will help to reduce the State's dependence on imported oil, encourage investment in clean energy, and improve Hawaii's environment.

Your Committee has amended this measure by:

- (1) Amending the effective date section to specify that the measure applies to taxable years beginning after December 31, 2002, rather than December 31, 2004, to ensure that there is no gap in the application or claiming of the tax credits; and
- (2) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 354, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 354, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Hooser, Kawamoto).

**SCRep. 921 Ways and Means on S.B. No. 506**

The purpose of this measure is to allocate \$250,000 per year of all royalties received by the State from geothermal resources to the Department of Business, Economic Development, and Tourism for hydrogen research and development as an alternative energy source.

Your Committee finds that scientists have recognized hydrogen as a potential source of fuel for many years and that, with further research and development, hydrogen could competitively serve as an alternative source of energy for fueling vehicles and generating electricity. Your Committee further notes that the United States Department of Energy and the private sector have funded hydrogen research and development programs for several years.

Your Committee finds that although there has been significant progress in hydrogen research and development in Hawaii, establishing a dedicated source of funding for hydrogen research and development will enable the State to attract advanced technology development companies for both research and development, testing, and deployment. Your Committee believes that this will eventually lead to the development of a hydrogen-based economy in which Hawaii produces more of its own environmentally clean fuels, thereby reducing its dependence on fossil fuels and resulting in job growth, reduced pollution, and a more robust state economy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 506 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 922            Ways and Means on S.B. No. 855**

The purpose of this measure is to remove the expiration (drop-dead) date of July 1, 2003, for the alternate energy systems tax credit.

Alternate energy systems include wind energy, solar energy, heat pump, and ice storage systems. The bill repeals heat pump and ice storage systems from the alternate energy systems tax credit. This bill also requires the Tax Review Commission to review and report recommendations to the Legislature whether the alternate energy tax credits should be continued, amended, or repealed.

Your Committee finds that supporting alternate energy systems is critical to reducing the State's dependency on imported oil. This dependency not only sends capital resources out-of-state, but also creates a tenuous reliance on an unsustainable and unstable resource.

This bill provides state support for alternate energy systems by supporting locally owned alternate energy systems businesses, which is part of the growing and much desired high-technology industry.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 855, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (English, Kawamoto, Kim).

**SCRep. 923            (Majority) Ways and Means on S.B. No. 1239**

The purpose of this measure is to encourage the use of biodiesel fuel in Hawaii as an important source of renewable energy.

In particular, this measure requires biodiesel fuel to be used in state government motor vehicles and establishes a biodiesel fuel revolving fund for this purpose; encourages the use of biodiesel in the marine industry by allowing for the delivery and fueling of biodiesel and for the installation of biodiesel fuel pumps to all state harbors; and exempts biodiesel fuel from the fuel tax law.

This measure also bans grease and grease traps from Hawaii's landfills and requires the Department of Health to review permanent alternatives for processing grease and ways to encourage recycling to reduce the amount of waste sent to Hawaii's landfills. The prohibition of grease and grease traps from landfills is to take effect six months after the issuance of the last certificate of occupancy of all the biodiesel processing plants of all counties.

Your Committee finds that biodiesel is becoming a mainstream alternative fuel and, in the past decade, has gone from a nearly non-existent market position to use in more than one hundred major fleets. Biodiesel is used in trucking, public transit, school districts, agriculture, public utilities, and military fleets.

Your Committee agrees with the intent of this measure and finds that it will encourage the recycling of grease trap waste to reduce the amount of waste going to Hawaii's landfills and will encourage the use of biodiesel fuel in Hawaii as an important source of renewable energy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1239, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 2 (Hemmings, Slom). Excused, 1 (Kim).

**SCRep. 924            Ways and Means on S.B. No. 1593**

The purpose of this measure is to require state and county agencies that control the siting and disposing of hazardous materials, store toxins, or release pollutants at their facilities, or issue permits for these kinds of activities to give fair treatment to native Hawaiian and low-income populations.

The intent of this measure is to minimize the likelihood that a native Hawaiian or low-income community will bear a disproportionate share of the adverse environmental consequences, or be denied reasonable access to the environmental benefits, resulting from implementation of a government agency's program or policy.

In addition, this measure requires state and county agencies to:

- (1) Identify and address the disproportionately high and adverse human health or environmental effects of their programs, policies, and activities on native Hawaiian and low-income populations;
- (2) Evaluate the economic and social effects of proposed actions on the health of native Hawaiian and low-income communities, and mitigate any significant and adverse environmental effects on these communities;
- (3) Consider, when determining whether an action will have a "significant effect" on the environment, the:
  - (A) Composition of an affected area to determine whether there may be disproportionately high and adverse health or environmental effects on native Hawaiian or low-income populations; and
  - (B) Interrelated cultural, social, occupational, historical, or economic factors that may amplify the natural and physical environmental effects of the proposed actions; and
- (4) Avoid the creation of programs, policies, and activities that would have disproportionately high and adverse effects on the health and environment of native Hawaiian and low-income communities.

This measure also requires the Director of Health to analyze information on environmental and human health risks to determine if state and county programs, policies, and activities have disproportionately high and adverse effects on native Hawaiian and low-income populations and establishes:

- (1) An Interagency Environmental Justice Working Group to provide guidance to government agencies on criteria for identifying disproportionately high and adverse human health or environmental effects on native Hawaiian and low-income populations; and
- (2) An Environmental Justice Advisory Committee to provide advice to the Working Group on the development of a framework for integrating socioeconomic programs into strategic and annual planning and management accountability to achieve environmental justice results.

Your Committee has amended this measure by making technical nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1593, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1593, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kawamoto, Hemmings).

#### **SCRep. 925      Ways and Means on S.B. No. 1034**

The purpose of this measure is to allow the Department of Agriculture, upon mutual agreement and approval of the Board of Agriculture and the Board of Land and Natural Resources, to accept the transfer of and to manage public lands that are classified for agricultural use by the Department of Land and Natural Resources.

This measure applies specifically to public lands and related facilities leased or available for lease by the Department of Land and Natural Resources for the care and production of livestock, livestock products, poultry, or poultry products, or apiary, horticultural, or floricultural products, or the planting, cultivating, and harvesting of crops or trees.

In addition, this measure:

- (1) Establishes the "other agricultural lands special fund" and requires all revenues received by the Department of Agriculture from transferred agricultural lands to be deposited into the special fund and used for purposes approved by the Board of Agriculture;
- (2) Requires the Department of Agriculture to establish criteria and rules to convert qualified and encumbered agricultural lands to Department of Agriculture leases and other forms of encumbrance;
- (3) Requires the Board of Agriculture to establish criteria and rules to allow the cancellation, renegotiation, and extension of encumbrances transferred to the Department of Agriculture; and

- (4) Requires the Board of Agriculture and the Board of Land and Natural Resources to report jointly to the Legislature on their efforts to carry out the transfers authorized by this measure prior to the Regular Session of 2004.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1034, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kanno).

**SCRep. 926      Ways and Means on S.B. No. 1255**

The purpose of this measure is to improve and strengthen the laws regulating agricultural safety and security.

Specifically, this bill allows the Department of Agriculture to provide agricultural certification services to assure the quality and security of agricultural products. The bill also renames the Marketing Order Revolving Fund the Certification Services Revolving Fund and repeals the Coffee Inspection Revolving Fund. Additionally, the bill removes specific responsibility for the meat-grading program from the Animal Industry Division of the Department of Agriculture and clarifies the responsibility for conducting seed certification.

Your Committee has amended the bill by removing the "fee" function from section 147-101, Hawaii Revised Statutes, relating to the Certification Services Revolving Fund. A new section was created for the "fee" function under part VII, chapter 147, Hawaii Revised Statutes. The amendment clarifies the law and has no substantive effect. Your Committee has also made a few technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1255, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1255, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (English, Kim, Sakamoto).

**SCRep. 927      Ways and Means on S.B. No. 1257**

The purpose of this measure is to repeal the irrigation water development special fund.

Your Committee finds that the Department of Agriculture's irrigation water development special fund is inactive. Your Committee also finds that the need for the special fund has abated since the creation of the Agribusiness Development Corporation. The Agribusiness Development Corporation is now responsible for acquiring and improving former irrigation systems.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1257 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (English, Kim, Sakamoto).

**SCRep. 928      Ways and Means on S.B. No. 1287**

The purpose of this measure is to transfer the responsibility for redeveloping the Aloha Tower complex from the Aloha Tower Development Corporation to the Hawaii Community Development Authority.

This measure also appropriates \$2,000,000 from the Aloha Tower Fund for the Hawaii Community Development Authority to expend for that redevelopment.

Your Committee finds that the Hawaii Community Development Authority is a statewide redevelopment agency established to redevelop and revitalize community development districts that have been designated by the Legislature. Your Committee further finds that redevelopment efforts currently undertaken on Honolulu's waterfront area are being conducted by both the Authority and the Aloha Tower Development Corporation.

Your Committee finds that the Aloha Tower complex is an integral part of the Honolulu waterfront and is located adjacent to the Kakaako Community Development District, which is overseen by the Authority. Your Committee believes that consolidating responsibilities for these strategic areas within the Authority will help to streamline similar government functions, facilitate planning, and enhance the prospects for successful redevelopment in the Kakaako District.

It is your Committee's intent to preserve the civil service status of any employee affected by the transfer and may make changes to the bill in the future to reflect this intent.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1287 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (English, Kim, Sakamoto).

**SCRep. 929          Ways and Means on S.B. No. 1432**

The purpose of this measure is to increase agricultural self-sufficiency and promote diversified agriculture on Kauai.

Specifically, the bill appropriates:

- (1) \$100,000 to refurbish the Kauai Tropical Fruit Disinfestation Facility; and
- (2) \$200,000 to establish an incubator Community Kitchen within the Kauai Tropical Fruit Disinfestation Facility.

Your Committee finds that refurbishing the Kauai Tropical Fruit Disinfestation Facility and the addition of a full service or community kitchen will promote Kauai's agriculture industry and improve the island's economy by creating new jobs. Refurbishment of the Kauai Tropical Fruit Disinfestation Facility is expected to yield an increase in Kauai's level of papaya production.

Your Committee further finds that the community kitchen will be a positive factor in the development of additional marketable agricultural products, by providing a venue for development and testing of value-added consumer products. Similar community kitchens on other islands have resulted in positive economic impacts.

Upon further consideration, your Committee has amended this bill by:

- (1) Changing the amount of funds appropriated to blank amounts;
- (2) Adding language to clarify the fiscal years for which the appropriations are made; and
- (3) Making technical amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1432, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1432, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Kanno, Kawamoto, Sakamoto).

**SCRep. 930          Ways and Means on S.B. No. 1496**

The purpose of this measure is to extend the authorization of the Department of Budget and Finance to issue special purpose revenue bonds on behalf of Hawaii Gold Cacao Tree, Inc., by two additional years or from June 30, 2003, to June 30, 2005.

Act 188, Session Laws of Hawaii 2000, authorized the Department of Budget and Finance to issue up to \$10,000,000 in special purpose revenue bonds to finance the establishment of facilities in the County of Hawaii to process cacao beans and to manufacture and produce cacao and chocolate products.

Your Committee finds that Hawaii Gold Cacao Tree, Inc., has shown continuous progress towards establishing a new facility to process cacao beans and produce cacao and chocolate products and has been proactive in developing commercial growing of these seedlings and trees to support its processing facility. Your Committee recognizes, however, that the effect of the September 11, 2001, tragedy on international trade and the shipment of equipment has led to unavoidable delays in establishing the processing facility.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1496 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Kim).

**SCRep. 931          Ways and Means on S.B. No. 1555**

The purpose of this measure is to allow for the exchange of private lands in Waikele, Oahu, for public lands located on Oahu, Kauai, and the Big Island.

Specifically, the lands to be exchanged include private lands at Waikele, Oahu, owned by the Aloha Council Boy Scouts of America and identified as tax map key: (1) 9-4-166:24, 25, and 26. The Boy Scouts of America would receive, in exchange, three properties they currently are leasing from the State at nominal rent, which include:

- (1) The 64.8-acre property at Pupukea, Oahu, known as camp Pupukea and identified as tax map key: (1) 5-9-05:02 and 77;
- (2) The 29-acre property at Waimea, Kauai, known as camp Alan Faye and identified as tax map key: (4) 1-4-01:15; and
- (3) The 238-acre property at Honokaia, Hawaii, known as camp Honokaia and identified as tax map key: (3) 4-6-011:40.

The authority to enter into a land exchange extends to June 30, 2006, after which it will be repealed.

Your Committee finds that the State will gain three contiguous lots in a light industrial area and that, therefore, the land exchange is consistent with the State's desire to generate revenues for public land trust purposes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1555 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (English, Kim, Sakamoto).

**SCRep. 932            Ways and Means on S.B. No. 361**

The purpose of this measure is to fund the continued expansion of the Weed and Seed program to qualifying communities in the State.

This measure also establishes a temporary interdepartmental council for the purpose of managing the Weed and Seed program and facilitating its expansion into interested communities.

Your Committee finds that the federally initiated Weed and Seed program is a successful collaborative strategy among law enforcement agencies, social service agencies, private businesses, nonprofit organizations, and residents to reclaim, restore, and rebuild communities.

Your Committee further finds that the program's success warrants expansion into other communities and that an interdepartmental council established in the Lieutenant Governor's office will facilitate this needed expansion. The focus of the interdepartmental council would be to assist the community in the development of a plan for sustaining the Weed and Seed strategies beyond federal designations and funding.

Your Committee is further considering a grant-in-aid to the Young Men's Christian Association of Hawaii to support and further expand Weed and Seed initiatives to be expended by the office of the Attorney General.

Your Committee has amended this measure by deleting the specific amounts appropriated to facilitate further discussion on this matter, and by making technical nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 361, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 361, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 933            Ways and Means on S.B. No. 618**

The purpose of this measure is to amend the law relating to the Crime Victim Compensation Commission (Commission).

In particular, this measure:

- (1) Provides that restitution collected by the Judiciary on behalf of the Commission for a victim who cannot be located is to be deposited to the credit of the crime victim compensation fund;
- (2) Allows the Commission to transfer a minor's compensation award to an appropriate state agency, adult, or trust company as custodian for the benefit of the minor under the Uniform Transfers to Minors Act;
- (3) Gives the Commission the authority to pay for: mental health services for surviving relatives, in cases involving a death or sexual assault; and child witnesses or witnesses who are sixty years of age or older, in cases involving domestic abuse and other violent crimes;
- (4) Allows the Commission to retain private counsel to pursue repayment of crime victim compensation special funds when a victim to whom compensation was paid subsequently receives moneys from related civil law suits, court ordered restitution, or insurance proceeds;
- (5) Amends the law relating to awards of compensation made by the Commission for "pain and suffering" to victims and private persons, to be made instead as "acknowledgment awards" to those persons; and
- (6) Requires the Judiciary to provide an annual report to the Legislature detailing the progress in meeting the requirements of Act 206, Session Laws of Hawaii 1998, which provides for the mandatory assessment of a compensation fee, the proceeds of which are used to fund the Commission.

Your Committee finds that the Commission was created to reimburse expenses of victims who suffer physical or emotional injury or death as a result of a violent crime. Your Committee finds that this measure will help the Commission to better compensate and protect victims and will improve the administration of crime victim compensation special funds.

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

- (1) Amending the definition of "victim" in section 351-2 to include a child or a person who is sixty years of age or older who is a witness to a crime enumerated in section 351-32 and is in need of mental health services;
- (2) Amending section 1 of the bill to reflect this change; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 618, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 618, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 934            Ways and Means on S.B. No. 632**

The purpose of this measure is to allow an aggrieved taxpayer to appeal a disputed tax assessment with the Tax Appeal Court without prepaying the tax.

Presently, an aggrieved taxpayer may appeal most disputed tax assessments to either the Board of Review or the Tax Appeal Court. Unlike the Tax Appeal Court, the Board of Review does not require a taxpayer to prepay a disputed tax before an appeal. This requirement treats taxpayers differently based on the nature of their complaint. A taxpayer whose case involves a constitutional or federal law issue must appeal to the Tax Appeal Court and prepay the disputed tax. For other types of tax cases, an appeal to the Board of Review will not require a tax prepayment.

Your Committee also finds that, under federal law, an aggrieved taxpayer disputing an Internal Revenue Service assessment may appeal to either the Internal Revenue Service Appeals Office (comparable to the Board of Review) or the United States Tax Court (comparable to the Tax Appeal Court) without prepaying the disputed federal tax.

This bill provides equitable treatment to all aggrieved taxpayers, by eliminating the prepayment requirement for tax appeals made to the Tax Appeal Court.

Your Committee has amended the bill to clarify that payment of the disputed tax is required by a taxpayer who appeals a decision of the Tax Appeal Court.

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

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 935            Ways and Means on S.B. No. 634**

The purpose of this measure is to make an appropriation to fund two drug treatment counselor positions on the island of Maui to treat women offenders who qualify for the drug court program.

Your Committee finds that Maui has the highest incidence of drug and alcohol abuse of any of the Hawaiian islands. Currently, forty-four of fifty-five women incarcerated in the Maui community correctional center qualify for participation in the drug court program; however, six women are receiving drug treatment on the Mainland because the Maui community correctional center does not have an existing structure to house a drug court program. This appropriation will provide needed treatment for these women incarcerated on drug-related charges.

Your Committee has amended this measure by deleting the specific amounts appropriated to facilitate continuing discussion on this matter, and by making other technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 634, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 634, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 936            Ways and Means on S.B. No. 638**

The purpose of this measure is to provide for the election of members of the Hawaiian Homes Commission.

Specifically, the measure:

- (1) Establishes qualifications for commission members;



- (2) Requires commission members to be elected at a special election held in every odd-numbered year;
- (3) Establishes voter qualifications;
- (4) Defines commissioners' terms of office and procedures for filling vacancies;
- (5) Requires geographical representation of commissioners;
- (6) Provides that the commission members elect the Chairperson and appoint the Director of Hawaiian Home Lands; and
- (7) Vests responsibilities for election of commission members with the Department of Hawaiian Home Lands.

Your Committee believes that the right of native Hawaiians and Hawaiian Home Lands lessees to self-determination dictates that members of the Hawaiian Homes Commission should be elected by beneficiaries of the Hawaiian Homes Commission Act and their successors. This measure supports that right by authorizing the election of commission members who are native Hawaiians or successor lessees by voters who are native Hawaiians or successor lessees.

Upon further consideration, your Committee has made the following technical amendments to this bill by:

- (1) Revising and clarifying that the election of commission members shall be elected at a special election held in conjunction with the general election in every even-numbered year to facilitate the election process;
- (2) Changing the requirement, with respect to the Department of Hawaiian Homes Lands' responsibility for registering persons, at page 4, line 9, from all persons in "the county" to "each county"; and
- (3) Making technical nonsubstantive corrections.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 638, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 638, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 937      Ways and Means on S.B. No. 802**

The purpose of this measure is to replace the five cents minimum per page copying cost for government records with a maximum cap of twenty-five cents per page.

In addition, the bill:

- (1) Applies the maximum cap to documents with a page size not exceeding 8-1/2 x 14 inches;
- (2) Exempts government agencies, departments, and offices that routinely work with documents that exceed 8-1/2 x 14 inches from the maximum cap; and
- (3) Requires those exempt agencies, departments, and offices to adopt rules that set forth a copying fee schedule.

Your Committee finds that current copying fees set by government agencies, departments, and offices do not necessarily correlate to the actual cost of copying government records and are often set at higher rates than the actual cost of copying. This measure will promote greater public access to government records by ensuring that no more than a reasonable copying fee is charged.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 802, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Inouye, Kim).

**SCRep. 938      Ways and Means on S.B. No. 877**

The purpose of this measure is to require that the range and quality of programming offered to women in correctional facilities be substantially equivalent to the range and quality of programs offered to males.

The bill also appropriates funds for gender-responsible community-based programs for women and female adjudicated youths.

Your Committee finds that the proportion of women in the prison population of Hawaii is higher than the national average, eleven per cent and six per cent of the prison population, respectively. Research has established that offenders need gender-responsible services to help offenders make positive healthy choices for themselves and their families. Your Committee believes that this measure will assist women in correctional facilities by encouraging appropriate gender-responsive programs that meet the needs of women, including female adjudicated youths.

Upon further consideration, your Committee has made technical amendments to this bill by clarifying that:

- (1) The amount of funds appropriated is changed from \$2,000,000 to an unspecified amount;
- (2) The appropriation for gender-responsible community-based programs for female adjudicated youths is to provide programs for female adjudicated youths classified by the Office of Youth Services as minimum control; and
- (3) The percentage of local contribution in section -5(4) is the percentage required to receive a grant-in-aid.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 877, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 877, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 939            Ways and Means on S.B. No. 996**

The purpose of this measure is to appropriate general funds to the Department of Public Safety for substance abuse treatment programs at several correctional facilities.

Your Committee finds that there is a strong relationship between drug use and crime. Specifically, the majority of Hawaii's inmates are substance abusers and a majority of parole violations involve substance abuse. The failure to assess inmates for substance abuse problems and to provide substance abuse education and treatment in prison will perpetuate the vicious cycle between drug abuse and crime. Your Committee further finds that the Department of Public Safety must focus on changing the lifestyles of these individuals.

Your Committee has amended this measure by:

- (1) Correcting a technical error. Specifically, this measure amends section 9 by replacing "Women's correctional facility" with "Waiawa correctional facility", in order to render section 9 consistent with section 4; and
- (2) Making technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 996, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 996, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 940            Ways and Means on S.B. No. 1134**

The purpose of this measure is to create a new source of revenues to be deposited into the judiciary computer system special fund.

Specifically, the measure provides that administrative costs of processing civil filings in the District and Circuit Courts, except those brought by the State or any county, are to be deposited into the judiciary computer system special fund by the clerks of the District Court and Circuit Court, respectively.

Your Committee finds that the judiciary computer system special fund was created by the Legislature in 1996 to be used to upgrade the Judiciary's computer system and obtain new technology in civil, criminal, and appellate case processing. Depositing additional fees into the special fund, as required by this measure, will enable the Judiciary to continue to develop an up-to-date network infrastructure and a new integrated statewide judiciary information management system that will not only increase the Judiciary's efficiency, but also will improve service to the public.

Upon further consideration, your Committee has amended the measure by making the following technical amendments:

- (1) Inserting the word "circuit" at page 5, line 3, and deleting the word "established" at page 5, line 4, to conform to language on page 2 that amends section 607-4, Hawaii Revised Statutes, and for the purposes of clarity and uniformity; and
- (2) By changing the effective date from July 1, 2003 to July 1, 2008, to facilitate further discussion on this measure.

In addition, a technical nonsubstantive amendment was made to reflect correct drafting style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1134, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1134, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 941      Ways and Means on S.B. No. 1135**

The purpose of this measure is to require that District Court fees for administrative costs associated with processing traffic citations be deposited into the judiciary computer system special fund.

Your Committee finds that the judiciary computer system special fund was created by the Legislature in 1996 to be used to upgrade the Judiciary's computer system and obtain new technology in civil, criminal, and appellate case processing. By depositing additional fees into the special fund, the Judiciary can create an up-to-date network infrastructure and a new integrated statewide judiciary information management system that will not only increase the Judiciary's efficiency, but also will improve service to the public.

Upon further consideration, your Committee has amended the measure to change the effective date from upon approval to July 1, 2008, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1135, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1135, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 942      Ways and Means on S.B. No. 1138**

The purpose of this measure is to appropriate funds and authorize the establishment of positions for programs of the Judiciary, Department of the Attorney General, and Department of Public Safety providing alternatives to incarceration.

More specifically, this measure appropriates funds or authorizes the establishment of positions, or both, for the following programs:

- (1) To be expended or established by the Judiciary:
  - (A) \$41,510 for fiscal year 2003-2004, and \$116,750 for fiscal year 2004-2005, for personnel and operating expenses to support the work of the Interagency Council on Intermediate Sanctions;
  - (B) One full-time equivalent program coordinator position to implement the goals of the Interagency Council on Intermediate Sanctions for fiscal year 2004-2005; and
  - (C) \$24,180 for fiscal year 2003-2004, and \$24,180 for fiscal year 2004-2005, for assessments of pre-sentence and post-sentence offenders;
- (2) To be expended or established by the Department of Public Safety:
  - (A) \$60,000 for fiscal year 2003-2004, and \$60,000 for fiscal year 2004-2005, for personnel and operating expenses to provide mental health assessments of offenders;
  - (B) One full-time equivalent mental health assessor position to provide mental health assessments of offenders for fiscal years 2003-2004 and 2004-2005;
  - (C) \$14,820 for fiscal year 2003-2004, and \$14,820 for fiscal year 2004-2005, for assessments of pretrial detainees, furloughed inmates, and parolees;
  - (D) \$220,000 for fiscal year 2004-2005, for assessing and planning for the management information systems needs to support intermediate sanctions research;
  - (E) \$10,000 for fiscal year 2003-2004, for interfacing the Department of Public Safety's corrections information system with the Department of the Attorney General's criminal justice information system; and
  - (F) \$12,000 for fiscal year 2003-2004, and \$12,000 for fiscal year 2004-2005, for cognitive behavioral skills training;

and
- (3) To be expended by the Department of the Attorney General: \$50,000 for fiscal year 2003-2004, and \$75,000 for fiscal year 2004-2005, for conducting research on recidivism reduction.

Your Committee has amended this measure by:

- (1) Changing the sums that are appropriated to blank amounts in order to provide for the continued discussion of these matters;
- (2) Changing the number of positions that are authorized to be established to blank full-time equivalents in order to provide for the continued discussion of these matters; and
- (3) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1138, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1138, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 943      Ways and Means on S.B. No. 1154**

The purpose of this measure is to clarify that the Office of Hawaiian Affairs is required to reimburse the State for state contributions to the Hawaii Employer-Union Health Benefits Trust Fund made for employees whose compensation is paid at least in part from funds other than the general fund.

Your Committee finds that this is a housekeeping measure that makes no substantive changes to existing law. Instead it codifies current understanding and practices of the Office of Hawaiian Affairs with respect to the Health Benefits Trust Fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1154 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 944      Ways and Means on S.B. No. 1156**

The purpose of this measure is to require the Office of Hawaiian Affairs to establish and maintain a registry of all Hawaiians regardless of place of residence.

The Office of Hawaiian Affairs is the state agency charged with the responsibility of bettering the condition of Hawaiians and native Hawaiians. Your Committee finds that, in order for the office to discharge its duties in an appropriate manner, the office needs a process to identify who and where its beneficiaries are. As there is a significant amount of migration of Hawaiians and native Hawaiians in and out of the State, according to education, employment, and family plans, it is necessary for the Office to keep track of all Hawaiians and native Hawaiians, regardless of place of residence.

Your Committee notes that the Office of Hawaiian Affairs currently has a program in place creating such a registry, which functions within the office's existing budget. This bill will codify that program without the need for additional appropriations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1156 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 945      Ways and Means on S.B. No. 1264**

The purpose of this measure is to appropriate funds on an emergency basis to pay claims against the State, its officers, or its employees.

Specifically, the measure appropriates:

- (1) \$567,885.66 from general revenues to be expended by the Department of the Attorney General;
- (2) \$850,000 out of the state highway fund to be expended by the Department of Transportation;
- (3) \$27,500 general fund sum to be expended by the Department of Accounting and General Services;
- (4) \$20,000 general fund sum from the developmental disabilities program to be expended by the Department of Health; and
- (5) \$4,133.25 general fund sum to be expended by the Department of Land and Natural Resources.

Your Committee finds that the sums appropriated in the measure are necessary to satisfy various claims against the State. Payment of these claims in a timely manner will prevent interest from accruing on certain accounts.

Upon further consideration, your Committee has amended this measure by making technical amendments to:

- (1) Clarify that the appropriation is recommended for immediate passage by the Governor; and
- (2) Indicate in sections 3, 4, and 5 of the bill, the relevant section numbers of the acts amending Act 259, Session Laws of Hawaii 2001; and

by making other technical nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1264, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1264, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (English, Kim).

**SCRep. 946            Ways and Means on S.B. No. 62**

The purpose of this measure is entitle University of Hawaii faculty and administrative personnel with multiple part-time appointments to become members of the Employees' Retirement System, based upon an aggregation of the multiple appointments.

Your Committee finds that this measure sanctions and codifies a long-standing practice of the University of Hawaii regarding its reporting of employee eligibility to the Employees' Retirement System. Specifically, the University bases the eligibility of its part-time faculty and lecturers with multiple appointments on the faculty and lecturers' aggregated multiple part-time appointments. Through aggregation, an employee's appointments amount to at least one-half of a full-time equivalent position.

Your Committee finds this measure is necessary because present law excludes employees in positions that require less than one-half of a full-time position from membership in the system, and does not expressly authorize the aggregation of multiple appointments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 62, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 4 (Espero, Hooser, Kanno, Kim).

**SCRep. 947            Ways and Means on S.B. No. 94**

The purpose of this measure is to grant civil service status to certain employees within the Department of Land and Natural Resources.

Your Committee finds that the Department of Land and Natural Resources currently has a total of ninety-six civil service exempted positions, not including the Chairperson, deputies, and private secretaries. Initially, these positions were viewed as temporary or requiring special knowledge or skills which did not conform to the civil service competitive recruitment process. However, employees in these positions now have years of service, ranging from two months to twenty-seven years.

This measure would convert forty-three of the ninety-six exempt positions to permanent civil service positions, thereby grandfathering those employees now filling the positions into the civil service system.

Your Committee has amended this measure by reducing the number of exempt positions being converted to civil service from forty-three to forty-one.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 94, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 94, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kawamoto, Hemmings).

**SCRep. 948            Ways and Means on S.B. No. 312**

The purpose of this measure is to require that the health benefit plans that the Public Employees Health Fund (Fund) offers to retirees include medical benefits, prescription drug benefits, vision care benefits, and dental benefits.

Furthermore, this measure removes the Fund's authority to determine the type of plans to be made available, the design of the plans, and the delivery of the plan services.

Your Committee finds that this measure effectively repeals Act 89, Session Laws of Hawaii 2001, to restore benefits to retirees to what they were prior to the effective date of Act 89. Although Act 89 was supposed to give the Fund greater flexibility in regard to health plans offered to retirees, your Committee, upon careful consideration, realizes that health benefits to retirees under Act 89 may have been significantly diminished.

Your Committee has amended this measure by clarifying that the requirement of the health benefits plan to reimburse the cost of hospitalization, surgery, medical, dental treatment, and care shall, rather than may, include prescribed drugs, medicines, prosthetic appliances, hospital in-patient and out-patient service benefits, vision treatment and care, medical, and dental benefits.

Your Committee also made technical nonsubstantive amendments for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 312, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 312, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 949            Ways and Means on S.B. No. 435**

The purpose of this measure is to assist retired public employees by making available flexible benefits option plans tailored to their needs.

Specifically, this bill requires the Hawaii Employer-Union Health Benefits Trust Fund to establish a flexible health benefits option plan to enable retirees and their spouses who are not public employees to select levels of health benefits coverage under separate option categories, at no extra cost to the State and counties as public employers.

Your Committee believes that the flexible health benefits option plan provided for by this bill will allow retired public employees to select benefits coverage tailored to their needs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 435 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (English, Espero, Kim).

**SCRep. 950            (Majority) Ways and Means on S.B. No. 577**

The purpose of this measure is to ensure equity for civil service employees who are excluded from collective bargaining.

The bill requires state and county agencies to provide their excluded civil service employees with compensation and benefit package adjustments that are at least equal to the compensation and benefit packages provided through collective bargaining agreements to the excluded employees' counterparts and subordinates.

Your Committee finds that the excluded employees are specifically the Excluded Managerial Compensation Plan level employees. Your Committee also understands that this measure effectively repeals that portion of Act 253, Session Laws of Hawaii 2000, that relates to excluded employees, and restores the law as it existed prior to that act.

Specifically, prior to Act 253, adjustments to the compensation and benefit packages of the excluded employees were, as with this measure, required to be not less than that provided under collective bargaining agreements for officers and employees hired on a comparable basis. With the passage of the act, adjustments were to be made at the discretion of the appointing authority. In other words, prior to Act 253, the adjustments were lockstep adjustments. With the act, the adjustments were performance based and variable.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 577 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (English, Kim).

**SCRep. 951            Ways and Means on S.B. No. 779**

The purpose of this measure is to create a new class H membership of the Employee's Retirement System, that provides a defined benefit retirement allowance while providing a minimum hypothetical account balance that is based on employee contributions.

Furthermore, this measure requires employees hired on or after January 1, 2005, to be designated as class H members. It also allows employees in service on December 31, 2004, to elect to convert their class C membership to class H membership. The vesting period for class H membership is five years.

Your Committee finds that this measure establishes a new hybrid contributory retirement plan for state and county employees hired after December 31, 2004, and allows current noncontributory retirement plan members to return to a contributory type of retirement plan. Your Committee finds that creation of the hybrid plan will help address drawbacks of the current noncontributory retirement plan, especially with regard to recruiting specialized personnel and University of Hawaii faculty who may not remain in service for the full ten years under the noncontributory plan.

Your Committee has amended this measure by changing the effective date from January 1, 2005 to January 1, 2020, for the purposes of continued discussion on the matter and by making a few technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 779, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 779, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Aduja, Kawamoto).

**SCRep. 952      Ways and Means on S.B. No. 783**

The purpose of this measure is to allow emergency medical technicians with at least twenty-five years of credited service to retire without penalty at any age.

At present, most state employees must reach at least age fifty-five if they seek to retire with a full service retirement allowance. If they retire before that age, their retirement benefit is reduced according to actuarial standards. Certain categories of state employees are exempt from this requirement, including police officers, firefighters, and corrections officers.

Your Committee finds that emergency medical technicians are highly trained, skilled personnel, who must work under stressful and demanding conditions, with the lives of others literally in their hands. For those reasons, your Committee finds it appropriate to give emergency medical technicians the same exemption from the age fifty-five requirement that it gives to these other vital workers, as long as they have twenty-five years of credited service.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 783, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 953      (Majority) Ways and Means on S.B. No. 799**

The purpose of this measure is to authorize public employee organizations to establish voluntary employees' beneficiary association (VEBA) trusts to provide health benefits to their members.

Specifically, this bill:

- (1) Exempts employees covered by VEBA trusts from mandatory participation in the Hawaii Employer-Union Health Benefit Trust (EUTF) pursuant to chapter 87A, Hawaii Revised Statutes;
- (2) Allows public employee organizations that establish VEBA trusts to provide health benefits to members both during their employment and throughout their retirement years; and
- (3) Provides current retirees, who were members of a public employee organization prior to their retirement, with a one-time option of electing to participate in either the Hawaii EUTF or a VEBA trust established by their public employee organization.

Your Committee finds that this measure will allow public employee organizations to establish VEBA trusts as viable alternatives to the Hawaii EUTF without any increase in cost to the State or its various counties. This measure addresses past concerns regarding the accountability of public employee organization health benefit plans by requiring greater regulation and more stringent disclosure and reporting requirements than the Hawaii EUTF. Your Committee believes that this measure will encourage increased competition and result in lower premium rates for public employee health insurance.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 799, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, 3 (Kokubun, Slom, Trimble). Excused, 3 (Hooser, Kawamoto, Hemmings).

**SCRep. 954      (Majority) Ways and Means on S.B. No. 895**

The purpose of this measure is to require public employers who provide sick leave for employees to permit an employee to use sick leave to care for family members with a serious health condition.

Specifically, the bill requires employers who provide sick leave for public employees, as negotiated in collective bargaining required by chapter 89, Hawaii Revised Statutes, or as adjusted pursuant to chapter 89C, Hawaii Revised Statutes, for public employees excluded from collective bargaining, to use their own sick leave to care for certain family members with a serious health condition: the employee's child; spouse or reciprocal beneficiary; or parent. An employer may not deny an employee's right to use sick leave to care for a sick family member or discharge or discriminate against an employee who exercises the right to use sick leave in this manner.

Your Committee notes that women made up nearly sixty per cent of Hawaii's workforce in 2000 and that we have a very high rate of two-wage earner families. As a result, there is no one at home to care for sick children, spouses, or aging parents. Although state and federal family leave laws offer job protection for some employees who take family leave to care for sick family members, Hawaii's family leave law no longer applies to state or county employees. Federal family leave law guarantees only unpaid family leave. The high cost of living in Hawaii results in difficult choices for employees with a seriously ill family member. Your Committee believes this measure helps public employees balance the demands of family and the workplace.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 895, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Kim).

**SCRep. 955 (Majority) Ways and Means on S.B. No. 1332**

The purpose of this measure is to establish an Executive Salary Commission (Commission) to review salaries and recommend appropriate salaries for the Governor, Lieutenant Governor, and certain executive officials.

The measure further provides that the Commission submit new salary recommendations to the Legislature before the convening of the regular session of the Legislature in even-numbered years. The new salaries may be rejected by a three-fourths vote of the members of each house.

Your Committee finds that the last salary adjustments for appointed executive branch officials was in 1990, while public employees subject to collective bargaining have received not less than ten salary increases during the same period. Because salaries for the Governor, Lieutenant Governor, and executive branch officials are set by statute, salaries of some department heads and their deputies are now less than their subordinate managers. Your Committee believes that this measure to review and make salary recommendations is needed to establish equitable salaries commensurate with the individual's responsibilities and duties.

Upon further consideration, your Committee has amended the measure by making the following technical amendments for the purposes of uniformity and clarity:

- (1) Changed the language in subsection (b) that specifies those department heads or executive officers whose salaries the Commission is to review corresponds to language in section 26-52, Hawaii Revised Statutes;
- (2) Changed the reference to "deputy department heads" in subsection (b) to "deputies or assistants to department heads"; and
- (3) Provided that the Commission is to make salary "recommendations" rather than determinations.

Your Committee also has amended the bill by changing the effective date to July 1, 2020 to facilitate discussion on this important issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1332, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1332, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Kim).

**SCRep. 956 Ways and Means on S.B. No. 1425**

The purpose of this measure is to appropriate funds to establish a demonstration business mentoring program to mentor youth and young adults from ages fourteen through twenty-five in career development and workplace and occupational skills.

Your Committee finds that Hawaii's slumping economy results in the creation of few new jobs and the looming retirement of our baby boomer generation workers may create labor shortages that continue to slow economic growth. The availability of a skilled labor force is critical to attracting new industries to Hawaii. Your Committee further finds that business mentoring of youth and young adults will assist them in career development and help them gain necessary workplace and occupational skills, which in turn increases and improves Hawaii's workforce and helps attract new business to our State. Your Committee believes that this measure will benefit not only the youth and young adults who take part in the business mentoring demonstration program, but it will have a positive impact on our State as a whole, by improving our business development climate, our workforce, and our economic growth.

Upon further consideration, your Committee has amended this measure by changing the amount of funds appropriated to an unspecified amount to ensure further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1425, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1425, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 957 Ways and Means on S.B. No. 377**

The purpose of this measure is to establish an income tax credit up to a total aggregate limit of \$75,000,000 for the private development of facilities for attractions and educational purposes at Ko Olina Resort and Marina on Oahu.

Your Committee finds that the tax credit established in this measure will stimulate economic development on the Leeward side of Oahu, including the second city of Kapolei, and enhance Hawaii as a tourism destination. The intended development at Ko Olina Resort and Marina will provide not only economic benefit to the State, but also will create additional jobs, both temporary and permanent, for area residents.



Your Committee notes that allowing the tax credit established in this measure does not mean that the project is a publicly funded project. Chapter 104, Hawaii Revised Statutes, however, will apply to the extent that the project is publicly funded.

Your Committee has amended this bill by:

- (1) Clarifying the relationship between subsections (b),(d), and (g):
  - (a) Subsection (b) establishes monetary ceilings, which do not clearly apply to subsections (d) and (g);
  - (b) Subsection (g) was deleted as redundant to subsection (d); and
  - (c) Subsection (d) has been amended by clearly applying the monetary limits in subsection (b);
- (2) Clarifying that if the tax credit under this bill is claimed, no other credit for costs or other activities or businesses may be claimed. This is intended to preclude claims for the tax credit in this bill, in addition to the high technology business investment tax credit, the tax credit for research activities, and other possible tax credits;
- (3) Establishing that a statement furnished to the Director of Taxation regarding the amount of tax credit claimed, the qualifying costs, and the taxes against which claimed is a public document to provide appropriate information on the expenditure of state money;
- (4) Changing the dollar amount of the tax credit to a blank amount; and
- (5) Making technical amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 377, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 377, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kawamoto, Hemmings).

**SCRep. 958 (Majority) Ways and Means on S.B. No. 661**

The purpose of this measure is to establish a sexual assault prevention special fund.

Your Committee recognizes that preventing sexual assault must be a high priority. Sexual assault is a serious problem with far-reaching impacts on women, men, and children in Hawaii. In addition to sustaining injuries from such assaults, sexual assault survivors can be subject to sexually transmitted disease, unwanted pregnancy, anxiety, depression, and sleep and eating disorders. Your Committee finds that a key component of preventing these assaults is education at the school level.

Your Committee also finds that it is well documented that sexual assault education is critical in keeping children and other at-risk groups safe. It also leads to increased reporting of sexual assaults, which means that more victims will receive the professional assistance they need on a timely basis, thus mitigating the long-term damage.

Your Committee notes that the sexual assault prevention special fund will not be funded with state moneys, but through an increase in the marriage license fee.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 661, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Kim).

**SCRep. 959 Ways and Means on S.B. No. 664**

The purpose of this measure is to support the provision of long-term care resources for veterans, in the form of a United States Department of Veterans Affairs state home.

Specifically, this bill authorizes the issuance of general obligation bonds for fiscal year 2003-2004 and appropriates the same amount for fiscal year 2004-2005, for the development of a Veterans Affairs long-term care facility on the Hilo Medical Center campus.

Your Committee finds that the long-term care facility is in great demand by our maturing veteran population and the facility described in this measure would meet this demand by providing services to our honorable United States veterans statewide.

For the purpose of promoting further discussion, your Committee has amended this bill by changing the appropriated amount in section 2 to a blank amount.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 664, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 664, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Aduja, Kawamoto).

**SCRep. 960            Ways and Means on S.B. No. 739**

The purpose of this measure is to establish the Hawaii organ and tissue education special fund as a permanent special fund.

Specifically, this bill:

- (1) Repeals the sunset date of Act 88, Session Laws of Hawaii 1999 (Act 88) to make the Hawaii organ and tissue education special fund permanent; and
- (2) Allows individuals to continue to donate \$1 to the special fund upon registration of their motor vehicles.

Your Committee finds that Act 88 has had a significant impact on increasing public awareness of the critical need for organ and tissue donors in the State. This measure will provide on-going support for educational outreach programs across various ethnic, religious, and age groups and will, in turn, increase Hawaii's pool of organ, tissue, and eye donors and consequently save lives.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 739 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (English, Kim).

**SCRep. 961            Ways and Means on S.B. No. 745**

The purpose of this measure is to integrate emergency aeromedical services into statewide emergency medical services and to provide support for aeromedical services for Maui county.

Specifically, this bill requires the Department of Health to establish, administer, and maintain an aeromedical emergency medical services system to identify strengths and weaknesses, allocate resources, and develop aeromedical service standards. The bill also requires the use of an emergency aeromedical services quality improvement committee. Finally, the bill appropriates an unspecified amount for fiscal year 2003-2004 to fund an emergency helicopter aeromedical service for Maui county.

Your Committee finds that the availability of rapid and efficient emergency medical services, including aeromedical services, determines the extent of recovery from a traumatic injury. The neighbor islands, in particular, have a special need for emergency aeromedical services due in large part to the rural nature of communities there. Your Committee finds that this measure will ensure that emergency medical services, including aeromedical services, serve the best interests of the entire State.

Your Committee would like the Department of Health, when triaging for and assigning emergency aeromedical helicopter flights, to consider using an attending physician, using national medical necessity standards for aeromedical helicopter flights, to make the assignments. It is the intent of your Committee that aeromedical helicopter flights be used in those geographic regions or situations where fixed wing operations are not practical.

Your Committee has amended this bill by incorporating appropriations for emergency medical services from S.B. No. 380, S.D. 1; S.B. No. 53; and S.B. No. 714 as follows:

- (1) S.B. No. 380, S.D. 1: a new part III of the bill consisting of section 7 appropriating \$     for fiscal year 2003-2004 for emergency medical services at the Waianae Coast Comprehensive Health Center, including ambulance services; provided that the City and County of Honolulu provides matching funds;
- (2) S.B. No. 53: a new part IV of the bill consisting of sections 8 and 9 appropriating \$     for fiscal year 2003-2004 to provide sufficient twenty-four-hour advanced life support ambulance services for the Kihei/Wailea region of Maui; provided that the County of Maui provides matching funds; and
- (3) S.B. No. 714: a new part V of the bill consisting of sections 10 and 11 appropriating \$     for fiscal year 2003-2004 to provide emergency advanced life support ambulance service to the residents of Hawaiian Ocean View Estates on the island of Hawaii; provided that the County of Hawaii provides matching funds; and further provided that the ambulance and its crews are based at the fire station constructed by the volunteer fire department in Hawaiian Ocean View Estates.

Your Committee has also attached a one-to-one county matching provision for the appropriation for emergency aeromedical service for Maui county in section 6. The section numbers of the remainder of the bill have been renumbered. The dates that appropriations made in sections 6, 7, 9, and 11 are to take effect have been adjusted to July 1, 2003.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 745, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 745, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Hooser, Kawamoto, Hemmings).

**SCRep. 962      Ways and Means on S.B. No. 963**

The purpose of this measure is to appropriate funding to allow the Department of Health to continue the operation of a hospital-based twenty-four hour poison center.

Your Committee finds that the Hawaii Poison Center has been a privately administered and underwritten program that serves the entire community. This poison prevention program reduces the risk of tragic accident, especially to vulnerable children, from accidental poisoning. In addition to answering over twelve thousand calls from the public on its hotline annually, the Center also provides consultation to numerous professional caregivers and promotes public education programs.

Your Committee further finds that the Hawaii Poison Center's future is in jeopardy, due to the financial difficulties that its private supporters now find themselves in.

Your Committee has amended this measure by deleting the specific amount appropriated to facilitate continuing discussion on this important matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 963, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 963, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (English).

**SCRep. 963      (Majority) Ways and Means on S.B. No. 1446**

The purpose of this measure is to appropriate a portion of the Hawaii tobacco settlement funds into the Hawaii strategic development revolving fund for developing and assisting enterprises that develop healthcare and biomedical technology to detect cancer, including cervical cancer, in its early stages.

Your Committee finds that there is a need to increase efforts in the area of early cancer detection and treatment through the work of the Cancer Research Center of Hawaii, the State's health and biotechnology industries, and other private initiatives located in Hawaii. Through early detection, cancers can be identified, treated, and eliminated before they significantly threaten the health of an individual.

Your Committee finds that this measure will increase funding to more fully utilize the resources of Hawaii's health and biomedical technology industries and encourage efforts to develop technologies that detect cancer in its early stages. Your Committee finds that it is in the interest of the public health and welfare, as well as in the interest of the State's economy, to support Hawaii-based companies as provided in this measure.

Your Committee further finds that this measure amends section 328L-2(b)(1), Hawaii Revised Statutes, by leaving blank the actual percentages appropriated out of the Hawaii tobacco settlement special fund and into the emergency and budget reserve fund. However, your Committee finds that a corresponding amendment must also be made to section 328L-3(a)(1), by reducing, by the same amount, the moneys to be deposited into the emergency and budget reserve fund.

Accordingly, your Committee has amended this measure by:

- (1) Amending section 328L-3(a)(1), Hawaii Revised Statutes, to reduce, by the same unspecified amount as provided in section 328L-2(b)(1), the moneys to be deposited into the emergency and budget reserve fund; and
- (2) Making technical, nonsubstantive amendments.

Your Committee has kept the allocation of tobacco moneys blank for the purpose of keeping the discussion open about using the funds for research, including research at the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1446, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1446, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, 1 (Slom). Excused, none.

**SCRep. 964      Ways and Means on S.B. No. 65**

The purpose of this measure is to appropriate funds to allow the University of Hawaii's College of Tropical Agriculture and Human Resources to develop and manage agribusiness incubator programs in the State.

Your Committee finds that incubator programs are proven methods of assisting farmers with starting and maintaining successful farming operations. Agribusiness incubator programs help farmers address the major factors that cause new businesses to fail, such as:

lack of capital, unrealistic marketing objectives, inadequate management skills, and isolation from other entrepreneurs and professionals.

Your Committee also finds that incubator programs will assist farmers to take advantage of the thousands of acres of fertile land left fallow after the closure of numerous sugar and pineapple plantations. With the support of incubator programs, farmers in diversified agriculture have the potential to not only double Hawaii's current agricultural output of \$2.4 billion, but also provide an added boost to the State's economy.

Although your Committee has amended the bill by removing the amount appropriated, your Committee intends to continue discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 65, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 65, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kim).

**SCRep. 965      Ways and Means on S.B. No. 359**

The purpose of this Act is to expand the income tax credit for motion picture and film production to keep pace with national and international competition.

In particular, this measure:

- (1) Increases the tax credit for motion picture and film production to include up to fifteen per cent of the first \$25,000 of each employee's wages and salaries, and applies the credit to wages and salaries incurred after June 30, 2003;
- (2) Specifies that motion picture and film production includes commercials that advertise products and services to consumers;
- (3) Provides that any taxpayer that claims a credit for motion picture and film production shall not qualify as a qualified high technology business for purposes of section 235-7.3, Hawaii Revised Statutes, which excludes royalties derived from patents, copyrights, or trade secrets from gross income; and
- (4) Requires the Hawaii Television and Film Development Board, with participation from Hawaii's film and media industry, to review and propose recommendations on possible tax or other incentives to encourage the acquisition, utilization, and local availability of television and movie production equipment in Hawaii and to report to the Legislature prior to the 2004 Regular Session.

Your Committee finds that while the existing income tax credit for motion picture and film production has provided incentives for motion picture and television film producers to film in Hawaii, Hawaii's tax credits are less competitive in comparison with other jurisdictions.

For example, your Committee finds that competitive economic initiatives have been adopted by states such as Oklahoma, which offers a cash rebate of fifteen per cent of documented expenditures in that state that are directly related to film and television production. New Mexico and California also offer greater incentives to encourage film production in those states.

Your Committee therefore agrees with the intent of this measure to broaden the tax credit to expand production opportunities within Hawaii, while at the same time collecting an appropriate level of revenue from these businesses.

Your Committee has amended this measure by:

- (1) Changing the effective date to apply to taxable years beginning after December 31, 2015 in order to promote continuing discussion; and
- (2) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 359, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 359, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Espero, Kanno, Kim).

**SCRep. 966      Ways and Means on S.B. No. 1253**

The purpose of this measure is to require the Department of Business, Economic Development, and Tourism to track and annually report on new economy indicators in the State.

In particular, this bill requires the Department to track such areas as the number of high-technology jobs, internet domain names registered by Hawaii residents, educational attainment of the workforce, availability of venture capital; and diversification of the

economy. The bill further requires the Department to collaborate with higher educational institutions, economists, and other public-private partners to make its new economy indicators available to the widest extent possible.

Your Committee agrees with the intent of this bill and finds that requiring the compilation of economic indicators and data will give policymakers, business leaders, government agencies, and the public objective measurements that are necessary to benchmark Hawaii's progress in transitioning into a globally competitive economy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1253, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 967 (Majority) Ways and Means on S.B. No. 1599**

The purpose of this measure is to ensure that the Diamond Head state monument is preserved and protected as a historical and cultural natural resource for future generations.

Specifically, this bill requires proceeds received by the state parks special fund from Diamond Head user fees, leases, concession agreements, Department of Land and Natural Resources sales of Diamond Head-related articles, gifts, donations, contributions, grants, and appropriations for Diamond Head, to be used for the benefit of Diamond Head state monument, including the interpretive and visitors center.

This measure also authorizes the issuance of \$2,500,000 for fiscal year 2003-2004 in general obligation bonds and makes a corresponding appropriation for the planning and design of a Diamond Head state monument interpretive and visitors center.

For the purpose of stimulating further discussion, your Committee has amended this bill by changing the amount authorized in general obligation bonds from \$2,500,000 to a blank amount. Your Committee has also made the following technical amendments:

- (1) Inserted a new section 6 to the bill to provide for the effect of Ramseyer notation, and renumbering the remaining sections of the bill; and
- (2) Changed the word "sums" in section 5 of the bill to "sum".

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1599, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1599, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, 2 (Hemmings, Slom). Excused, 5 (English, Kanno, Kim, Sakamoto, Tsutsui).

**SCRep. 968 (Majority) Commerce, Consumer Protection and Housing on S.B. No. 481**

The purpose of this measure is to allow for the evaluation and payment of bonuses and commissions on an indirect basis as to the sales of collision damage waivers (CDWs) while maintaining the penalties in section 480-2, Hawaii Revised Statutes (HRS), relating to all sales of CDWs.

Testimony supporting this measure was received from Catrala-Hawaii, Dollar Rent A Car, Enterprise Rent-A-Car, and ANC Rental Corporation. The Department of Commerce and Consumer Affairs submitted comments on this measure.

In the past, there were over thirty-five U-drive companies in fierce competition and selling CDWs. This competition resulted in hard sell and misleading tactics in selling CDWs. The Legislature in response passed a law banning compensation to and evaluation of U-drive employees relating to CDW sales and made it an "unfair and deceptive trade practice (section 480-2, HRS, violation) if a U-drive company misleads a renter in its CDW sales and its general business practices.

Your Committee finds that the environment has changed since there are now only about fifteen U-drive companies and that the penalties in section 480-2, HRS, (treble damages and payment of attorneys fees and costs) have worked as an effective deterrent in correcting the hard sell and misleading tactics relating to CDW sales and the general operations of U-drive companies. Your Committee further finds that the total ban on compensating and evaluating U-drive employees on CDW sales has worked to the disadvantage of Hawaii employees when compared to their mainland counterparts in their evaluations and awards of bonuses and commissions. Hawaii is the only state that has such a total ban relating to CDW.

This measure seeks to allow Hawaii employees to be fairly treated when being compared to their mainland counterparts since gross receipts from CDW sales in accordance with Hawaii law must be excluded for evaluation and overall bonus and commission purposes. This measure will allow evaluating and compensating a U-drive employee as to CDW sales as long as it is one of many factors used along with other factors in such total evaluation and total bonus and commission award ("indirect basis"). Compensation and evaluation of CDW sales on a "direct basis" (\$.25 for each CDW sale) which were the problems of the past will continue to be banned. Further, this measure does not remove or alter the section 480-2, HRS, penalties which have been the major deterrent in correcting past CDW abuses. These penalties shall remain a deterrent in preventing abuses relating to CDW sales regardless as to whether such sales are done on a "direct basis" or "indirect basis".

To allow for further discussion and deliberation on this measure with possible amendments, your Committee has amended this measure by providing an effective date of July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 481, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 481, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Kim). Excused, 2 (Ige, Sakamoto).

**SCRep. 969 Commerce, Consumer Protection and Housing on S.B. No. 482**

The purpose of this measure is to establish a fair procedure for the determination of diminution in value without the owner of U-drive vehicles having to go to court each time for such determination for each vehicle.

Testimony supporting this measure was received from Catrala-Hawaii and ANC Rental Corporation, who also proposed amendments to this measure. Testimony opposing this measure was received from the Department of Commerce and Consumer Affairs, State Farm Insurance Companies, and Hawaii Insurers Council.

Under present case law and in some cases statutory law, as acknowledged by the Department of Commerce and Consumer Affairs, an owner (U-drive owner or other type owner) of a damaged vehicle has the right to either have the vehicle repaired or collect the "diminution in value" if the vehicle is not repaired and the owner is not responsible for the damage. Oftentimes it is better for the owner not to have the vehicle repaired because a repaired vehicle later sold (with disclosure of the prior damage) often receives a reduced amount in compensation due to the damage. A car buyer typically does not want to buy a vehicle with prior damage when the buyer can buy a comparable vehicle with no prior damage.

The owners of U-drive vehicles are typically held to a higher standard of care and thus often seek not to have certain damaged vehicles repaired and put back into circulation for rental purposes. Instead of repairing the vehicles, the owners decide to collect diminution in value. U-drive owners are having difficulty in collecting "diminution in value" due in part to disputes relating to the computation of such values. These disputes appear to be primarily with insurance carriers. This measure seeks to establish a fair procedure for determining diminution in value without a U-drive company having to take each claim to court.

Your Committee finds that the auction process is typically used by the insurance companies and others to assist in the determination of the value of damaged vehicles. U-drive companies often use the same auction companies as insurance companies and others. This measure sets a procedure for the determination of diminution in value by use of the auction process with the requirement that the lessee (car renter, insurance representative, or other representative) must be afforded the opportunity to be present and/or participate in the auction process by telephone.

Your Committee has amended this measure by changing its effective date to July 1, 2099, to ensure further discussion on its merits.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 482, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 482, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 970 (Joint/Majority) Commerce, Consumer Protection and Housing and Ways and Means on S.B. No. 918**

The purpose of this measure is to ensure that people using their personal vehicles in the course of their work for nonprofit organizations have insurance at appropriate premiums and a corresponding tax deduction for those premiums.

Testimony in support of this measure was submitted by Hawaii Youth Services Network, PARENTS, Inc., Assistive Technology Resource Centers of Hawaii, Catholic Charities Hawaii, Comprehensive Counseling and Support Services, and Catholic Charities Family Services. The Department of Taxation and Tax Foundation of Hawaii submitted comments on the measure.

This measure is intended to address a concern that those using their own cars in the course of work for a nonprofit have insurance coverage because many nonprofits do not own vehicles for use by employees or volunteers. Although the concern is often stated as a fear that coverage may be lost if a personal car is used for business purposes, the Hawaii Motor Vehicle Insurance Law does not distinguish between personal and business use. The insurance policy on the car applies, except in a few specified situations. Business use is not one of those situations. Business use is actually a factor that affects the actuarial risk involved for the calculation of an appropriate premium. This measure therefore provides a means for insurers to charge an appropriate premium for the risks involved in extensively or predominately using a personal car to conduct the business of a nonprofit. This measure does not imply that casual or occasional business use as an employee or volunteer requires purchase of additional coverage.

This measure also apparently intends to allow nonprofit employees and volunteers who purchase such coverage to use this expense as a basis for reducing their tax liability. However, this purpose is not effected under the measure as currently drafted, which requires amounts paid for insurance coverage to be excluded from a taxpayer's income. Since the insurance payments are an expense, rather than income, they should be treated as a deduction, rather than excludable income. Therefore, this measure has been amended by replacing language that amends section 235 7(a), Hawaii Revised Statutes (HRS), with language that amends section 235-7(g), HRS, relating to allowable deductions.

Your Committees also inserted a delayed effective date into this measure to facilitate further review and discussion of unresolved issues, including the availability of separate insurance riders, whether a tax credit rather than a tax deduction should be authorized, and the potential fiscal impact of establishing such a tax credit. Your Committees believe these and other related issues merit further consideration.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 918, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 918, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, 3 (Hemmings, Slom, Trimble). Excused, 8 (English, Hooser, Kanno, Kawamoto, Kim, Sakamoto, Tsutsui, Whalen).

**SCRep. 971 Health on S.B. No. 1356**

The purpose of this measure is to streamline the process of registering death events in the State, redefine fetal death, and convert the recording of fetal deaths from a certificate-based system to a report-based system.

Testimony supporting this measure was received from the Department of Health. Healthcare Association of Hawaii, Queen's Medical Center, Kapiolani Health, Dodo Mortuary, Inc., and Hawaii Funeral Directors Association submitted testimony opposing this measure.

Your Committee finds that several of the provisions in this measure generally make the process of registering death events in the State more efficient. However, testimony received in opposition to this measure indicated that certain provisions transferred information gathering duties to the hospitals which would increase the financial burdens and possibly delay the process of registering death events in the State. Your Committee requested that the Department of Health and the hospitals collaborate on refining this measure. They produced a proposed draft of this measure, which your Committee finds acceptable and fulfills the intent of streamlining the process of registering death events in the State.

Your Committee has adopted the proposed draft and amended this measure by:

- (1) Restoring the time in which a certificate of death shall be filed with the Department of Health to three days – this measure initially proposed shortening the time to forty-eight hours;
- (2) Deleting the provisions that were opposed by the hospitals that testified on this measure, which specified new procedures for the preparation of death certificates based on the location of and who was present at the death event;
- (3) Providing that the personal data and other information pertaining to the deceased person shall be obtained from the person best qualified to supply them; and
- (4) Making other changes for consistency with the above amendments, and technical, nonsubstantive amendments to reflect proper drafting style.

Your Committee affirmatively voted on this measure, as amended, on February 27, 2003. However, after that decision-making, your Committee was made aware of a related issue. Currently, Hawaii law does not allow a patient's spouse and relatives to access medical records without a power of attorney or similar instrument. This situation becomes more problematic when the patient is deceased. In addition, when the privacy provisions of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) take effect, health care providers will not be allowed to provide any person access to the medical records of a patient without legal authorization.

A deceased individual's spouse or relative may require access to the medical records for death certificate, insurance, and other purposes, but may not have authority to access the records under existing Hawaii law without an acceptable legal instrument. In many cases, spouses and relatives do not possess such an instrument that extends beyond the death of the individual. A state "next of kin" statute will resolve that problem.

Therefore, your Committee reconsidered its previous decision making on this measure to reaffirm its previous amendments and to add provisions that statutorily allow a health care provider to release copies of a patient's medical records to the patient's next of kin, including the spouse and relatives, if the patient or the patient's attorney is unable to do so. A health care provider may decide to not release the medical records if it would not be in the best interest of the individual.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1356, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1356, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Inouye).

**SCRep. 972 (Joint) Transportation, Military Affairs, and Government Operations and Commerce, Consumer Protection and Housing on S.B. No. 88**

The purpose of this measure is to exempt military personnel from the requirement of obtaining a seller's consent to remove a privately owned vehicle from the State when the vehicle is subject to an out-of-state lien.

Although no testimony was submitted on this measure, your Committees believe that it may be prudent to exempt military personnel from the requirement of obtaining the seller's consent to remove a vehicle from the State.

By the nature of their service, military members and their families are highly mobile, and may be called to different stations of duty at any time. Because of this, it may be difficult for military personnel to obtain a seller's consent before removing a vehicle from the State.

Your Committees have amended this measure to insert a defective effective date. Your Committees believe that this issue should be reviewed further before any final decision on this measure is made.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 88, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 88, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Kanno, Kim, Sakamoto, Whalen).

**SCRep. 973      Judiciary and Hawaiian Affairs on S.B. No. 456**

The purpose of this measure is to repeal statutory restrictions on the timeframe in which campaign signs may be lawfully erected.

Testimony in support of this measure was received from the American Civil Liberties Union of Hawaii and Hawaii Pro-Democracy Initiative. Testimony in opposition was received from The League of Women Voters of Hawaii.

Your Committee finds that the federal courts have extended the highest constitutional protections to political speech. Furthermore, the State Attorney General has issued Opinion No. 96-04, holding that the durational limits on the posting of political signs is unconstitutional.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 456 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 974      (Joint/Majority) Judiciary and Hawaiian Affairs and Transportation, Military Affairs, and Government Operations on S.B. No. 459**

The purpose of this measure is to reform several provisions of the Campaign Spending Law to enhance transparency, accountability, and public confidence in our elected officials. Specifically, the primary purposes of this measure are:

- (1) To limit aggregate contributions by any person to not more than \$25,000 in any calendar year;
- (2) To repeal the presumption that contributions from separate entities are a single contribution if one entity finances or controls the other;
- (3) To treat a corporation or partnership and any person owning a 35 per cent interest therein as a single person;
- (4) To allow unlimited contributions through separate segregated funds, or political action committees; and
- (5) To increase the penalty for intentional falsification of a campaign spending report to a Class C felony.

Your Committees received testimony in support of this measure from the Hawaii Pro-Democracy Initiative and the League of Women Voters of Hawaii. The Campaign Spending Commission (Commission) submitted comments on this measure.

During the 2002 Regular Session, the Legislature passed a comprehensive campaign spending reform measure, S.B. No. 2431 C.D. 1, which was vetoed by Governor Cayetano on June 25, 2002. Despite that setback, your Committees remain committed to campaign finance reform, and many of the provisions in this measure are similar to provisions in the bill vetoed last year.

Your Committees support all of the provisions contained in this measure as introduced. Your Committees are particularly concerned about large entities that can afford to make large contributions that could be interpreted as influencing an elected official. Even the appearance of impropriety compromises the public's view on how a public official votes on an issue.

This measure is intended to correct the imbalances and inequities in the existing law, by limiting the amount that a person or entity may contribute except through separate segregated funds. Such funds, commonly known as PACs, promote greater transparency and accountability due to the fact that they are established for the sole purpose of collecting, holding, and distributing campaign contributions. Therefore, it is relatively simple to track donations.



After much deliberation, your Committees have amended this measure further. First, your Committees inserted provisions to prohibit government contractors from contributing to candidates for elective office.

When persons and entities that receive government contracts contribute to the campaigns of elected officials, there is a potential for abuse of the democratic process; at the very least, the appearance of impropriety is raised.

Your Committees believe that public confidence in the integrity of the electoral system will be greatly enhanced by prohibiting contributions by contractors. Unlike last year's measure, which exempted legislators from the prohibition, your Committee's amendments apply to all elected officials.

Your Committees also amended this measure to allow candidates to make donations of campaign funds for charitable purposes; such donations shall be considered "expenditures" and not "contributions." Apparently the Commission has advised that certain donations to charitable causes from campaign funds are illegal under existing law. Regardless of whether that interpretation is correct or not, your Committees want to make clear that donations from campaign funds to charitable causes shall be considered expenditures, and not contributions.

Your Committees also amended this measure to address the issue of "bundling." Under existing law, as interpreted by the Commission, if a person distributes fundraiser tickets on behalf of a candidate, or receives donations from several persons and transmits them to a candidate, that practice is deemed illegal by the Commission.

Your Committees believe that it should be permissible for a person who wants to distribute fundraiser tickets on behalf of a friend who is a candidate to do so. At the same time, if a person is required to do so, by any means, your Committees agree that such coercion should be illegal. Therefore, your Committees have included a definition of "bundling" to reflect this common-sense approach.

Under the Campaign Spending Law as amended, it will still be illegal for a corporation to require its employees to donate to a candidate.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 459, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 459, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, 1 (Ihara). Excused, 4 (Baker, Fukunaga, Kanno, Whalen).

**SCRep. 975      Judiciary and Hawaiian Affairs on S.B. No. 831**

The purpose of this measure is to amend the offense of criminal trespass in the second degree to include persons remaining on public or private property after being requested to leave by the owner, lessee, or police.

Your Committee received testimony in support of this measure from the Honolulu Police Department, the Department of Land and Natural Resources, a Member of the Honolulu City Council, and ten concerned citizens. The Office of the Public Defender and the ACLU opposed the measure.

Your Committee finds that many residents and communities are frustrated over persons camping and residing on public and private property. Some of these sites do not have sanitation facilities. Your Committee further finds that under current law, police are authorized to arrest these persons for simple trespass, and a fine may be imposed. Your Committee further finds that after release these persons often return to the site and continue to camp or reside on the property. Your Committee believes this bill will assist police in relieving this situation. Your Committee amended the bill to correct a statement in the purpose section that incorrectly stated that police do not have authority to arrest persons for simple trespass.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 831, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 976      Judiciary and Hawaiian Affairs on S.B. No. 1044**

The purpose of this measure is to provide for publication, hardcopy, and internet access of executive communications within five days of issuance.

Your Committee received testimony in support of this measure from two members of Hawaii Pro-Democracy Initiative and the League of Women Voters of Hawaii.

Your Committee finds that executive orders, gubernatorial proclamations, and executive messages are unquestionably public documents. Public knowledge of, and accessibility to these documents, however, is very limited. Your Committee further finds that public awareness and access to these documents would foster a better understanding of the actions taken by the governor and the

governor's administration, and would allow citizens to be proactive in areas of concern. This bill promotes public confidence in government through open and accessible government records.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1044 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 977      Judiciary and Hawaiian Affairs on S.B. No. 1075**

The purpose of this measure is to require that parties in contested cases participate in mediation prior to obtaining a hearing.

Your Committee received testimony in support of this measure from the Hawaii Civil Rights Commission. The Center for Alternative Dispute Resolution supported the intent of the measure but opposed the measure as drafted. Ka La Hui Hawaii supported the intent of the measure with amendments. Testimony in opposition to the measure was received from the Department of Commerce and Consumer Affairs; the Hawaii State Ethics Commission; the Department of Human Resources and the Department of Planning and Permitting, City and County of Honolulu; the Department of Labor and Industrial Relations; ILWU Local 142; Verizon Hawaii; and Life of the Land. The Public Utilities Commission offered comments.

Your Committee believes that parties in many contested cases would benefit from mediation. Your Committee further believes, however, that mediation is not for all cases. Mediation success depends on certain identifiable traits and factors of cases that can be recognized through case screening. Your Committee therefore, amended the bill by removing the amendments to §91-9, Hawaii Revised Statutes, for mandatory medication, and instead adding a new section that:

- (1) Gives agencies discretion to require mediation prior to a hearing;
- (2) Specifies that the mediation not exceed sixty days from the date of referral unless the deadline is extended by the agency;
- (3) Allows the parties to jointly select a mediator within ten days or the agency will select the mediator;
- (4) Specifies that the mediation costs will be borne by the parties unless otherwise agreed or ordered;
- (5) Clarifies that mediation statements or settlement offers are barred from subsequent proceedings;
- (6) Clarifies that mediation meetings are not subject to the sunshine law and mediation notes are not subject to the Uniform Information Practices Act (Modified).

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1075, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1075, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 978      Judiciary and Hawaiian Affairs on S.B. No. 1274**

The purpose of this measure is to make extreme mental or emotional disturbance (EMED) an affirmative defense to murder based on a reasonable person standard.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney City and County of Honolulu, the Honolulu Police Department, the Department of the Prosecuting Attorney County of Maui, Maui County Police Department, and County of Hawaii Police Department. The Department of the Attorney General supports the measure and proposed amendments.

Your Committee finds that under existing law, a defendant charged need not raise EMED as a defense, and may not legitimately have EMED, yet the prosecution must still disprove that the defendant suffers from EMED. This is very confusing to jurors. Making EMED an affirmative defense shifts the burden to the defendant to prove the defendant suffers from EMED. The prosecution must then disprove beyond a reasonable doubt that the defendant suffered from EMED.

Pursuant to testimony received from the Attorney General, your Committee amended the bill by inserting the word "attempted" before the word "murder" on line 3, and before the word "manslaughter" on line 5.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1274, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1274, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 979      Judiciary and Hawaiian Affairs on S.B. No. 1275**

The purpose of this measure is to create the misdemeanor offense of assault against a law enforcement officer in the second degree, and upgrade assault against a police officer to a class C felony and expand its scope to cover other law enforcement officers.

Your Committee received testimony in support of this measure from the Department of the Attorney General; the Department of the Prosecuting Attorney, City and County of Honolulu; the Department of Public Safety; the Honolulu Police Department; a member of the Maui County Council; the Department of the Prosecuting Attorney, County of Maui; County of Hawaii Police Department; County of Maui Police Department; State of Hawaii Organization of Police Officers; and one concerned citizen. The Office of the Public Defender opposed the measure.

Your Committee finds that under current law, threatening a police officer is a felony whereas actual assault of a police officer is a misdemeanor. By contrast, it is a class C felony to assault correctional workers or educational workers who are engaged in the performance of their duties. The legislative intent was to deter the rising number of assaults committed against correctional officers each year, and to give educational workers added protection. Your Committee believes that law enforcement officers deserve the same protection and deterrence methods as such other workers.

Your Committee expresses the legislative intent that the term "law enforcement officer" includes, but is not limited to, police officers, sheriffs, sheriff deputies, Department of Land and Natural Resources enforcement officers, and investigators with the Department of the Attorney General.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1275 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 980      Judiciary and Hawaiian Affairs on S.B. No. 1324**

The purpose of this measure is to amend the medical torts law by:

- (1) Requiring that claims filed with the Medical Claim Conciliation Panel (MCCP) include a certification that the case was reviewed by a physician and based on that review, the attorney believes the case has merit;
- (2) Allowing submission of claims to certified alternative dispute resolution (ADR) programs;
- (3) Authorizing litigation only after rejection of the ADR decision or if the claim was not resolved by ADR within twelve months from the date the claim was filed with the ADR program;
- (4) Requiring a physician's review certification for litigation;
- (5) Tolling the applicable statute of limitations when a claim is filed with an ADR program; and
- (6) Reducing the processing time for cases filed with either the MCCP or ADR programs from eighteen to twelve months.

Your Committee received testimony in support of the measure from the Hawaii Medical Association. The Department of Commerce and Consumer Affairs supported the measure and proposed amendments. The Center for Alternative Dispute Resolution supported the intent of the measure but had certain concerns. The Consumer Lawyers of Hawaii opposed the measure.

Your Committee finds that since 1976, medical tort claims against health providers were required to undergo a merit review by the MCCP before the claims could be litigated. Your Committee further finds that a growing number of baseless claims have been filed with the MCCP. The filing of such claims results in increased cost and expenses for health care providers and health care facilities that must defend against the claims. These costs are reflected in higher medical malpractice insurance premiums that in turn, results in higher costs of health care services to the public.

Your Committee further finds that sometimes, the MCCP is not the most appropriate forum to review claims, and allowing other forums for claim resolution is desirable. Based on testimony received, your Committee amended the bill by:

- (1) Rewording §671- (a)(1) to allow claimant's attorney to consult with a physician knowledgeable in a closely related medical specialty if the attorney is unable to consult with a physician specializing in the same medical field as the health care professional against whom the claim is made;
- (2) Deleting certain qualifications for the specialist physician;
- (3) Amending §671- (c) to specify to whom the MCCP may disclose the physician's name;
- (4) Extending the deadline for filing the certification of physician consultation (physician certification) after filing a claim with the MCCP from thirty to ninety days;
- (5) Rewording the ADR sections and requiring that claimants must first file their claim with the MCCP;

- (6) Deleting the requirement that the ADR program must be certified by the Supreme Court of Hawaii, and all references to certified ADR program;
- (7) Deleting the provision that ADR decisions are advisory and not binding on the parties;
- (8) Authorizing litigation only if a resolution cannot be reached through the ADR process or if the claim has not been resolved after twelve months from the date the claim was filed with the ADR provider; and
- (9) Deleting the provision that litigation submitted after the claim was submitted to an ADR program must be accompanied by a physician certification.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1324, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1324, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 981            Judiciary and Hawaiian Affairs on S.B. No. 1392**

The purpose of this measure is to provide that all moneys received by committed persons from judgment or settlement are subject to attachment by the Director of Public Safety to secure payment of crime victim compensation fees as ordered by the court.

Testimony in support of this measure was received from the Department of Public Safety and Crime Victim Compensation Commission (Commission).

This measure addresses the situation wherein an inmate realizes an award of money pursuant to a judgment or settlement, and at the same time owes money to the crime victim compensation special fund. Existing law enables the Department of Public Safety to garnish a "windfall" realized by a committed person, but not moneys received from a judgment or settlement. This measure closes the statutory deficiency and is in the interest of fairness and propriety. More importantly, this measure would increase revenue for the Commission.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1392 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 982            Judiciary and Hawaiian Affairs on S.B. No. 1514**

The purpose of this measure is to incorporate various provisions of the federal Civil Asset Forfeiture Reform Act of 2000 (CAFRA) by:

- (1) Providing for the appointment of counsel in civil forfeiture cases where the claimant to property is represented in a related criminal case by appointed counsel;
- (2) Setting forth with greater detail than in existing law the burden of proof borne by the respective parties to a forfeiture proceeding and the "innocent owner defense" that may be asserted by claimants to property;
- (3) Establishing procedures for the release of property pending the outcome of forfeiture proceedings; and
- (4) Providing for the payment to a successful claimant of fees and costs incurred in a forfeiture proceeding, and for payment of a civil fine by a claimant who brings a frivolous claim.

The bill also requires additional means of notification to potential claimants of a pending forfeiture proceeding, exempts medical marijuana from forfeiture, limits the extent to which property seized by state or local law enforcement officials may be transferred to the federal government for forfeiture under federal law, deletes the requirement that a claimant seeking to challenge the administrative forfeiture of property file a cost bond to remove the case to court for further proceedings, permits a claimant to remove a forfeiture case to small claims court provided that the property is valued at \$3,500 or less, and dedicates one-half of the proceeds of forfeiture to drug treatment programs, including federal forfeiture proceeds received by state and local law enforcement, to the extent permitted by federal law.

Your Committee received testimony in support of this measure from The Community Alliance on Prisons, the American Civil Liberties Union of Hawai'i, Harm Reduction Hawai'i, and three private citizens. Testimony in opposition to this measure was received from the State Attorney General, the Prosecuting Attorney for the County of Hawaii, Prosecuting Attorney for the City and County of Honolulu, the Prosecuting Attorney of the County of Kauai, the Prosecuting Attorney of Maui County, and the Honolulu Police Department. The State Public Defender offered comments and expressed concerns.

Your Committee finds that Hawaii's forfeiture law will be strengthened by adding a number of provisions from CAFRA. Your Committee does not believe, however, that appointed counsel should be provided to indigent claimants because appointed counsel is not provided in other civil cases. The Public Defender's Office lacks the expertise necessary to zealously represent these cases, and lacks sufficient funds to appoint private counsel to defend these cases.

Your Committee also finds that the current methods of notification of claimants are legally and constitutionally adequate. The court, rather than the seizing agency should determine whether and under what circumstances property should be released to a claimant pending the outcome of a forfeiture proceeding. Claimants who wish to remove an administrative forfeiture to the courts should be required to post a bond to deter frivolous claims. Your Committee believes, however, that 1/4 rather than 1/2 of forfeiture proceeds should be dedicated to drug treatment. This ensures that state and local law enforcement agencies are compensated for their expenses and receive necessary forfeiture funds for training while still providing a significant source of revenue for drug treatment programs.

Your Committee amended the bill by:

- (1) Making the findings section more succinct and relevant to the actual amendments proposed by the bill;
- (2) Deleting the provision for court-appointed counsel in civil forfeiture cases;
- (3) Requiring the court, rather than the seizing agency, to decide on motion made by the claimant whether to return property pending the outcome of forfeiture proceedings and under what conditions;
- (4) Clarifying the proposed limitation on federal "adoption" of state forfeitures and adding a "savings" clause should the provision be found in conflict with federal law;
- (5) Deleting the additional notice requirements of multiple newspaper publication;
- (6) Retaining the cost bond required to judicially challenge an administrative forfeiture;
- (7) Deleting language that would reverse a forfeiture judgment if a criminal case is dismissed or results in acquittal;
- (8) Dedicating 1/4 of forfeiture proceeds (1/2 of the net funds deposited in the criminal forfeiture fund maintained by the attorney general) for drug treatment programs; and
- (9) Deleting language in the purpose section relating to drug use and abuse; and
- (10) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1514, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1514, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 983 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 1581**

The purpose of this measure is to enact new criminal offenses for cruelty to animals and cockfighting.

Testimony in support of this measure was received from the Honolulu Prosecuting Attorney, Honolulu Police Department, The American Society for the Prevention of Cruelty to Animals, Hawaii State Coalition Against Domestic Violence, Hawaiian Humane Society, Kauai Humane Society, and 905 individuals. Testimony in opposition was received from the Public Defender, Hawaii Game Breeders Association, Animal Care Foundation, and three individuals.

This measure creates the offenses of:

- (1) Aggravated cruelty to animals as a class C felony, for (among other things) committing an act against an animal that is especially heinous, atrocious, cruel, or unnecessarily tortuous and that manifests exceptional depravity so as to manifest a lack of conscience or pity;
- (2) Cockfighting as cruelty to animals and making actions relating to cockfighting a class C felony; and
- (3) Possession, manufacture, sale, purchase, barter, or exchange of cockfighting equipment as a petty misdemeanor.

In addition, this measure also establishes that every building, premise, or place used for cockfighting and fighting dogs is a nuisance and subject to injunction; adds to the acts that qualify as a cruelty to animals offense, the transporting in the back of a pickup truck any animal not properly restrained and the deprivation of necessary sustenance to an animal; and adds to the sentencing requirements for conviction of cruelty to animal offenses that the defendant undergo and pay for counseling to evaluate and treat behavioral or conduct disorders.

Your Committee was influenced by the incidences of horrific torture to animals as revealed in the testimony. But, your Committee passes this measure with some reluctance because of the possible effects upon cultural practices such as subsistence living, wherein

people fish and hunt for food. This could be prevalent in the rural areas of Oahu and the Neighbor Islands. Your Committee intends that this measure be refined, if possible, in the legislative process to address the objections based on cultural practices.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1581 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (English). Excused, 1 (Fukunaga).

**SCRep. 984      Judiciary and Hawaiian Affairs on S.B. No. 1603**

The purpose of this measure is to provide civil penalties for violations of any rule adopted by the Chief Election Officer, and requires the Attorney General to prosecute cases upon the request of the Chief Election Officer.

Your Committee received testimony in support of this measure from two members of the Hawaii Pro-Democracy Initiative. The League of Women Voters of Hawaii supported the intent of the measure, and the Office of the Public Defender commented on the measure and suggested amendments. The Department of the Attorney General (AG) and the Office of Elections offered comments.

Your Committee finds that strict adherence to election laws fosters public trust in election results. Currently, the AG and the County Prosecutors share concurrent jurisdiction to prosecute violations of chapter 19, Hawaii Revised Statutes. Matters are investigated and the law enforcement official makes an independent determination as to whether the case should be prosecuted. Therefore, your Committee amended the bill by replacing the word "shall" with "may" in the section entitled "prosecution" to give the AG discretion to prosecute depending on the investigation results.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1603, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 985      Judiciary and Hawaiian Affairs on S.B. No. 1604**

The purpose of this measure is to encourage voter participation by creating new registration and election procedures.

Your Committee received testimony in support of this measure from Life of the Land, two members of Hawaii Pro-Democracy Initiative, and the League of Women Voters of Hawaii. The Office of Elections provided comments.

Your Committee finds that in the last national election Hawaii's registered voter turnout ranked lowest in the nation. Your Committee believes that voter participation should be encouraged to enable citizens to govern through the representative form of government. Pursuant to testimony received, your Committee amended the bill by:

- (1) Adding a new section to chapter 11 that sets forth the citizen's right to vote;
- (2) Limiting permanent absentee voter status to two election cycles;
- (3) Deleting the amendment to §11-15 that removes social security numbers from the list of required registration information, and replacing it with an amendment to §11-136 that prohibits poll books from containing social security numbers;
- (4) Deleting the amendment to §11-24 relating to register closing from the bill to conform to the current closing day that is necessary to process registrations;
- (5) Amending §15-4 to delete the amendment that removes social security numbers from the required information on requests for absentee ballots; and
- (6) Amending the list in the purpose section to reflect the sections of the bill in numerical order.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1604, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 986      Judiciary and Hawaiian Affairs on S.B. No. 1605**

The purpose of this measure is to require government agencies to designate a Uniform Information Practices Act (UIPA) compliance officer who would be responsible for compliance with the UIPA, train employees, and obtain certification from the Office of Information Practices that the agency is in compliance with the UIPA.

Your Committee received testimony in support of this measure from the Office of Information Practices (OIP), Hawaii Pro-Democracy Initiative, the League of Women Voters of Hawaii, and the Honolulu Community-Media Council. The Honolulu Police Department opposed the measure.

Your Committee finds that agency compliance with the UIPA is important in furthering democracy in Hawaii. An open government inspires public confidence that government is conducting business in an ethical manner. Testimony received from the OIP, however, evidences that government employees lack a reasonable understanding of the basic requirements of the UIPA. Therefore, your Committee believes that the provisions in this bill will go a long way toward improving public access to government information.

Pursuant to testimony received by the OIP, however, your Committee amended the bill by:

- (1) Adding language to §92F-18(a)(1) to clarify that the agency designee will be trained by the OIP and be responsible for the agency's compliance with the UIPA;
- (2) Deleting §92F-18(a)(4) that required the agencies to obtain OIP certification; and
- (3) Deleting §92F-A(b) that required the director of the OIP to certify agency compliance with the UIPA.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1605, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 987      Judiciary and Hawaiian Affairs on S.B. No. 78**

The purpose of this measure is to authorize the Attorney General to seek civil penalties on behalf of the State in dependent elder abuse or neglect cases, and provides for enhanced civil remedies in private lawsuits arising from the abuse or neglect.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, the Las Vegas Metropolitan Police Department, Christian Science Committee on Publication for Hawaii, the AARP, the Advocates for Nursing Home Justice and two concerned citizens. The State Executive Office on Aging supported the measure and offered comments. The Hawaii Long Term Care Association supported the concept but opposed a part of the measure.

Your Committee finds that the National Center on Elder Abuse reported that as much as eighty-four percent of elder abuse and crimes against the elderly are never reported. Prevention, detection, and reporting of elder abuse are key in addressing this issue.

Your Committee further finds that Arizona, California, Florida, Nevada, Oregon, and Washington have enacted some form of elder justice legislation. The common goal of these laws are to give government attorneys the tools to deter and punish elder abuse, and to give elder victims appropriate compensation.

Your Committee amended the bill by including in the definitions of "abuse" in §28- (c) and §663- (d) the words "and include the definition of "neglect" set forth hereafter".

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 78, S.D. 1, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 78, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 988      Judiciary and Hawaiian Affairs on S.B. No. 946**

The purpose of this measure is to allow a caregiver to execute an affidavit of caregiver consent to enroll a minor in school and allow full participation in curricular and co-curricular activities; and to provide for penalties under part V of chapter 710, Hawaii Revised Statutes, for making a false statement on an affidavit for caregiver consent.

Your Committee received testimony in support of this measure from the Volunteer Legal Services of Hawaii, three members of Na Tutu, Grandparents Raising Grandchildren Coalition, Hanai Advisory Task Force, and three concerned citizens. The Department of the Attorney General submitted opposing testimony.

Your Committee finds that in 2000, twelve percent of Hawaii's children lived with a grandparent. Usually, parents of these children cannot or will not care for their children. Caregivers often do not have legal documents designating them as legal guardian for the children. They often do not petition the courts for guardianship or other legal recognition for a variety of reasons. As a result, many caregivers experience difficulty enrolling the children in school.

Your Committee believes this is an important issue meriting further discussion during this legislative session.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 946 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 989      Judiciary and Hawaiian Affairs on S.B. No. 469**

The purpose of this measure is to prohibit any employer to include in any employment document or agreement, a requirement as a condition of hiring or continued employment, that the employee relinquish the right to file a claim under the State's discriminatory employment practices law with the Civil Rights Commission.

Testimony in support of this measure was received from the Department of Human Resources Development, Hawaii Civil Rights Commission, Hawaii Women Lawyers, and The League of Women Voters of Hawaii. Testimony in opposition was received from the Hawaii Reserves Inc., ILWU Local 142, Chamber of Commerce of Hawaii, and Society for Human Resource Management. Comments were submitted by the Department of Labor and Industrial Relations.

This measure prohibits an employer from using the employment relationship to coerce a prospective employee or employee to relinquish rights to file a charge, provide information, or participate in any manner in an investigation, hearing, trial, or other proceeding, or to relinquish any rights, protection, or remedy under the laws prohibiting unlawful discrimination or employment practices.

Your Committee finds that this measure balances the rights of employers and employees, without unduly interfering with the employer's conduct of its business. The rights are fundamental and protected by the constitution or by law.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 469 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 990      Judiciary and Hawaiian Affairs on S.B. No. 694**

The purpose of this measure is to extend protection under the Whistleblowers' Protection Act to public employees who report information relating to a condition that poses a danger to public health or safety, unless the employee knows that the report is false.

This measure also creates an exception to the two-year statute of limitations period to require commencement of the statute of limitations for aggrieved employees who are physically or mentally incapacitated to begin upon their return to work.

The ILWU Local 142, the American Civil Liberties Union of Hawaii, and the League of Women Voters of Hawaii submitted testimony in support of this measure. The Department of Labor and Industrial Relations, the Department of Human Resources Development, Hawaii Government Employees Association, and the Hawaii Nurses' Association submitted testimony in support of the intent of the measure with recommendations for amendments. The Society for Human Resources Management presented oral testimony in opposition to this measure.

Your Committee finds that public employees who report violations or situations that may pose a danger to public health or safety are currently not protected under the Whistleblowers' Protection Act (WPA). Although public employees may observe violations or suspected violations of state or federal laws or situations that pose a danger to public health and safety while on the job, the concern over potential retaliatory discharge, threats, or discriminatory action often creates a chilling effect. Many situations are left unreported and, thus, uncorrected, thereby frustrating the intent of the law.

In addition, your Committee determines that the two-year statute of limitations period within which to institute civil action under the WPA fails to account for situations wherein the aggrieved employee is still physically or mentally incapacitated and unable to work. In these situations, more time is needed for employees, once they are no longer incapacitated, to gather the necessary evidence of retaliation or discrimination to support their allegations of prohibited activities, discuss the situation with legal counsel, and evaluate the potential personal and professional ramifications of pursuing further action. Therefore, an exception to the statute of limitations is warranted for these individuals.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 694, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 991      Judiciary and Hawaiian Affairs on S.B. No. 764**

The purpose of this measure is to strengthen Hawaii's Whistleblowers' Protection Act by extending protection to employees who report information demonstrating danger to public health or safety to their employers or to government agencies, and creating an exception to the statute of limitations period.

Testimony supporting this measure was submitted by the American Civil Liberties Union of Hawaii, Hawaii Nurses' Association, The League of Women Voters of Hawaii, ILWU Local 142, Hawaii Government Employees Association, and one individual. The Department of Human Resources Development submitted testimony supporting the intent of this measure. The Chamber of Commerce



of Hawaii, Hawaii Bankers Association, and Society for Human Resource Management – Hawaii Chapter submitted testimony opposing this measure. The Department of Labor and Industrial Relations submitted comments on this measure.

Your Committee finds that employees are reluctant to come forward and report information or practices and policies that pose a danger to public health and safety if they may be subjected to retaliation. This measure protects employees and ensures improved public health and safety in the workplace.

In addition, your Committee determines that the two-year statute of limitations period within which to institute a civil action under the Whistleblowers' Protection Act fails to account for situations wherein the aggrieved employee is still physically or mentally incapacitated and unable to work. In these situations, more time is needed for employees to gather the necessary evidence of retaliation or discrimination to support their allegations of prohibited activities, discuss the situation with legal counsel, and evaluate the potential personal and professional ramifications of pursuing further action once they are no longer incapacitated. Consequently, your Committee believes that an exception to the statute of limitations is warranted for these individuals.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 764, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 992      Judiciary and Hawaiian Affairs on S.B. No. 921**

The purpose of this measure is to allow an employer, whose employee has been subjected to harassment at the worksite, to petition the district court for a temporary restraining order and an injunction from further harassment at the worksite.

Testimony in support of this measure was received from the Department of Human Resources Development, Department of Labor and Industrial Relations, Honolulu Prosecuting Attorney, Hawaii State Coalition Against Domestic Violence, The Hawaii Hotel Association, The Chamber of Commerce of Hawaii, Retail Merchants of Hawaii, Domestic Violence Clearinghouse, and Society for Human Resource Management. Testimony in opposition was received from ILWU Local 142.

Existing law allows victims to petition the court for an order to temporarily restrain harassment that occurs anywhere. This measure allows employers to similarly petition the court for an order to temporarily restrain harassment of an employee at the worksite to promote and preserve workplace safety. Your Committee finds that incidence of harassment at the worksite directed against a worker is not uncommon. Sometimes, the harassment can involve violence, placing other employees at risk of injury. This measure provides employers a measure of protection in the workplace.

Your Committee has amended this measure by:

- (1) Clarifying that to the extent feasible, the employer must consult the employee who is subject to the harassment or threat prior to petitioning;
- (2) Clarifying that the petitioner can be the employee as well as the employer, on recommendation of the State Attorney General; and
- (3) Making technical, nonsubstantive changes to reflect proper drafting style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 921, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 921, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 993      Judiciary and Hawaiian Affairs on S.B. No. 931**

The purpose of this measure is to enact a victims leave law to allow victims of domestic violence, sexual assault, and stalking to take paid or unpaid leave from work.

Testimony in support of this measure was received from the Department of Labor and Industrial Relations, Department of Human Resources Development, Hawaii State Commission on the Status of Women, Hawaii State Coalition Against Domestic Violence, Domestic Violence Clearinghouse, and three individuals. Testimony in opposition was received from The Chamber of Commerce of Hawaii and Society for Human Resource Management.

Your Committee finds that the prevalence of domestic abuse, and domestic or sexual violence including sexual assault and stalking, is so common as to affect the lives and well-being of significant number of people, mostly women, who also have to work. The victims need time off from work to seek medical or psychological services, contact victim service organizations, relocate residence, or take legal action. This measure provides victims with the opportunity to take such protective actions without fear of employer reprisal.

Your Committee is mindful of the effect this measure can have on the profitability of the employer. For this reason, your Committee has amended this measure as follows:

- (1) Deleting from the definition of "victim services organization", references to an organization carrying out a domestic violence program, a legal services organization, and a domestic violence coalition or a sexual assault coalition, and clarifying that counseling services provided by a victim services organization must be provided by a professional counselor;
- (2) Deleting the option that victims leave be provided with pay;
- (3) Changing how victims leave is calculated from a fiscal year basis to a calendar year basis;
- (4) Inserting language that an employer employing 50 or more employees must allow an employee up to 30 days of unpaid victim leave time per calendar year, and an employer employing not more than 49 employees must allow 5 days of unpaid leave time per calendar year;
- (5) Requiring an employee taking up to five days of leave to provide certification in the form of a signed statement to the employer, and requiring an employee taking more than five days to provide a signed statement or a police or court record;
- (6) Deleting from the list of persons authorized to provide certification that an employee needed the victims leave, members of the clergy;
- (7) Providing that no leave is protected until certification is provided to the employer;
- (8) Deleting the option to provide corroborating evidence relating to the domestic or sexual abuse as a means to certify the need for victims leave in excess of five days per calendar year;
- (9) Clarifying that the reasonable notice to the employer to take leave requirement need not be complied with if the employee or employee's minor child is in imminent danger;
- (10) Deleting the requirement that the employer allow leave to be taken intermittently or on a reduced work schedule, and deleting the provision that would allow an employee to substitute any period of leave for an equivalent period of leave from other employment benefits;
- (11) Clarifying that an employee denied leave by an employer in wilful violation of this Act may file a civil action against the employer; and
- (12) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 931, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 931, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 994      Judiciary and Hawaiian Affairs on S.B. No. 1638**

The purpose of this measure is to provide the Supreme Court or the Labor and Industrial Relations Appeals Board the discretion to award proceeding costs and reasonable attorney's fees when an appeal is initiated by an employee who prevails. This measure also sets standards for use of this discretion.

The ILWU Local 142 submitted testimony in support of this measure. The Department of Labor and Industrial Relations, the Department of Human Resources for the City and County of Honolulu, and the Hawaii Insurers Council submitted written testimony in opposition to this measure. Oral testimony in opposition to the measure was also submitted by the Department of Human Resources Development.

Your Committee finds that under existing law, if an employer appeals a decision in a workers' compensation case and loses, reasonable attorney's fees and the costs of the appellate proceedings are assessed against the employer. However, employers enjoy an unfair advantage over injured employees in the litigation of workers' compensation claims because of the enormous expense associated with securing legal representation.

Your Committee determines that in the interest of leveling the playing field in the long and arduous process of litigating workers' compensation claims, the Supreme Court and the Labor and Industrial Relations Appeals Board should be vested with the authority to grant attorney's fees and costs at their discretion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1638 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 995      (Majority) Judiciary and Hawaiian Affairs on S.B. No. 548**

The purpose of this measure is to clarify that lawful possession of a rifle or shotgun for hunting or target shooting is limited to "lawful" hunting or "lawful" target shooting.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau, the Maui County Farm Bureau, Kauai County Farm Bureau, Hawaii Cattlemen's Council, Inc., Ulupalakua Ranch, Inc., Maui Cattlemen's Association, and a concerned citizen. Testimony in opposition to the measure was received from the Hawaii Rifle Association, Lessons in Firearms Education, and thirteen concerned citizens. The Board of Agriculture provided comments.

Your Committee finds that agricultural theft is a chronic problem, and an agricultural theft task force has been formed to determine ways to combat this serious problem. The intent of this bill is to close a loophole that exists in the criminal trespass laws that allows a poacher to claim to be hunting or target shooting. Your Committee finds, however, that there are viable competing views that merit further discussion during this legislative session.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 548 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Hogue). Excused, 1 (Fukunaga).

**SCRep. 996            Judiciary and Hawaiian Affairs on S.B. No. 624**

The purpose of this measure is to update the provisions relating to a health care provider's duty to inform a patient regarding medical treatment to provide consistency with the rules adopted by the Board of Medical Examiners (BME).

Testimony in support of this measure was received from the Hawaii Medical Association, Hawaii Association of Health Plans, Hawaii Medical Service Association, Healthcare Association of Hawaii, HAPI'S Physicians' Indemnity Plan, and one individual. Testimony in opposition was received from the Consumer Lawyers of Hawaii. Comments were submitted by the Hawaii Coalition for Health and one individual.

Hawaii's laws relating to informed consent are outdated and have not kept up with the changing pace of the medical and legal communities. The existing statutory language originated from rules adopted by the Board of Medical Examiners in 1979. Since then, the Board has revised its rules many times to reflect the current legal and medical standards. Unfortunately, the statutes have yet to reflect the current standards and practices. Consequently, the void has been filled by several Hawaii appellate court decisions which have created uncertainty among physicians and patients. This measure updates and revises statutory law to reflect current medical and legal standards and practices relating to informing a patient about medical treatments.

Whether this measure is interpreted as patient oriented or physician oriented, your Committee believes that this measure represents an objective, workable, and prudent standard, in consideration of the current state of and anticipated advances in medical science, by which informed consent can be applied in a fair and balanced manner. It is not the intent of your Committee to favor either party by passing this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 624, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 997            (Majority) Judiciary and Hawaiian Affairs on S.B. No. 784**

The purpose of this measure is to propose a constitutional amendment to require the Board of Education (Board) to be composed of seventeen voting members elected in a nonpartisan election and to require each school district to be composed of three representative districts.

The measure also requires the Chief Election Officer, upon ratification of the amendment, to delineate the new board districts for the purposes of regular and special elections, pending the reapportionment of electoral districts in 2010.

The Chamber of Commerce of Hawaii and Hawaii Government Employees Association testified in support of this measure.

Your Committee finds that the reconfiguration of the present Board to a seventeen-member body and the alignment of voters in school board districts with electoral districts will facilitate the voting process, and provide for greater accountability and school-level authority over fiscal and personnel matters. Your Committee further finds that the issues raised by this measure merit further consideration and discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 784, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (English). Excused, 1 (Fukunaga).

**SCRep. 998            Judiciary and Hawaiian Affairs on S.B. No. 827**

The purpose of this measure is to provide for the deregistration of fee time share interests from land court.

Testimony in support of this measure was received from Island Title, Hawaii Escrow & Title, Inc., and SVO Pacific, Inc. Testimony in opposition was received from eleven individuals. Comments were submitted by the Judiciary.

Your Committee notes that the Land Court Act adopted in 1903 provided landowners a means to establish clear title to land through a court proceeding. The judicially determined owner is issued a certificate of title to the land that cannot be encumbered unless the encumbrance is filed in the land court and noted on the certificate of title. This system has worked well with land parcels having one or just a few owners on each parcel. With the advent of horizontal property regimes (HPR) and multiple owners on a single parcel or combined parcels of land, the land court system, though initially faced with difficulty adapted well and continues to issue a certificate of title to each fee simple condominium apartment owner.

With fee simple time-share, the number of owners of a parcel of land increases from a few hundred owners under an HPR to literally thousands of owners, each having a small undivided percentage interest in the HPR land. For these thousands of owners of the parcel of land, the issuance of a certificate of title for each one, and whenever there is a change in ownership, is cumbersome, costly, and time consuming.

This measure is designed to deregister or take lands that are subject to an HPR fee time-share project out of the land court system to eliminate the need to issue a certificate of title for each fee time-share unit for each owner and whenever a change in ownership occurs. The measure retains title rights that are secured by the original registration of the land and provides a means of recording fee time-share units in the bureau of conveyances, eliminating the need to issue a certificate of title for each fee time-share unit. Your Committee is aware of a similar process for leasehold time-share units, but understands that from a land court perspective the difference between a fee time-share unit and leasehold time-share unit is substantial.

Your Committee believes that a process for deregistering lands by law is in the public's interest for HPR fee time-share projects, but acknowledges that the deregistration may have unanticipated legal and practical consequences for land court properties and the land court system that was long ago designed to insure clear title.

Recognizing that the bill has a salutary public purpose, but with potential problems affecting individual rights to property, your Committee will pass this measure now without further amendments, intending to allow further discussion and consideration on its merit.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 827, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 999      Judiciary and Hawaiian Affairs on S.B. No. 1560**

The purpose of this measure is to authorize counties to condemn and demolish facilities that have been abandoned or damaged due to a natural disaster.

Your Committee received testimony in support of this measure from the Mayor of the County of Kauai, a Member of the Kauai County Council, Kahuna Plantation Resort & Beach Bungalows at Kiahuna, the Kauai Visitors Bureau, the Hawaii Hotel Association Kauai Chapter, Poipu Beach Resort Association, and the Kauai Chamber of Commerce.

Your Committee finds that unused and especially damaged buildings not only are an eyesore in the community, but negatively impact the health, safety, and welfare of the community. In a State that depends so heavily on tourism, building owners must restore or remove unsightly and dangerous structures in a timely manner.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1560 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 1000      Judiciary and Hawaiian Affairs on S.B. No. 1606**

The purpose of this measure is to enact a legislative ethics law.

Testimony in support of this measure was received from the Hawaii State Ethics Commission, Hawaii Pro-Democracy Initiative, and The League of Women Voters of Hawaii.

Specifically, this measure:

- (1) Requires legislators to disclose to the Campaign Spending Commission every fundraiser, regardless of cost, held thirty days prior to and during a legislative session;
- (2) Creates a conflict of interest provision within the State Ethics Code for voting by legislators;

- (3) Requires the establishment of legislative ethics committees within the State Senate and State House of Representatives to advise on and enforce legislative conflicts of interests laws and rules; and
- (4) Requires financial disclosure from legislators of sources and amounts of annual income in excess of \$25,000 from any single source, or the source and amount of annual income that represents 25 per cent or more of a legislator's annual income from sources other than the legislator's legislative salary.

Your Committee agrees with the Committee on Transportation, Military Affairs, and Government Operations that this measure would not be unduly burdensome for legislators, and will increase transparency within the Legislature, and as a result, public confidence in the legislative process will be enhanced.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1606, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 1001      Judiciary and Hawaiian Affairs on S.B. No. 1635**

The purpose of this measure is to prohibit state agencies, excluding certain University of Hawaii employees, from using moneys from businesses, groups, or associations, to fund any state positions, supplement the salary of a state worker, or provide a financial benefit to the person filling the position.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission and the League of Women Voters of Hawaii.

Your Committee finds that an appearance of, or actuality of, a conflict of interests exists or is likely to arise if private contributions are made to supplement a state official or state employee's salary. There is an appearance that the private business donors will receive special treatment from the state official or employee. Your Committee believes that state officials and employees paid only with state funds will more likely remain free from undue influence.

Your Committee notes the concern that passage of this bill may give rise to broader, unintended consequences.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1635 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 1002      Labor on Gov. Msg. No. 6**

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF LABOR AND INDUSTRIAL RELATIONS

NELSON BEFITEL, for a term to expire December 4, 2006,

Upon your review of background information submitted by the nominee, your Committee finds that Nelson Befitel holds a Bachelor of Arts degree in Journalism, with a minor in Sociology, from the University of Hawaii and a Juris Doctor degree from Arizona State University, College of Law. Mr. Befitel practiced with the law firm of Damon Key Kupchak & Hastert from 1998 to 2002. He has previously served as Deputy Corporation Counsel for the County of Maui, a law clerk for the Department of the Attorney General, a law clerk for the Department of the Prosecuting Attorney for the County of Maui, an investigator for the Hawaii Civil Rights Commission, and a paralegal for the law firm of Libkuman, Ventura, Ayabe, Chong & Nishimoto.

Mr. Befitel has been highly active within the community, serving as a member and officer of many organization, including the American Bar Association, the Hawaii State Bar Association, the Filipino Chamber of Commerce of Hawaii, the State of Hawaii Election Advisory Committee, the Ala Moana Rotary Club, and the Kihei Youth Center. He has also served as the Chief Legal Advisor for Governor Linda Lingle's 2002 Gubernatorial Campaign and a volunteer with the Big Brothers/Big Sisters of Maui. Mr. Befitel was a finisher in the 2002 Austin Marathon and was named by Pacific Business News one of the Forty Under 40 for 2002 for his business skills, leadership, and community involvement.

Your Committee received testimony in support of the nominee from numerous members of the business and legal communities, government officials and employees, members from community organizations, and private citizens.

Your Committee members diligently questioned the nominee regarding the relationship between the Department of Labor and Industrial Relations (DLIR), the private sector, and the labor unions, the DLIR's ability, under his leadership, to address problem areas of the DLIR and to provide services to the State's employees and employers in the face of limited resources. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Taniguchi).

**SCRep. 1003 (Joint) Human Services and Health on S.C.R. No. 13**

The purpose of this measure is to request the Governor to establish a statewide interagency task force to develop a plan for coordination and expansion of services provided through Healthy Start to young children and their families.

Testimony in support of this measure was submitted by Maui Family Support Services, Inc.; the Consuelo Zobel Alger Foundation; Blueprint for Change; Good Beginnings Alliance; and Parents and Children Together. Testimony in support of the intent of this measure was submitted by the Hawaii Early Intervention Coordinating Council. The Department of Human Services and the Judiciary submitted comments on this measure.

Your Committees find that Healthy Start, a Department of Health program that aims to reduce child abuse and neglect through the early identification of at-risk families and provision of home visits and other services, was first implemented as a pilot project in 1985, and by 2000, had been expanded to reach at-risk families statewide. Currently, Healthy Start screens fifty-two per cent of Hawaii's pregnant women for risk factors that would identify them for home visiting services.

Your Committees further find that the Healthy Start program has been extensively evaluated and has been shown to be effective in reducing the incidence of child abuse and neglect among families at risk. Based on its documented positive outcomes, Hawaii's Healthy Start program has become a model child abuse prevention program. The Consuelo Zobel Alger Foundation has supported the implementation of a culturally relevant adaptation of the Healthy Start Program in the Philippines.

Your Committees further find that, although the Department of Health administers the Healthy Start program, the Department of Human Services is responsible for investigating reported cases of child abuse and neglect. However, it appears that many high-risk families may not be identified as needing prevention and intervention services such as Healthy Start, only to later become part of the child protective services system after neglect and abuse have occurred. Your Committees find that, due to the fragmentation of the State's efforts in assessing and providing services to at-risk families, this "gap group" of families are falling through the cracks.

Accordingly, your Committees find that better coordination and collaboration between the Departments of Health and Human Services, and private providers would provide at-risk families with targeted, coordinated assessment, intervention, and treatment services and would result in a more effective use of limited resources.

Your Committees have amended this measure by:

- (1) Updating from "over 52 per cent" to "over 90 per cent", the number of pregnant women screened by Healthy Start;
- (2) Adding representatives from the Consuelo Zobel Alger Foundation and the Child-at-Risk Evaluation (CARE) program to the task force; and
- (3) Designating the Director of the Department of Human Services as the chairperson of the task force.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 13, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 13, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Inouye, Hogue).

**SCRep. 1004 Labor on Gov. Msg. No. 101**

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF HUMAN RESOURCES DEVELOPMENT

KATHLEEN WATANABE, for a term to expire December 4, 2006,

Upon your review of background information submitted by the nominee, your Committee finds that Kathleen Watanabe holds a Bachelor of Arts degree in Sociology, with a minor in Psychology, from the University of Puget Sound and a Juris Doctor from the William S. Richardson School of Law, University of Hawaii. Ms. Watanabe has served as a Deputy Attorney General in the Employment Law Division and the Individual Claims Unit. She has previously served as a Hearings Officer for the Hawaiian Homes Commission, a sole proprietor in her own law practice, a per diem Judge for the 5<sup>th</sup> Circuit Court on Kauai, a County Attorney and a Deputy County Attorney for the County of Kauai, Special Counsel to the Kauai County Attorney, Law Clerk to the Kauai County Attorney, Law Clerk to the Majority Leader of the Hawaii State House of Representatives, Law Clerk for the Office of Clayton Ikei, a tutor for the Department of Education, a Guidance Counselor for Kamehameha Schools and Alu Like, and a Social Worker for the Department of Health.

Ms. Watanabe has received several awards including an Honorable Mention Award from the American Bar Association for Outstanding Legal Performance in response to Hurricane Iniki, and the Manager of the Year Award for the Department of the Attorney General for the State of Hawaii. Under her leadership the Employment Law Division of the Department of the Attorney General of the State of Hawaii received the Outstanding Team Award in 2001.

Testimony in support of the nominee was submitted by the Personnel Director of the Judiciary, the Intergovernmental and Community Relations Division Chief of the Judiciary, the Chief Negotiator of the Office of Collective Bargaining, the Superintendent of the Department of Education, the Employment Law Division of the Department of the Attorney General, the Personnel Program Administrator for the Workforce Planning Division, Chief of the Budgeting and Support Service Office of the Department of Human Resources Development (DHRD), a Program Administrator for DHRD, a Personnel Program Administrator for DHRD, the Associate Director of Human Resources for the University of Hawaii, a Councilmember of the Kauai County Council, the Hawaii State Personnel Council, and five private citizens.

Your Committee members diligently questioned the nominee regarding her vision and priorities for the Department of Human Resources Development and continuing reformation of the civil service system. Your Committee believes that the nominee adequately responded to the Committee's inquiries.

Your Committee notes that the nominee has wide support from the community. Both management and labor expressed support for the nominee and her ability to bring all interested parties together.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

#### **SCRep. 1005      Water, Land, and Agriculture on Gov. Msg. No. 7**

Recommending that the Senate advise and consent to the nomination of the following:

##### CHAIRPERSON, BOARD OF AGRICULTURE

SANDRA LEE KUNIMOTO, for a term to expire December 4, 2006,

Upon review of the background information submitted by the nominee, your Committee finds that Sandra Lee Kunimoto has more than twenty years of experience and education in the agriculture industry. She earned a Bachelor of Science degree from the University of California at Berkeley in the Biology of Natural Resources. While a research associate at the University of Hawaii's Department of Horticulture, she earned a Masters of Business Administration from the University of Hawaii College of Business. She has worked in California and Japan, as well as Hawaii, as a consultant, researcher, and research supervisor for national and international agricultural businesses. Ms. Kunimoto has worked as the General Manager of the Maui Farmers' Cooperative Exchange, Vice President of Hawaiian Foliage and Landscape, Director of Marketing and Business Development for the Hawaii Agriculture Research Center, and as Administrator of the Business Development and Marketing Division of the Department of Business, Economic Development, and Tourism.

Testimony in support of the nominee was submitted to your Committee by: the Department of Agriculture; Quality Assurance Division, Department of Agriculture; Agribusiness Development Corporation; College of Tropical Agriculture and Human Resources of the University of Hawaii at Manoa; Hawaiian Alliance for Responsible Technology and Science; Hawaiian Tropical Products; Hawaii Island Economic Development Board; Hawaii Forest Industry Association; Kilauea Agronomics, LLC; Kauai County Farm Bureau; East Kauai Water Users' Cooperative; Pioneer Hi-Bred International, Inc.; Grove Farm Company, Inc.; Gay and Robinson, Inc.; Maui County Farm Bureau; Hawaiian Commercial and Sugar Company; Maui Pineapple Company, Ltd.; Chamber of Commerce of Hawaii; Enterprise Honolulu; Hawaii Farm Bureau; Hawaii Agriculture Research Center; Pineapple Growers Association of Hawaii; Palani Ranch Company, Inc.; Hawaii Aquaculture Association; Nalo Farms; Hawaii Crop Improvement Association; the Nature Conservancy of Hawaii; U.S. Small Business Administration; Hawaii Business Roundtable; Hawaii Fresh Milk Industry; Maui Economic Development Board, Inc.; Castle and Cooke Land Company; and twenty-one private individuals.

Your Committee members diligently questioned the nominee regarding her administrative qualifications, her vision and priorities for the Department of Agriculture, and related policy issues presently before the Legislature. Your Committee finds that the nominee comes with a very strong educational and professional background in the agricultural sector. The range of her agricultural experience provides a broad understanding of the various segments of a diverse industry and facilitates her exceptional team-building skills. Ms. Kunimoto seeks to help the Department of Agriculture expand opportunities for marketing local products by addressing technological trade barriers and facilitating business, create a world-class farmers' market where Hawaii's unique products can be showcased, keep local farmers competitive in a consumer-driven market by focusing on food safety, and maintain the agriculture loan program to provide financial assistance to allow viable enterprises to grow.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1006 Water, Land, and Agriculture on Gov. Msg. No. 12**

Recommending that the Senate advise and consent to the nomination of the following:

CHAIRPERSON, BOARD OF LAND AND NATURAL RESOURCES

PETER T. YOUNG, for a term to expire December 4, 2006,

Upon review of the background information submitted by the nominee, your Committee finds that Peter T. Young was born and raised in Hawaii, with a long family history in the State. He earned a Bachelor of Business Administration degree, with a major in real estate, from the University of Hawaii. For twenty-five years he worked in the private sector, mainly operating a variety of small businesses relating to real estate sales, management, consulting, and appraisal. During the past two years, he served as the Deputy Managing Director of Hawaii County. Throughout his adult life, Mr. Young has been very active in community, business, and professional organizations, including the Kona Board of Realtors, Kona-Kohala Chamber of Commerce, Big Island Business Council, Waimea Community Association, Red Cross State Board, and West Hawaii Advisory Council of the Red Cross. He also was the West Hawaii Disaster Chair, Aid Stations Director for the Ironman Triathlon, and Vice Chair of the Board of the Natural Energy Laboratory of Hawaii Authority.

Testimony in support of the nominee was submitted to your Committee by: the Department of Land and Natural Resources (DLNR); Kaho`olawe Island Reserve Commission; the County of Hawaii's Mayor, Managing Director, Executive Assistant to the Mayor, Department of Parks and Recreation, Planning Department, and Police Department; Office of Hawaiian Affairs; the Commission on Water Resource Management; American Red Cross; the Natural Energy Laboratory of Hawaii Authority; Kaupulehu Developments; Hawaii Leeward Planning Conference; Waimea Water Services, Inc.; Mac Farms of Hawaii; Parker Ranch; McCandless Ranch; the Land Use Research Foundation of Hawaii; R.M. Towill Corporation; Akinaka & Associates, Ltd.; Big Island Film Office; Kamehameha Schools, Hawaii Island Region; Ka Pa Hula o Kauanoe O Wa`ahila, Hawaii Forest & Trail; Construction Technology Pacific, Inc.; a former Director of the Department of Land and Natural Resources; and fifteen private citizens. The Sierra Club submitted concerns about the appointment of Peter Young. Testimony in opposition was submitted to your Committee by ten private citizens. Oral testimony in opposition was submitted by the Native Hawaiian Legal Corporation.

Your Committee members diligently questioned the nominee regarding his administrative qualifications, his vision and priorities for the DLNR, and related policy issues presently before the Legislature. In addition, your Committee questioned Mr. Young regarding concerns expressed by environmentalists about his apparent support for Hokuli`a, the controversial luxury residential development and golf course in Kailua-Kona. Your Committee believes that the nominee adequately responded to the Committee's inquiries by explaining that he did not support the development's original actions, which had resulted in heavy sediment runoff into pristine Kealakekua Bay, but did support the development's subsequent protective measures against future runoff.

Mr. Young also responded to concerns about the Hokuli`a's and the DLNR's treatment of native Hawaiian burial sites on the development's property. Since Mr. Young has been director of the DLNR, he has consulted with the Hokuli`a developers, the Big Island Burial Council, and two families who are lineal descendants of the remains at the site. DLNR's recent proposal for a wall to be built around the burial site was contested by environmentalists because the wall's location allowed for more building sites. Although the proposal has yet to be approved, environmentalists voiced concerns that this proposal showed that Mr. Young would favor developers during his tenure as head of the Land Board. Your Committee finds, however, that in his one month at the helm, he has been a consensus builder who is able to communicate well with all sides and look at all sides of the issues presented to him.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1007 Health on S.C.R. No. 16**

The purpose of this measure is to request the Department of Health to develop a plan and programs to address treatment and prevention of hepatitis C in the State in collaboration with community-based organizations and health providers.

Testimony supporting this measure was received from the Department of Health, Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO, Hep-C Alert, Inc., Hawaii Medical Association, Hoffman La Roche Service Corporation, Tampa Bay Hepatitis Task Force, Drug Addiction Services of Hawaii, Inc., Pharmaceutical Research and Manufacturers of America, Kaiser Permanente, Hawaii State Sterile Needle Exchange Oversight Committee, and eight individuals.

Your Committee finds that the hepatitis C virus (HCV) is a terrible virus that is responsible for nearly half of all chronic liver disease and cirrhosis in the nation. It is estimated that 20,000 Hawaii residents are currently infected with HCV, most of whom are unaware of their infected status and increased risk of contracting a potentially fatal liver disease. If the State does not address this health issue soon, the social and medical costs will be exorbitant. Your Committee finds that this measure appropriately focuses government and state resources on combating HCV.

Your Committee has amended this measure by stating that recent studies indicate that the prevalence of hepatitis C in first responders, such as firefighters, emergency medical technicians, and health care personnel is higher than the general population. Your



Committee further amended this measure by requesting the Department of Health to brief the 2004 Legislature on its report, findings, and recommendations.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 16, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 16, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Inouye, Tsutsui).

**SCRep. 1008 Human Services on S.C.R. No. 10**

The purpose of this measure is to request an audit of the quality assurance system implemented by the Developmental Disabilities Division of the Department of Health, for providers of services to individuals with developmental disabilities.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association; Opportunities for the Retarded, Inc.; and the Hawaii Disability Rights Center. Oral testimony in support of this measure was presented by the Research Center of Hawaii-Special Needs Network. The Department of Health submitted comments on this measure.

Your Committee finds that the Developmental Disabilities Division (Division) of the Department of Health (Department) oversees the developmental disabilities system mandated by section 333F-2, Hawaii Revised Statutes, including a comprehensive system of supports and services for individuals with developmental disabilities or mental retardation, with services provided in accordance with a client-centered plan incorporating client choices and self-determination; the provision of an array of individually appropriate services and care; and the maximization of funds for community services, using state matching funds to access federal and other governmental and private finance programs.

Your Committee further finds that, as recently as 2001, the Department had no formal quality assurance program in place to monitor and improve services. The Centers for Medicare and Medicaid Services (formerly known as the Health Care Financing Administration) issued new federal quality assurance protocols, which required states to monitor the implementation of individual planning processes and to assure the health and welfare of individuals with disabilities in Medicaid Home and Community-Based Services Waiver Programs.

Your Committee further finds that the absence of a viable quality assurance program within the Developmental Disabilities Division not only jeopardizes federal matching grants for the State's developmentally disabled programs, but it also places persons with developmental disabilities at risk. The recent trend away from institutionalization, in favor of community-based services and programs, underscores the need to adequately monitor the quality of services provided under purchases of service contracts, and to protect the health and safety of the individuals with developmental disabilities or mental retardation receiving the services.

Your Committee further finds that, given the considerable amount of Medicaid spending on home and community-based waiver services for persons with developmental disabilities, it is imperative for the the Department of Health to ensure that state funds are properly spent, and that the programs are achieving the intended outcomes. Such quality assurance initiatives also address federal requirements for continued Medicaid waiver funding.

Accordingly, your Committee has amended the measure to expand the scope of the audit to include:

- (1) A review of existing Medicaid Waiver policies, rules, and regulations that may be barriers to provider participation, and the impact of budget uncertainties on providers and the quality of services; and
- (2) Consideration of the need to balance the Department's implementation of "client choice" and "self-determination" mandates with the reasonable and effective use of government funds.

Your Committee has further amended this measure to correct the internal citation to the Auditor's Report and to make other technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

In conducting the audit, the Auditor is requested to focus on the level of funding to ensure that Hawaii is in compliance with federal mandates, and to ensure that individuals with developmental disabilities are receiving the highest quality of care and support.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 10, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 10, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

**SCRep. 1009 Human Services on S.C.R. No. 12**

The purpose of this measure is to convene a task force to develop a plan for graduated parenting in the public schools.

Testimony in support of the intent of this measure was submitted by the Department of Education and the Department of Health.

Your Committee finds that there is a need to provide a continuum of parenting education and support to parents as their children mature. The Department of Education testified that it currently offers a variety of programs and workshops to assist parents in supporting their children to succeed in school, including the Parent-Community Networking Programs and the Community School for Adults. In addition, the Families for R.E.A.L. (Resources for Early Access to Learning) program provides parenting skills training for parents with children from zero to five years of age at three sites statewide. Other parenting programs, such as the Parent Empowerment Initiative, Loving Solutions, and the Parent Project, are designed for difficult-to-raise children and adolescents. The Department of Education testified that in 2001, over 10,000 parent workshops and activities were conducted for 1,732,292 participants. Despite this apparent plethora of education and training for parents, your Committee finds that there is no widely available program that teaches child development and developmentally appropriate parenting skills relative to a child's stage of development. Your Committee believes that establishing this task force is the necessary first step in providing such training.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 12 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

**SCRep. 1010      Ways and Means on Gov. Msg. No. 2**

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF THE DEPARTMENT OF BUDGET AND FINANCE

G.M. No. 2    GEORGINA KAWAMURA for a term to expire December 4, 2006,

Upon review of the statement submitted by the nominee, your Committee finds that Georgina Kawamura will work with compassion and commitment to assist in administering the government functions relating to the Department of Budget and Finance. Your Committee further finds that the nominee has been appointed based upon her credentials, integrity, and a desire to make Hawaii better through her participation as Director of Finance to which she has been nominated.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 1011      Judiciary and Hawaiian Affairs on Jud. Com. No. 1**

Recommending that the Senate consent to the nomination of the following:

DISTRICT COURT OF THE THIRD CIRCUIT

MATTHEW S.K. PYUN;

Your Committee received testimony in support of the nominee from the Hawaii State Bar Association (HSBA) and twenty-five individuals.

The HSBA subjected the nominee to rigorous review and evaluation before rating the nominee as "highly qualified" for the position. That rating is the highest endorsement given by the HSBA for judicial appointment recommendations. The review includes a thorough evaluation of the nominee based on a modified version of the American Bar Association Guidelines for Reviewing Qualifications of Candidates for Judicial Office. The criteria include: integrity; legal knowledge and ability; professional experience; judicial temperament; diligence; financial responsibility; public service; collegiality; and writing ability.

Matthew S.K. Pyun received a BBA degree from the University of Hawaii and a JD degree from Drake University School of Law, and has been licensed since 1965 to practice law in Hawaii state courts, the U.S. District Court in Hawaii, and the U.S. Court of Appeals for the Ninth Circuit. He has been in private practice since 1971 with extensive experience in various areas of the law, including trial, administrative, and appellate work. He is currently a per diem district court judge for the third circuit. He has worked as associate counsel for the Legal Aid Society of Honolulu, Deputy Corporation Counsel for the City and County of Honolulu, and law clerk for Judge Martin Pence of the United States District Court for the District of Hawaii. The nominee has been listed in the Who's Who in American Law and The Best Lawyers in America, Criminal Law Section, State of Hawaii, and is a member of the American Bar Association, American Trial Lawyers Association, National Association of Criminal Defense Attorneys, Phi Alpha Delta Law Fraternity, and Hawaii Trial Lawyers Association. He has also been a guest lecturer at several professional seminars in criminal law.

Your Committee notes that the nominee is currently serving in a per diem capacity in the position to which he is being nominated, and that the nominee has resided on the Big Island since 1989. Most importantly, the nominee states that he finds the District Court to be exciting and challenging as participants bring to the court their emotions, beliefs, and causes with the full intention of making the judge aware of them, which is why he finds it important for a district court judge to be mature and controlled to maintain order.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kawamoto, Hogue).

**SCRep. 1012 (Majority) Labor on H.B. No. 29**

The purpose of this measure is to prohibit an employer from requiring an employee to work for more than eight hours continuously without at least a thirty-minute meal break period, unless a collective bargaining agreement contains an express meal break provision.

This measure also requires employers to allow an employee to express breastmilk during any meal break required by law, a collective bargaining agreement, or voluntarily provided by the employer.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO and the ILWU Local 142. The Department of Human Resources Development and the Hawaii Civil Rights Commission submitted testimony in support of the intent of the measure. Testimony in opposition to the measure was submitted by the Department of Labor and Industrial Relations, the Oahu Transit Services, Inc., the Society for Human Resources Management, the Retail Merchants of Hawaii, and Covanta Energy Group, the Hawaii Transportation Association, and American Savings Bank.

Your Committee finds that to permit employees to express breastmilk during a meal period or other break, the Legislature enacted Act 172, Session Laws of Hawaii 1999. Act 172 specified that employees could not be prohibited from expressing breastmilk during any meal or other break required by law. However, neither federal nor state wage and hour laws requires employers to provide employees over the age of sixteen a meal period irrespective of the number of consecutive hours employees work.

Your Committee determines that employees who work more than eight consecutive hours should be provided at least a thirty-minute meal break, which will safeguard the health and safety of employees as well as promote work efficiency and productivity. Additionally, employees should be permitted to express breastmilk during any meal break, as provided within this measure, any collective bargaining agreement, or voluntarily provided by the employer.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 29, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Sakamoto).

**SCRep. 1013 (Majority) Labor on H.B. No. 290**

The purpose of this measure is to create a program to extend unemployment insurance benefits; provided that the federal Temporary Extended Unemployment Compensation program is not extended after May 31, 2003.

This measure also ensures that state benefits will cease once the unemployment insurance fund reaches the threshold where the Department of Labor and Industrial Relations would be required to increase the unemployment taxes paid by employers, conforms state statutory provisions to the federal Temporary Extended Unemployment Compensation Act of 2002, and permits the usage of unemployment insurance trust fund moneys for unemployment benefits as well as administrative costs.

Testimony in support of this measure was submitted by the ILWU Local 142. The Department of Labor and Industrial Relations, the Chamber of Commerce of Hawaii, and the Retail Merchants of Hawaii submitted testimony in opposition to this measure.

Your Committee finds that Hawaii's economy has experienced a significant downturn over the past several years, predominantly in the tourist industry and particularly since the terrorist attacks of September 11, 2001. This depressed economic state has caused an unprecedented number of individuals to fall victim to layoffs, work furloughs, and decreased work hours. Your Committee believes that the imminent threat of war will continue to further exacerbate the problem and mandates the need for assistance and support for those individuals who continue to be affected by the distressed state of the economy. Your Committee further believes that the passage of this measure will act as a necessary precaution in these unstable political and economic times.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 290, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Sakamoto).

**SCRep. 1014 (Majority) Labor on H.B. No. 389**

The purpose of this measure is to require an employer, including the State or any political subdivisions thereof, who provides sick leave for employees to permit employees to use up to ten days of any accrued and available sick leave for family leave purposes, unless a collective bargaining agreement authorizes the use of more time.

This measure also clarifies that an employer shall not be required to diminish an employee's accrued and available sick leave below the amount required pursuant to the temporary disability insurance law, section 392-41, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO, the Hawaii Government Employees Association, the ILWU Local 142, the State of Hawaii Organization of Police Officers, the International Brotherhood of Electric Workers of Hawaii, and a private citizen. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Department of Human Resources Development, the Chamber of Commerce of Hawaii, the National Federation of Independent Business—Hawaii, the Society for Human Resources Management, the Hawaii Bankers Association, the Retail Merchants of Hawaii, and American Savings Bank.

Your Committee finds that existing law does not require an employer to allow an employee to utilize sick leave to attend to the illness of a child, parent, spouse, or reciprocal beneficiary. Your Committee believes that it is important to promote and support the family unit and provide workers with the ability to care for seriously ill children, parents, spouses, or reciprocal beneficiaries, without the concern for financial security.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 389, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

**SCRep. 1015 (Majority) Labor on H.B. No. 531**

The purpose of this measure is to require adjustments to compensation and benefit packages for excluded civil service employees that would be equal to those granted to employees covered by collective bargaining.

The Hawaii Government Employees Association, Managerial and Confidential Employees Chapter submitted testimony in support of this measure. The Department of Human Resources Development submitted testimony in opposition to this measure.

Your Committee finds that Act 253, Session Laws of Hawaii 2000, amended the law as it relates to salary increases and other cost adjustments for excluded civil service employees to allow for variable adjustments based upon performance. Accordingly, such adjustments are permitted to be lower than adjustments for those covered under a collective bargaining agreement, a practice which was previously disallowed.

However, your Committee determines that the majority of excluded employees are career civil servants who have competed for their positions in the same manner as other public employees. Furthermore, these excluded employees have spent their entire careers gaining the invaluable knowledge and skills required to efficiently and effectively run the programs that provide critical services to our community. Despite changes in the administration, they have successfully risen through the ranks and continue to perform their managerial duties.

Therefore, your Committee believes that it is necessary to adequately compensate these excluded employees, in the interest of fairness and equity, at a level which is at least equal to their counterparts who are covered by collective bargaining.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 531, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Sakamoto).

**SCRep. 1016 Commerce, Consumer Protection and Housing on Gov. Msg. No. 4**

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS

MARK RECKTENWALD, for a term to expire December 4, 2006,

Your Committee received testimony in support of the nomination from the following: State Representative for the Twenty-Eighth District, United States Attorney for the District of Hawaii, National Federation of Independent Business-Hawaii, Hawaii Financial Services Association, Legislative Information Services of Hawaii, J.S. Services, Inc., Grassroot Institute of Hawaii, Hawaii Government Employees Association, Hawaii Automobile Dealers' Association, Akaku: Maui Community Television, Hawaii Association of Realtors, The Chamber of Commerce of Hawaii, Pacific Management Consultants, Inc., L19.5 Associates, LLC, House of Finance, Inc., three employees of the Department of Commerce and Consumer Affairs, and numerous individuals from the business, legal, and medical communities. Oral testimony in support of the nomination was presented by the Hawaii Medical Association and two individuals.

Mr. Mark Recktenwald graduated magna cum laude from Harvard University in 1978 and with honors from the University of Chicago Law School in 1986. His legal experience includes a clerkship with Chief United States District Judge Harold Fong, five

years in private practice, and nine years with the Office of the United States Attorney where he received the Inspector General's Integrity Award.

As an attorney in private practice, Mr. Recktenwald handled a variety of business and antitrust matters normally assigned to more senior attorneys. As a Deputy United States Attorney, the nominee successfully prosecuted cases involving financial and regulatory crimes, including cases of health care fraud. Numerous supporters attested to his outstanding administrative skills, which enabled him to coordinate and lead various task forces and working groups, comprised of large numbers of persons from county, state, and federal agencies and the private sector.

Your Committee received unanimous and unequivocal testimony in support of the nominee's professional skills and personal qualities. Time and time again, Mr. Recktenwald was described as intelligent, hardworking, honest, ethical, fair, and compassionate. One colleague, who has known the nominee for almost twenty years, testified that Mr. Recktenwald treats everyone with dignity and respect, carefully listens to all viewpoints, is prudent in making decisions, will not yield to improper influences, and is committed to doing what is right, rather than what is expedient.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Whalen).

**SCRep. 1017      Judiciary and Hawaiian Affairs on H.B. No. 564**

The purpose of this measure is to make it a class C felony to promote a controlled substance in public parks.

Your Committee received testimony in support of this measure from the Honolulu Police Department and three concerned citizens. The Office of the Public Defender opposed the measure.

Your Committee finds that children and adolescents are very easily influenced by their peers and elders. Many drug addicts were exposed to drugs at a young age. Decreasing a child's exposure to drugs may lower the chance that the child will use drugs.

Your Committee further finds that drug pushers frequent places where children congregate. Certain public parks are known to be areas where drugs can be obtained. Your Committee agrees with the intent of the measure; to deter drug pushers from targeting areas where children and adolescents are known to congregate. To further effectuate this intent, your Committee believes that the scope of this measure should be extended to include other areas frequented by children and adolescents. Therefore, your Committee amended this bill by:

- (1) Amending the section title by substituting "protected places" for "school or school vehicles";
- (2) Reformatting subsection (1) by creating a list of protected places, and adding shopping malls, theater complexes, arcades, libraries, church grounds, bowling alleys, beaches, and beach parks to the list;
- (3) Reformatting subsection (1) paragraphs to subparagraphs and referencing the list of protected places;
- (4) Referencing the list of protected places in subsection (2); and
- (5) Defining "shopping mall", "theater complex", and "arcade".

Your Committee notes the concern of one of its members that legitimate dispensers of drugs would be affected by these amendments. Your Committee finds, however, that §712-1240.1 provides a defense to prosecution if the person who possessed or distributed the drug did so under authority of law as a practitioner, as an ultimate user of the drug pursuant to a lawful prescription, or as a person otherwise authorized by law.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 564, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 564, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

**SCRep. 1018      Judiciary and Hawaiian Affairs on H.B. No. 652**

The purpose of this measure is to correct errors, omissions, or obsolete provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii.

Your Committee received testimony in support of this measure from the Legislative Reference Bureau and the Office of Collective Bargaining, Executive Office of the Governor.

Your Committee finds that the amendments to the Hawaii Revised Statutes and the Session Laws of Hawaii proposed by this measure are purely technical and housekeeping, and do not substantively change legislation already enacted.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 652, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

**SCRep. 1019      Judiciary and Hawaiian Affairs on H.B. No. 1111**

The purpose of this measure is to appropriate funds to satisfy claims against the State for tax refunds, judgments, settlements, and miscellaneous claims.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that timely passage of this bill will serve to minimize interest accruing on certain claim amounts.

Your Committee raised concerns about a \$70,591.07 disparity between two federal court cases when the senate version of this bill was heard. The Department of the Attorney General provided justification to both this Committee and the Senate Committee on Ways and Means explaining the disparity. Your Committee does not believe the disparity in attorney fees between Arakaki v. State of Hawaii and Smith v. State of Hawaii is justified.

The Attorney General also testified that his department would be providing further information regarding the Burns-Vidlak and Sterling class action settlements for inclusion in this bill. These law suits stem from the QUEST regulation violations. Therefore, based on this Committee's concerns and other requests for amendments from the Attorney General, your Committee amended the bill by:

- (1) Deleting claims for Event Partners in Concession Services, et al. v. State of Hawaii, and Hi-Tec Roofing Services, Inc. v. State of Hawaii from section 3, and creating a new heading for the Department of Accounting and General Services in section 1;
- (2) Reflecting the new total of \$27,500 in section 3;
- (3) Creating a new heading for the Department of Human Services in section 1, and inserting the \$7,000,000 Burns-Vidlak and Sterling class action settlement;
- (4) Deleting the claim of Charles Ramos from the Department of Education claims and adding it to the miscellaneous claims section, and re-totaling those sections;
- (5) Reducing the Smith v. State of Hawaii claim from \$126,085.15 to \$63,042.58;
- (6) Deleting the Oberle v. State of Hawaii claim from section 5, re-totaling the section, and correcting the program identification designation to read "special fund" instead of "general fund" as the appropriation source for the remaining claim;
- (7) Replacing the contents of section 6 with the Oberle v. State of Hawaii claim, creating an additional heading for the Department of Land and Natural Resources, and appropriating the claim from program identification LNR (806); and
- (8) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1111, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1111, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

**SCRep. 1020      Judiciary and Hawaiian Affairs on H.B. No. 1154**

The purpose of this measure is to increase the Unclaimed Property Trust Fund (UPTF) ceiling to \$1,500,000, authorize deductions from proceeds for costs incurred in connection with the sale of unclaimed securities, and to appropriate unspecified sums in fiscal years 2003-2004 and 2004-2005 from the UPTF for administration and operation of the unclaimed property program.

Your Committee received testimony in support of this measure from the Department of Budget and Finance.

Your Committee finds that chapter 523A, Hawaii Revised Statutes, requires all holders of abandoned property to file an annual report with the Unclaimed Property program. All property remaining unclaimed is safeguarded until claimed. Payments received by the Unclaimed Property program from property holders range from nine million to twelve million dollars annually, and are deposited into the UPTF. Currently, only claims for abandoned property are deducted from the UPTF which total approximately three million annually. UPTF monies in excess of the authorized ceiling are transferred to the general fund.

Your Committee further finds that the definition of "trust fund" in §37-62, Hawaii Revised Statutes, does not bar the use of trust funds for operating expenses. Therefore, your Committee believes UPTF administration and operating expenses may be deducted from the UPTF as legitimate purposes of the trust fund.

Your Committee amended the bill pursuant to testimony received by:

- (1) Replacing references to §523A-23(b), Hawaii Revised Statutes, with §523A-23.5(b)(3), Hawaii Revised Statutes, in section 1; and
- (2) Making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1154, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1154, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

**SCRep. 1021 (Joint) Health and Human Services on S.C.R. No. 8**

The purpose of this measure is to express support for a women's health platform that recognizes serious inequities in the health prevention and treatment of women and calls for the elimination of these inequities to improve the health status of women in Hawaii.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women; the American Heart Association of Hawaii; Hawaii Pacific Health; Parents and Children Together; Life of the Land; and one concerned citizen. The Department of Health submitted testimony in support of the intent of this measure.

Your Committees find that, over the course of their lifetimes, women generally have more need for health care than men do. Women generally have a higher incidence of chronic and pathological conditions, as well as unique needs relating to breast cancer, contraception, maternity, menopause, and domestic and sexual abuse. Women also live longer than men, and therefore have more extensive need for long-term care and geriatric treatment. Women also suffer from depression twice as frequently as men, and have other mental health related needs.

Your Committees further find that, despite these disparities, women face systemic bias in the health care industry in the areas of research, diagnoses, treatment, and financing. Examples abound, including: the use of the male as normative; the exclusion of women from observational and clinical studies, even when the issue being addressed has great relevance to them; the fact that a majority of research has involved biomedical approaches, with too little attention being given to social and cultural factors which can have profound influences on women's lives.

In light of the growing awareness that women's health needs are not adequately addressed by the health professions, your Committees find that it is time to begin the discussion on how to address these serious gender inequities.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 8 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Inouye, Hogue)

**SCRep. 1022 Health on Gov. Msg. No. 9**

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF HEALTH

CHIYOME L. FUKINO, M.D., for a term to expire on December 4, 2006,

Testimony supporting the nomination was received from the Deputy Director of Health, Chair of the Board of Land and Natural Resources, a Trustee of the Office of Hawaiian Affairs, Hawaii Health Systems Corporation, Leahi Hospital, Chair of the Department of Psychiatry at the University of Hawaii John A. Burns School of Medicine, The Queen's Health Systems, The Queen's Medical Center, Hawaii Pacific Health, Hawaii Association of Health Plans, Papa Ola Lokahi, Healthcare Association of Hawaii, Hawaii Primary Care Association, Hawaii Medical Association, Friends of Imi Ho'ola, Aloha Care, Hawaii Coalition of Care Home Administrators, National Alliance of the Mentally Ill – Oahu, Hawaii Psychiatric Medical Association, Mental Health Association in Hawaii, University of Hawaii School of Public Health Alumni Association, 'Ahaui o na Kauka, and eight individuals. E Ola Mau and one individual submitted oral testimony in support of the nominee.

Chiyome L. Fukino, M.D., graduated from the University of Hawaii John A. Burns School of Medicine in 1979, completed her residency through the University of Hawaii Integrated Medical Residency Program in 1982, and, after being employed as a physician with Fronk Clinic, started her own private practice in 1985. She has also served as the medical director for Queen's Physician Group, part-time medical staff for Leahi Hospital, and a contract consultant for Kahi Mohala.

Throughout her industrious career, Dr. Fukino has contributed an enormous amount of her time and expertise toward improving health care in Hawaii. She is a board member of the Queen's Medical Center and the Chair of the Hawaii Medical Association Native Hawaiian Health Committee, and has served on numerous other boards, committees, and task forces. In addition, Dr. Fukino has made presentations at various hospitals on alternative and herbal medicine. Her dedication to Native Hawaiian health issues is self-evident in her work with E Ola Mau, a nonprofit corporation of Native Hawaiian Health Care Providers dedicated to improving the health of Native Hawaiians. Under the coordination of Dr. Fukino, E Ola Mau developed Aids Education Curriculum for Native Hawaiians and No Ka Pono O Ke Ola O Na Pokii, a project that provided health care services to students.

Upon review of the statements submitted by the nominee and the testimony received, your Committee finds that the nominee is committed to reviewing the structure and operations of the Department of Health to weed out inefficiencies, provide for quality assurance, and establish clear lines of accountability. In addition, your Committee believes that the nominee will be diligent in her efforts to create, sustain, and promote prevention programs and address the health needs of the residents of the entire State. Your Committee further finds that the nominee has been appointed based upon her credentials, integrity, and sincere desire to improve the health and welfare of Hawaii's residents as Director of the Department of Health.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hogue).

**SCRep. 1023      Tourism on S.C.R. No. 24**

The purpose of this measure is to request Hawaii's hotels to provide email and Internet access facilities for guests.

Testimony in support of this measure was received from the Hawaii Hotel Association.

Your Committee finds that an under-exploited segment of the tourism market is business traveler. Whether visiting Hawaii for a convention or for transacting business, the businessperson needs access to electronic amenities that enable instant communication with their business and other parties. Due to our State's geographic isolation, we must strive to make trips to Hawaii for business and other purposes as convenient as possible. Providing such electronic amenities to our hotels will allay the concerns some business travelers may have over being so far away from their business. An example is the Microsoft commercial, "Business at the speed of thought". Your Committee views this measure as enhancing that objective.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 24 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Tsutsui).

**SCRep. 1024      Health on H.B. No. 735**

The purpose of this measure is to make an appropriation for sexual assault services.

Testimony supporting this measure was received from the Hawaii State Commission on the Status of Women, Honolulu City and County Department of the Prosecuting Attorney, Community Alliance on Prisons, Sex Abuse Treatment Center, Planned Parenthood of Hawaii, and one individual. The Department of Health supported the intent of this measure but opposed this measure citing the State's current economic condition and fiscal constraints.

Your Committee finds that sexual assault is an epidemic that affects men, women, and children in Hawaii. In addition to the injuries sustained from sexual assault, victims may be at risk for sexually transmitted diseases, unwanted pregnancy, psychological trauma, social problems, and developmental disabilities. Unfortunately, funding for sexual assault services for victims continues to be insufficient to meet their needs and those of their families.

Your Committee finds that the appropriation made by this measure provides funds that will ensure that sexual assault victims in Hawaii receive the care and support they desperately need.

Your Committee has amended this measure by specifying \$300,000, as the amount of the appropriation and by making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 735, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 735, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hogue).

**SCRep. 1025      Judiciary and Hawaiian Affairs on H.B. No. 176**



The purpose of this measure is to allow the Department of Public Safety to contract with a private nonprofit corporation for the purposes of coordinating policy, disbursing funds, and implementing community plans related to the Hawaii Weed and Seed Program.

Your Committee received testimony in support of this measure from the Executive Director of Weed and Seed Hawaii, the Honolulu Police Department, two members of the Weed and Seed Expansion Task Force, Meadow Gold Dairies, the Waikiki Citizens Patrol, and a concerned citizen. The Department of Public Safety opposed this measure.

Your Committee finds that law enforcement efforts alone are unsuccessful in revitalizing a community ravaged by the effects of drug abuse and related criminal activity, poverty, and unemployment.

Your Committee further finds that the Weed and Seed program utilizes a coordinated approach to restoring a community. Law enforcement agencies, social service agencies, private businesses, nonprofit organizations, and members of a community work together to reclaim and rebuild communities. The four key elements to the Weed and Seed program are:

- (1) Law enforcement;
- (2) Community policing;
- (3) Prevention, intervention, and treatment programs; and
- (4) Neighborhood restoration.

Your Committee notes that crime in the Kalihi-Palama/Chinatown area of downtown Honolulu has significantly declined since the inception of the Weed and Seed program. Your Committee agrees that the program should be expanded into other high crime areas.

Your Committee amended the bill by deleting its contents and inserting Senate Bill No. 361, S.D. 2 language that establishes a temporary interdepartmental council for coordinating Weed and Seed efforts.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 176, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 176, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1026 (Majority) Judiciary and Hawaiian Affairs on H.B. No. 298**

The purpose of this measure is to direct the executive branch to initiate the process of developing the undeveloped portion of the Halawa Correctional Facility site for a new correctional facility.

Your Committee received testimony in support of this measure from the Community Alliance on Prisons and a private individual. Testimony in opposition was received from the Lieutenant Governor, Department of Public Safety, and a private individual.

The site of the Halawa Correctional Facility has been the subject of much discussion and debate in recent years. The issues concern prison overcrowding, which necessitates the relocation of prisoners to mainland penal facilities; rehabilitation, which concerns the best practices methodology for treatment and rehabilitation of drug users and addicts; and costs of paying for construction. These complex issues are intertwined, conflicting, and interdependent.

To facilitate further discussion on this important and complex issue, your Committee has amended the measure by changing the effective date to July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 298, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 298, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Hogue). Excused, 1 (Ihara).

**SCRep. 1027 Judiciary and Hawaiian Affairs on H.B. No. 851**

The purpose of this measure is to repeal the requirement that taxpayers must pay a disputed tax prior to filing an appeal with the tax appeal court.

Your Committee received testimony in support of this measure from the Chamber of Commerce of Hawaii and two members of the National Federation of Independent Business. Testimony in opposition to this measure but supporting the Senate version of the measure was received from the Department of Taxation, the Hawaii State Bar Association, and the Hawaii Society of Certified Public Accountants. The Tax Foundation of Hawaii offered comments.

Your Committee finds that Act 199, 2000 Session Laws of Hawaii eliminated the prepayment of assessed taxes or “pay to play”, for appeals to a board of review. Appeals to the tax appeal court retained the “pay to play” requirement. Because of Act 199, the board of review is experiencing a substantial backlog of cases. Your Committee further finds that extending the repeal of “pay to play” beyond a first appeal invites abuse of the tax appeal system by persons attempting to delay payment of taxes. Therefore, your Committee amended the bill by:

- (1) Clarifying that no tax prepayments are required prior to filing an appeal with the board of review;
- (2) Repealing the tax prepayment requirement for first appeals to the tax appeal court;
- (3) Clarifying that the taxpayer must pay assessed taxes plus interest if the taxpayer appeals a decision by the board or a decision by the tax appeal court;
- (4) Amending the tax court’s discretion to waive the tax prepayment requirement for cases not exceeding \$50,000, to apply to subsequent appeals; and
- (5) Changing all references to “tax court” to “tax appeal court” for clarity and consistency.

Your Committee notes that the Deputy Director of Taxation and the representative for the Hawaii State Bar Association and the Hawaii Society of Certified Public Accountants agreed on the bill’s effective date, and that the measure would apply prospectively.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 851, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 851, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1028      Judiciary and Hawaiian Affairs on H.B. No. 857**

The purpose of this measure is to require a sixty-day public comment period following public notification for each proposed new correctional facility site, or expansion of inmate capacity or capital improvement project in excess of \$500,000 at an existing correctional facility.

Your Committee received testimony in support of this measure from the Community Alliance on Prisons. HGEA-AFSCME supported the intent of the measure and proposed additional amendments. The Lieutenant Governor, the Department of Public Safety, and the Department of Accounting and General Services opposed the measure.

Your Committee finds that public notification and participation in government decisions that directly impact a community is essential. Involving the public in new correctional facility site selections promotes trust in government. Your Committee finds, however, that public involvement should not unreasonably impact government activities by adding significant costs or causing significant delays. Your Committee further finds that the bill as written would trigger the notification and sixty-day comment period for such things as upgrading fire sprinkler systems or replacing sewage treatment systems in existing correctional facilities.

Weighing both concerns, your Committee amended the bill by:

- (1) Deleting paragraphs (1) and (2) and references to these paragraphs;
- (2) Deleting the requirement that notice be provided each time a potential site is selected, or before expanding the inmate capacity or beginning a capital improvement project costing in excess of \$500,000 at existing correctional facilities;
- (3) Adding clarifying language that public notice and comment is only required if an environmental assessment or impact statement is required for a proposed site or expansion of an existing facility under §343-5;
- (4) Deleting the phrase “not fewer than” on page 2, line 3;
- (5) Deleting the phrase “so as not to impose additional time on the State” on page 2, line 4; and
- (6) Reformatting the language without paragraphs, and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 857, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 857, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1029      Judiciary and Hawaiian Affairs on H.B. No. 1003**

The purpose of this measure is to allow nonpayable restitution to be used for crime victim compensation instead of escheating to the state General Fund, and to allow a compensation award to be transferred for the benefit of a minor under the Uniform Transfers to Minors Act. The measure also amends chapter 351, Hawaii Revised Statutes to:

- (1) Allow the Crime Victim Compensation Commission (Commission) to provide mental health services to surviving relatives in cases involving death or sexual assault, or to child witnesses or witnesses sixty years of age or older in cases involving qualifying crimes;
- (2) Repeal "pain and suffering" awards and allow the commission to order "acknowledgment awards" for a victim; and
- (3) Allow court ordered restitution pursuant to §§706-646 and 712A-18, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Crime Victim Compensation Commission, Department of the Prosecuting Attorney, and the Sex Abuse Treatment Center. The Department of the Attorney General opposed parts of the measure.

Your Committee finds that the Legislature created the Commission thirty-five years ago to compensate victims of violent crimes or their survivors for unreimbursed expenses related to physical or emotional injury, or death. Your Committee further finds that over the past thirty-five years, the Commission has sought to implement improvements to better respond to the compensation needs of victims.

Your Committee further finds that the Commission should have the authority to establish trust funds for minors who are victims of violent crimes. A significant number of the Commission's cases involve physical or sexual assault of minors by their parents. In some of these cases, the nonoffending parent does not believe the crime occurred and does not protect the minor. The measure allows the Commission to establish, deposit, and hold compensation awards in trust for minors until a minor reaches the age of majority.

Nonpayable restitution consists of restitution payments that cannot be paid to the intended victim because the victim cannot be located. Currently, nonpayable restitution escheats to the state General Fund. Your Committee believes nonpayable restitution should be used to assist other crime victims.

Your Committee further finds that over half of the children who witness domestic violence against their mothers suffer symptoms of post-traumatic stress disorder. Mental health intervention is recommended for children and elderly violent crime witnesses. Additionally, surviving family members of murdered victims, and family members of child sexual assault victims, require mental health counseling to achieve family healing.

Your Committee further finds that victims often confuse the Commission's "pain and suffering" award with "pain and suffering" awards in civil court cases. Victims occasionally feel as though their pain and suffering is trivialized by the Commission's award. The purpose of the Commission's "pain and suffering" award, however, is to acknowledge that a victim has been harmed, and not to compensate for actual pain and suffering. Therefore, your Committee agrees that the "pain and suffering" connotation should be repealed.

Pursuant to testimony received, your Committee amended the bill by:

- (1) Amending the definition of "victim" in §351-2, Hawaii Revised Statutes, to include a child or a person who is sixty years of age or older who witnesses a crime listed in §351-32, Hawaii Revised Statutes, and requires mental health services;
- (2) Clarifying that mental health services are limited to mental health counseling services;
- (3) Deleting the term "acknowledgment awards" and inserting the words "acknowledgment of harm" into §§351-33 and 351-52, Hawaii Revised Statutes;
- (4) Amending §351-69, Hawaii Revised Statutes, to specify that except for persons already employed by the Commission in civil service positions, persons appointed to the Commission are appointed without regard to the civil service laws, and upon those civil service positions becoming vacant, the positions will be filled by noncivil service appointments;
- (5) Amending §351-70, Hawaii Revised Statutes, by repealing certain informational requirements in the Commission's report to the legislature, and requiring the Judiciary to transmit an annual report to the Governor and the Department of Public Safety detailing the Judiciary's compliance with Act 206, Session Laws of Hawaii 1998. The Judiciary report must include actual versus estimated compensation fees collected, number of eligible cases in which the fee was ordered, collected, or waived, and the criteria used for fee waiver;
- (6) Deleting language in §§523A-3.5, 706-646, and 712A-18, Hawaii Revised Statutes, requiring restitution collected that is not payable to the victim because the victim cannot be located to be deposited into the crime victim compensation special fund, and replacing it with language requiring restitution to be deposited in the Crime Victim Compensation Special Fund if a victim cannot be located through police, Judiciary, Hawaii Paroling Authority, or Crime Victim Compensation Commission records, the victim has not been in contact with these institutions for at least one year, notification of the proposed deposit is made at least once a week for two consecutive weeks in a newspaper of general circulation in this State, and the victim has at least 60 days after the last date of publication to file a claim; and
- (7) Amending the purpose section to include the requirement of public notification in paragraph (1), clarify that the commission is given authority to pay for mental health counseling in paragraph (3), replacing "acknowledgment award" with "acknowledgment of harm" in paragraph (4), requiring the Judiciary to report compliance with Act 206, Session Laws of

Hawaii 1998 in paragraph (5); and clarifying that the amended definition of "victim" include a child or person sixty years of age or older in need of mental health counseling services in paragraph (6); and

- (7) Making technical, nonsubstantive changes.

Your Committee acknowledges that the measure includes new amendments relating to the Commission's employee classifications. Because of the proposed new amendments, the proper procedure would have been to have the measure re-referred to the Senate Committee on Labor. Because time is of the essence, however, the Chair of the Senate Committee on Labor waived jurisdiction.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1003, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1003, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1030      Judiciary and Hawaiian Affairs on H.B. No. 1116**

The purpose of this measure is to exempt domestic abuse victims from paying court costs and fees for the filing, issuance, registration, or service of a protection order or a petition for a protection order, warrant, or witness subpoena.

Your Committee received testimony in support of this measure from the Department of the Attorney General, the Department of the Prosecuting Attorney, the Hawaii State Coalition Against Domestic Violence, the Domestic Violence Clearing House and Legal Hotline, and a concerned citizen.

Your Committee finds that the federal Violence Against Women Act (VAWA) provides for exempting domestic violence victims from paying court costs and fees associated with the filing, issuance, registration, or service of an order of protection or a petition for an order of protection or temporary restraining order. Federal grants are provided to states that comply with the Act.

Your Committee further finds that although Hawaii receives \$1.2 million in VAWA grant money, current laws do not provide domestic abuse victims with protective order cost and fee exemptions. The Judiciary's practice has been to waive these costs and fees for domestic abuse victims. This practice qualified Hawaii for grant money under the 2000 VAWA requirements. In May 2002, the Department of Justice issued Justice Program guidelines that now require states to statutorily exempt domestic abuse victims from paying court costs and fees related to protective orders.

Based on testimony received from the Department of the Attorney General and the Department of the Prosecuting Attorney, your Committee amended the bill by:

- (1) Replacing the phrase "persons subjected to abuse by a household member" with "victims of domestic violence" on lines 4 and 5;
- (2) Replacing the term "protective order" with "protection order" on line 14;
- (3) Replacing the phrase "abuse of a household member" with "domestic violence" on line 17;
- (4) Deleting the words "including any temporary or final order issued by a civil or criminal court, other than a support or custody order" on line 12; and
- (5) Rewording the definition of "protection order" to specify "temporary or final" orders of protection, and replacing references to chapter 586 and section 604-10.5, with the phrase "issued by a civil or criminal court, other than a support or custody order."

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1116, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1116, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1031      Judiciary and Hawaiian Affairs on H.B. No. 1302**

The purpose of this measure is to make technical, housekeeping amendments relating to the authority of the Office of Hawaiian Affairs (OHA) to award monetary grants.

Testimony supporting this measure was submitted by OHA.

Your Committee finds that this measure does not make substantive changes to the rights or obligations of the Procurement Office or OHA with respect to OHA's award of monetary grants. It returns the language in Chapters 103D and 103F, Hawaii Revised Statutes, to its form prior to Act 182, Session Laws of Hawaii 2002, and moves the operative language authorizing OHA's grant awarding authority into Chapter 10, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1302, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1032 Human Services on Gov. Msg. No. 11**

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF THE DEPARTMENT OF HUMAN SERVICES

LILLIAN KOLLER, for a term to expire December 4, 2006,

Upon review of the resume, vision statement, and other background information submitted by the nominee, your Committee finds that Lillian Koller holds a Bachelor of Arts degree in the humanities with highest honors from the University of California at Los Angeles in 1976, and a Juris Doctor degree from the Martin Luther King, Jr., School of Law at the University of California at Davis in 1981. Following law school, Ms. Koller practiced law in Los Angeles, San Francisco, and Maui for a number of years. In 1992, she served as Deputy Prosecuting Attorney for Maui County. From 1993-1999, she served as Deputy Corporation Counsel and was named County of Maui's Managerial Employee of the Year in 1994. In 1999, she was named Program Coordinator for the newly-established Maui Drug Court Program.

Testimony in support of the nominee was submitted by: the Department of Health; the Housing and Community Development Corporation of Hawaii; the Mayor of Maui County; a Maui County Councilmember; the Maui Department of Housing and Human Concerns; the Maui County Police Department; Aloha Care; the ARC of Kauai; Blueprint for Change; the Boys and Girls Club of Maui; Hawaii Coalition of Care Home Administrators; Hawaii Foster Parent Association; Hawaii Health Systems Corporation; Hawaii Long-Term Care Association; Hawaii Primary Care Association; Healthcare Association of Hawaii; Impact Drug and Alcohol Treatment Center; Maui Economic Concerns of the Community, Inc.; Maui Economic Opportunity, Inc.; Maui Plastic Surgery, LLC; Network Enterprises, Inc.; Okamoto Consulting Group; Parents and Children Together; and twenty-eight concerned citizens.

Testimony in support of the nominee indicated that Ms. Koller is highly intelligent, competent, and compassionate, a rare combination, and has a strong commitment to enriching the lives of others through her work. Possessed of a strong work ethic, high energy, and the desire to solve problems collaboratively, Ms. Koller has impressed other state agency directors and service providers with her ability to quickly grasp difficult issues and willingness to consider new approaches to resolve concerns involving the Department of Human Services. In addition, she is well-respected for her leadership in coordinating an unprecedented public-private collaborative effort to provide drug treatment and rehabilitation for nonviolent drug offenders diverted to the Maui Drug Court. The nominee started the Maui Drug Court from nothing and in just three years developed it into a highly successful, nationally award-winning program, supported in large part by the community through Friends of the Maui Drug Court, a non-profit organization established by the nominee to raise funds for the program.

Your Committee diligently questioned the nominee regarding her qualifications for the position and her vision, priorities, and action plan for the Department of Human Services. In addition, your Committee requested that the nominee disclose potential conflicts of interest with her acceptance of this position, if any. Your Committee believes that the nominee more than adequately responded to the Committee's inquiries and further offered thoughtful visions of the Department of Human Services and her role as its director. Your Committee believes that, given Hawaii's challenging economic climate, the State will need to adopt new and innovative approaches to ensure that there is an adequate safety net of essential services to help families, children, elders, and those who are least able to care for themselves. This, the nominee has assured your Committee, is a task that she is ready, willing, and able to undertake.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Hooser, Ige, Inouye).

**SCRep. 1033 Transportation, Military Affairs, and Government Operations on H.B. No. 1077**

The purpose of this measure is to appropriate funds for the Office of the Governor and the Office of the Lieutenant Governor to operate through June 30, 2003.

Your Committee received testimony in support of this measure from the Governor and the Lieutenant Governor.

Your Committee finds that the Legislature, during the 2002 Regular Session, did not provide full funding for the Governor's and Lieutenant Governor's offices for the last two quarters of fiscal year 2002-2003.

Your Committee further finds that the requested appropriations are required to enable our State's two highest executive officers to properly exercise statewide statutory and constitutional obligations.

Without the resources contained in this measure, your Committee finds that Governor and Lieutenant Governor may not be able to ensure the proper implementation of state programs and services provided to the public.

Your Committee amended this measure to increase the appropriation levels to \$838,136 for the Governor and \$141,000 for the Lieutenant Governor.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1077, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1077, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1034 Education on H.B. No. 320**

The purpose of this measure is to establish the University of Hawaii risk management special fund and to allow the University to indemnify certain individuals or entities under limited circumstances.

Testimony in support of this measure was submitted by the University of Hawaii.

Your Committee finds that beginning in 2001, the University of Hawaii was instructed by the Legislature to pay its own legal claims and settlements from its own revenue sources, and the special fund established by this measure will provide a mechanism for such expenditures. Your Committee further finds that after evaluating the cost of various insurance policies, the University has determined that it is more cost-effective to assume the responsibility for managing its own risk exposure, and thereby provide additional flexibility for the indemnification of public/private research projects.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 320, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

**SCRep. 1035 Education on H.B. No. 418**

The purpose of this measure, as received by your Committee, is to authorize the hiring of 17.5 instructional faculty positions at the University of Hawaii at Manoa and an additional six instructional faculty positions at the University of Hawaii at Hilo, to provide teacher preparation at these campuses.

Testimony in support of this measure was submitted by the University of Hawaii College of Education and the Department of Education.

Your Committee finds our State is faced with a critical shortage of public school teachers and administrators while the University of Hawaii has also suffered budget shortfalls resulting in reduced instructional faculty positions in the College of Education. Your Committee further finds that the College of Education has had to turn-away student applicants desiring to become teachers due to the shortage of faculty positions. Thus, your Committee agrees that it is critically important to restore these faculty positions at the College of Education, so that individuals who desire to enter the teaching profession and who choose to become educational administrators can be appropriately trained in Hawaii.

Your Committee has amended this measure by:

- (1) Authorizing the hiring of 34.5 full-time equivalent instructional faculty positions for the College of Education; and
- (2) Allowing these positions to be allocated within the University system, rather than designating them to assigned to the Manoa and Hilo campuses.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 418, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 418, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

**SCRep. 1036 Education on H.B. No. 488**

The purpose of this measure is to authorize the issuance of special revenue bonds to assist Mid-Pacific Institute in financing and refinancing the planning, acquisition, construction, and improvement of its educational facilities in the State of Hawaii.

Testimony in support of the companion measure, Senate Bill No. 397, was submitted by the Hawaii Association of Independent Schools and Mid-Pacific Institute.

Your Committee finds that Hawaii's private educational institutions play a key role in fulfilling the State's overall commitment to education by providing a viable educational option for children and their families. Your Committee further finds that the assistance provided by this measure for Mid-Pacific Institute is appropriate and is consistent with the State's overall objective of providing a superior education to all of Hawaii's children.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 488, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

**SCRep. 1037      Education on H.B. No. 1564**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Chaminade University.

Testimony in support of this measure was received from Chaminade University, a Chaminade University faculty member, and the Hawaii Association of Independent Schools.

Your Committee finds the Hawaii State Constitution was amended to allow for the issuance of special purpose revenue bonds to assist not-for-profit private sectarian and nonsectarian elementary schools, secondary schools, colleges, and universities that serve the general public. Accordingly, this measure will allow for the issuance of revenue bonds to provide \$10 million for Chaminade University to undertake a variety of campus projects, with priority given to remodel and refurbish student housing and to renovate classrooms and laboratories used to teach mathematics and the natural sciences.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1564, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

**SCRep. 1038      Education on H.B. No. 485**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$5,000,000, to assist Hanahau'oli School in financing the construction and improvement of its educational facilities.

Testimony supporting this measure was submitted by Hanahau'oli School, Hawaii Association of Independent Schools, and the Hawaii Business Roundtable.

Your Committee finds that the special purpose revenue bonds provided by this measure are specifically for the construction of a new building for pre-kindergarten, a shop, an after school care program, and custodial facilities; replacement of the administration building; and acquisition of adjoining property for future expansion. These improvements will allow Hanahau'oli School to better serve the needs of its educational community.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 485, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 1039      Education on H.B. No. 712**

The purpose of this measure is to reduce the amount of general excise tax revenues deposited to the credit of the State Educational Facilities Improvement Special Fund by the amount of certificates of participation, in addition to the amount of general obligation bonds, authorized for that fiscal year.

The Department of Education submitted testimony in support of the intent of this measure with reservations. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that the current economic climate has adversely impacted the availability of funds in all areas. However, additional funding is needed for the improvement of educational facilities in order to maintain our public schools and ensure a safe and suitable educational environment for our youth. The scarcity of funding requires the use of alternative approaches to securing moneys for departments, agencies, projects, and programs. Your Committee determines that the addition of certificates of participation as a source of funding for the State Educational Facilities Improvement Special Fund can provide the Department of Education with an additional option for funding school facilities.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 712, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 1040 Education on H.B. No. 939**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$5,000,000, to enable Ho`ala School to finance infrastructure improvements to provide a better educational environment for its students.

Testimony supporting this measure was submitted by Ho`ala School, Hawaii Association of Independent Schools, and the Hawaii Business Roundtable.

Your Committee finds that Ho`ala School is an independent, non-sectarian school (K-12) located in Wahiawa, Oahu, with 131 students and 20 teachers and staff that serve the North Shore as well as central and leeward Oahu. This measure will assist Ho`ala School to develop a master plan as well as construct classrooms, an art center, and offices.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 939, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 1041 Education on H.B. No. 1362**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$7,000,000, to assist St. Patrick School in financing the construction and improvement of its educational facilities.

St. Patrick School, Hawaii Association of Independent Schools, and the Hawaii Business Roundtable submitted testimony supporting this measure.

Your Committee finds that the special purpose revenue bonds authorized by this measure are specifically for the construction of a Technology Resource Center (TRC) and expansion of the existing Early Learning Center (ELC). The TRC will include a computer lab, library, and two community meeting rooms. The ELC will add two new preschool classrooms for sixty children. These projects will provide St. Patrick School students with greater learning opportunities through technology while meeting the needs of the community for quality pre-kindergarten classes.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1362, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 1042 Education on H.B. No. 1506**

The purpose of this measure is to appropriate general funds for para-professional positions with the Integrated Special Education Database (ISPED) system of the Department of Education.

The Department of Education, Hawaii State Teachers Association, Hawaii Government Employees Association, and one individual submitted testimony supporting this measure.

Your Committee finds that the ISPED system was created pursuant to the Felix Consent Decree to improve communication and collaboration between the Department of Education and the Department of Health in ensuring appropriate and timely provision of services to students with special needs. Your Committee also finds that the persons who have been inputting the data, often during their own personal time, are the special education teachers themselves.

Your Committee finds that this measure is necessary to increase productivity by relieving special education teachers from data inputting tasks and allowing them to devote more of their time to teaching.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1506, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

**SCRep. 1043 Education on H.B. No. 1548**



The purpose of this measure is to authorize the issuance of general obligation (GO) bonds and appropriate funds from the sale of those bonds as well as from funds appropriated from the State Educational Facilities Improvement Special Fund, to make improvements to public schools.

The Department of Education submitted testimony supporting this issuance of GO bonds and appropriations from the revenues generated therefrom, but opposed the appropriation from the State Educational Facilities Improvement Special Fund.

Your Committee finds that this measure will allow the Department of Education to address health, safety, and compliance issues such as cesspool removal, heat abatement, and architectural barrier removal in a more expedient manner.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1548, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 1044 Health on H.B. No. 377**

The purpose of this measure is to extend the 1999 authorization to issue special purpose revenue bonds to assist Pacific Cardiac Institute, Inc., a not-for-profit Hawaii corporation, in the planning, design, and construction of a health care facility in the Central Oahu development comprising the Pacific Health Center (PHC).

Testimony supporting this measure was received from Wahiawa General Hospital; Wahiawa Hospital Association; Wahiawa-Central Oahu Health Center; Pacific SportsCare; Pacific Sports Medicine & Research Center, Inc.; Meritage Healthcare Strategies, LLC; Financial Resource Group, LLC; Pyrus, Incorporated; Albert C. Kobayashi, Inc.; Miller Tokuyama Kralik & Sur, LLP; and Y. Hata & Co.

Your Committee finds that the innovative PHC medical mall project in Central Oahu is edging closer to fruition. PHC will be comprised of several health care facilities, including the Pacific Cardiac Institute, that will provide a wide array of specialized medical and wellness services to Hawaii residents. The Legislature recognized the need and value of the PHC project in 1999, when it authorized the issuance of special purpose revenue bonds for the various not-for-profit entities that would populate PHC. Unfortunately, procedural project development issues delayed the exercise of those bonds which are nearing expiration. Now, the PHC project is nearing the groundbreaking stage and drawing on those bonds will be necessary.

Your Committee has amended this measure by making technical, nonsubstantive amendments for consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 377, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 377, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

**SCRep. 1045 Health on H.B. No. 378**

The purpose of this measure is to extend the 1999 authorization to issue special purpose revenue bonds to assist Pacific Community Health & Wellness Center, Inc., a not-for-profit Hawaii corporation, in the planning, design, and construction of a health care facility in the Central Oahu development comprising the Pacific Health Center (PHC).

Testimony supporting this measure was received from Wahiawa General Hospital; Wahiawa Hospital Association; Wahiawa-Central Oahu Health Center; Pacific SportsCare; Pacific Sports Medicine & Research Center, Inc.; Meritage Healthcare Strategies, LLC; Financial Resource Group, LLC; Pyrus, Incorporated; Albert C. Kobayashi, Inc.; Miller Tokuyama Kralik & Sur, LLP; and Y. Hata & Co.

Your Committee finds that the innovative PHC medical mall project in Central Oahu is edging closer to fruition. PHC will be comprised of several health care facilities, including the Pacific Community Health & Wellness Center, that will provide a wide array of specialized medical and wellness services to Hawaii residents. The Legislature recognized the need and value of the PHC project in 1999, when it authorized the issuance of special purpose revenue bonds for the various not-for-profit entities that would populate PHC. Unfortunately, procedural project development issues delayed the exercise of those bonds which are nearing expiration. Now, the PHC project is nearing the groundbreaking stage and drawing on those bonds will be necessary.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 378, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

**SCRep. 1046 Health on H.B. No. 379**

The purpose of this measure is to extend the 1999 authorization to issue special purpose revenue bonds to assist Pacific Saging Center, Inc., a not-for-profit Hawaii corporation, in the planning, design, and construction of a health care facility in the Central Oahu development comprising the Pacific Health Center (PHC).

Testimony supporting this measure was received from Wahiawa General Hospital; Wahiawa Hospital Association; Wahiawa-Central Oahu Health Center; Pacific SportsCare; Pacific Sports Medicine & Research Center, Inc.; Meritage Healthcare Strategies, LLC; Financial Resource Group, LLC; Pyrus, Incorporated; Albert C. Kobayashi, Inc.; Miller Tokuyama Kralik & Sur, LLP; and Y. Hata & Co.

Your Committee finds that the PHC medical mall project in Central Oahu is edging closer to fruition. PHC will be comprised of several health care facilities, including the Pacific Saging Center, that will provide a wide array of specialized medical and wellness services to Hawaii residents. The Legislature recognized the need and value of the PHC project in 1999, when it authorized the issuance of special purpose revenue bonds for the various not-for-profit entities that would populate PHC. Unfortunately, procedural project development issues delayed the exercise of those bonds which are nearing expiration. Now, the PHC project is nearing the groundbreaking stage and drawing on those bonds will be necessary.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 379, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

**SCRep. 1047      Health on H.B. No. 380**

The purpose of this measure is to extend the 1999 authorization to issue special purpose revenue bonds to assist Pacific Sports Medicine and Research Center, Inc., a not-for-profit Hawaii corporation, in the planning, design, and construction of a health care facility in the Central Oahu development comprising the Pacific Health Center (PHC).

Testimony supporting this measure was received from Wahiawa General Hospital; Wahiawa Hospital Association; Wahiawa-Central Oahu Health Center; Pacific SportsCare; Pacific Sports Medicine & Research Center, Inc.; Meritage Healthcare Strategies, LLC's Financial Resource Group, LLC; Pyrus, Incorporated; Albert C. Kobayashi, Inc.; Miller Tokuyama Kralik & Sur, LLP; and Y. Hata & Co.

Your Committee finds that the PHC medical mall project in Central Oahu is edging closer to fruition. PHC will be comprised of several health care facilities, including the Pacific Sports Medicine and Research Center, that will provide a wide array of specialized medical wellness services to Hawaii residents. The Legislature recognized the need and value of the PHC project in 1999, when it authorized the issuance of special purpose revenue bonds for the various not-for-profit entities that would populate PHC. Unfortunately, procedural project development issues delayed the exercise of those bonds which are nearing expiration. Now, the PHC project is nearing the groundbreaking stage and drawing on those bonds will be necessary.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 380, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

**SCRep. 1048      Health on H.B. No. 381**

The purpose of this measure is to extend the 1999 authorization to issue special purpose revenue bonds to assist Pacific Wellness Center, Inc., a not-for-profit Hawaii corporation, in the planning, design, and construction of a health care facility in Central Oahu in the development comprising the Pacific Health Center (PHC).

Testimony supporting this measure was received from Wahiawa General Hospital; Wahiawa Hospital Association; Wahiawa-Central Oahu Health Center; Pacific SportsCare; Pacific Sports Medicine & Research Center, Inc.; Meritage Healthcare Strategies, LLC; Financial Resource Group, LLC; Pyrus, Incorporated; Albert C. Kobayashi, Inc.; Miller Tokuyama Kralik & Sur, LLP; and Y. Hata & Co.

Your Committee finds that the PHC medical mall project in Central Oahu is edging closer to fruition. PHC will be comprised of several health care facilities, including the Pacific Wellness Center, that will provide a wide array of specialized medical and wellness services to Hawaii residents. The Legislature recognized the need and value of the PHC project in 1999, when it authorized the issuance of special purpose revenue bonds for the various not-for-profit entities that would populate PHC. Unfortunately, procedural project development issues delayed the exercise of those bonds which are nearing expiration. Now, the PHC project is nearing the groundbreaking stage and drawing on those bonds will be necessary.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 381, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

**SCRep. 1049 Health on H.B. No. 382**

The purpose of this measure is to extend the 1999 authorization to issue special purpose revenue bonds to assist Pacific Women's Center, Inc., a not-for-profit Hawaii corporation, in the planning, design, and construction of a health care facility in Central Oahu in the development comprising the Pacific Health Center (PHC).

Testimony supporting this measure was received from Wahiawa General Hospital; Wahiawa Hospital Association; Wahiawa-Central Oahu Health Center; Pacific SportsCare; Pacific Sports Medicine & Research Center, Inc.; Meritage Healthcare Strategies, LLC; Financial Resource Group, LLC; Pyrus, Incorporated; Albert C. Kobayashi, Inc.; Miller Tokuyama Kralik & Sur, LLP; and Y. Hata & Co.

Your Committee finds that the PHC medical mall project in Central Oahu is edging closer to fruition. PHC will be comprised of several health care facilities, including the Pacific Women's Center, that will provide a wide array of specialized medical and wellness services to Hawaii residents. The Legislature recognized the need and value of the PHC project in 1999, when it authorized the issuance of special purpose revenue bonds for the various not-for-profit entities that would populate PHC. Unfortunately, procedural project development issues delayed the exercise of those bonds which are nearing expiration. Now, the PHC project is nearing the groundbreaking stage and drawing on those bonds will be necessary.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 382, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

**SCRep. 1050 Health on H.B. No. 383**

The purpose of this measure is to extend the 1999 authorization to issue special purpose revenue bonds to assist Wahiawa-Central Oahu Health Center, Inc., a not-for-profit Hawaii corporation, in planning, design, and construction of a health care facility in Central Oahu development comprising the Pacific Health Center (PHC).

Testimony supporting this measure was received from Wahiawa General Hospital; Wahiawa Hospital Association; Wahiawa-Central Oahu Health Center; Pacific SportsCare; Pacific Sports Medicine & Research Center, Inc.; Meritage Healthcare Strategies, LLC's Financial Resource Group, LLC; Pyrus, Incorporated; Albert C. Kobayashi, Inc.; Miller Tokuyama Kralik & Sur, LLP; and Y. Hata & Co.

Your Committee finds that the PHC medical mall project in Central Oahu is edging closer to fruition. PHC will be comprised of several health care facilities, including the Wahiawa-Central Oahu Health Center, that will provide a wide array of specialized medical and wellness services to Hawaii residents. The Legislature recognized the need and value of the PHC project in 1999, when it authorized the issuance of special purpose revenue bonds for the various not-for-profit entities that would populate PHC. Unfortunately, procedural project development issues delayed the exercise of those bonds which are nearing expiration. Now, the PHC project is nearing the groundbreaking stage and drawing on those bonds will be necessary.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 383, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

**SCRep. 1051 Health on H.B. No. 384**

The purpose of this measure is to extend the 1999 authorization to issue special purpose revenue bonds to assist Wahiawa General Hospital, Inc., a not-for-profit Hawaii corporation, in the planning, design, and construction of health care facilities in Central Oahu comprising the Pacific Health Center (PHC).

Testimony supporting this measure was received from Wahiawa General Hospital; Wahiawa Hospital Association; Wahiawa-Central Oahu Health Center; Pacific SportsCare; Pacific Sports Medicine & Research Center, Inc.; Meritage Healthcare Strategies, LLC; Financial Resource Group, LLC; Pyrus, Incorporated; Albert C. Kobayashi, Inc.; Miller Tokuyama Kralik & Sur, LLP; and Y. Hata & Co.

Your Committee finds that the PHC medical mall project in Central Oahu is edging closer to fruition. PHC will be comprised of several health care facilities, including Wahiawa General Hospital, that will provide a wide array of specialized medical and wellness services to Hawaii residents. The Legislature recognized the need and value of the PHC project in 1999, when it authorized the issuance of special purpose revenue bonds for the various not-for-profit entities that would populate PHC. Unfortunately, procedural project development issues delayed the exercise of those bonds which are nearing expiration. Now, the PHC project is nearing the groundbreaking stage and drawing on those bonds will be necessary.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 384, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

**SCRep. 1052 Health on H.B. No. 645**

The purpose of this measure is to authorize the issuance of up to \$200,000,000 in special purpose revenue bonds to assist The Queen's Health Systems to finance the cost of renovating existing health care facilities and constructing new facilities.

Testimony supporting this measure was received from The Queen's Health Systems, Healthcare Association of Hawaii, Laborers' International Union of North America, Local 368, AFL-CIO, and Hawaii Building and Construction Trades Council, AFL-CIO.

Your Committee finds that ensuring the provision of quality health care is one of the primary responsibilities of our government. The Queen's Medical Center (Queen's), a subsidiary of The Queen's Health Systems, serves the health care needs of a significant portion of Oahu's population.

In order to remain on the cutting edge of technological and medical advancements, and to remain competitive as a health care leader at the national level, your Committee finds that Queen's will have to upgrade its facilities and programs.

The issuance of special purpose revenue bonds authorized by this measure will enable Queen's to upgrade and renovate existing facilities, improve on standards of patient care as new technologies emerge, and implement new and less invasive means of disease treatment.

In addition, your Committee believes the issuance of the bonds authorized by this measure is appropriate due to the fact that The Queen's Health Systems has an outstanding bond authorization in the amount of \$150,000,000 that will lapse in June of this year. So far, none of that bond authorization has been utilized and The Queen's Health Systems is not likely to draw on those bonds prior to their expiration. The special purpose revenue bonds authorized pursuant to this measure will provide the capital for improvement and expansion of Queen's.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 645, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hogue).

**SCRep. 1053 Health on H.B. No. 1181**

The purpose of this measure is to make an emergency appropriation for the Hawaii Health Systems Corporation (HHSC) to offset the unplanned, unanticipated, and unbudgeted increase in Employees' Retirement System and Health Fund payments.

Testimony supporting this measure was received from the Hawaii Health Systems Corporation, Physician Advisory Group for HHSC, a member of the Maui County Council, Kona Community Hospital and its Medical Executive Committee, Hilo Medical Center and its Medical Executive Committee, Leahi Hospital and its Medical Executive Committee for Maluhia and Leahi Hospital, West Kauai Medical Center, Mahelona Medical Center, Medical Executive Committees of the Kauai Region of HHSC and Maui Memorial Medical Center, North Kohala Community, Kohala Senior Citizens, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, Healthcare Association of Hawaii, and seventeen individuals.

Your Committee finds that HHSC is facing severe budget constraints in meeting its obligations to the Employees' Retirement System and its medical vendors. HHSC's situation was created by an unanticipated increase in benefit payments for HHSC employees in fiscal year 2002-2003. Therefore, your Committee finds that the emergency appropriation requested by this measure is necessary and appropriate to ensure HHSC is able to meet its fiscal responsibilities.

Your Committee has amended this measure by increasing the appropriation amount to \$14 million, which is the minimum necessary to meet HHSC's obligations.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1181, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1181, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hogue).

**SCRep. 1054 Judiciary and Hawaiian Affairs on H.B. No. 295**

The purpose of this measure is to establish a legislative task force known as the ceded lands resolution task force (task force).

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs (OHA) and Hawaiian Political Action Council of Hawaii. Comments were submitted by the Office of Information Practices (OIP).

The purpose of the task force, working in conjunction with OHA, is to address and solve the matter of just payment throughout the 2004 regular session, with special focus on specified issues relating to ceded lands revenues and settlements.

Your Committee finds that there is a compelling necessity for the Legislature to vigorously proceed towards permanent resolution of long-standing, complex, and controversial issues surrounding ceded lands.

The passage of this measure represents your Committee's resolve to enact legislation that most effectively and responsibly meets the State's constitutional obligation to ensure that Hawaiian people benefit from the public land trust.

Your Committee has amended this measure by:

- (1) Deleting certain references contained in the measure for the purpose of removing any inference that the State may not have acted in good faith in past attempts to resolve public land trust controversies;
- (2) Changing the name of the task force from the "Ceded Lands Resolution Task Force" to the "Public Lands Resolution Task Force";
- (3) Removing the extraneous provision authorizing the task force to work throughout the 2003 legislative session;
- (4) Providing that records of the task force are subject to chapter 92F, Hawaii Revised Statutes, relating to disclosure of public records, on recommendation of the OIP;
- (5) Adding to the membership of the task force:
  - (a) A representative of the Governor's office;
  - (b) A representative of an appropriate federal agency, to be chosen by Hawaii's congressional delegation; and
  - (c) Allowing the task force to appoint other members having an interest and experience in native Hawaiian issues; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 295, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 295, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1055 (Majority) Judiciary and Hawaiian Affairs on H.B. No. 1029**

The purpose of this measure is to repeal the requirement that an agency adopt rules to specify a maximum time in which to grant or deny a business or development permit, license, or approval.

Your Committee received testimony in support of this measure from the Hawaii County Planning Department; a Hawaii County Council Member; Sierra Club Hawaii Chapter; Life of the Land; Hawaii's Thousand Friends; and two individuals. Testimony in opposition was received from the Honolulu County Department of Planning and Permitting; The Gentry Companies; The Chamber of Commerce of Hawaii; Hawaii Reserves Inc.; General Contractors Association of Hawaii; Hawaii Construction Industry Association; Princeville Resort Kauai; Hawaii Operating Engineers Industry Stabilization Fund; Plumbers and Fitters Local 675; Hawaii Business Roundtable; The Estate of James Campbell; Land Research Foundation of Hawaii; Contractors Association of Hawaii; and Laborers' International Union of North America Local 368 AFL-CIO.

Your Committee finds that the existing law that deems a permit to be approved if no action is taken by a board within a specified period of time may adversely affect legitimate interests other than that of the owner, developer, or labor entity. Your Committee believes that permits should stand or fall on their own merit and not as a result of an artificial and arbitrary time limitation. Although "automatic approval" may pressure agencies to become operationally more efficient, your Committee finds that agencies should always be expeditiously processing permit applications.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1029, H.D. 1, and recommends that it pass Second Reading and be referred to the Committees on Transportation, Military Affairs, and Government Operations and Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Hogue). Excused, 1 (Ihara).

**SCRep. 1056 Judiciary and Hawaiian Affairs on H.B. No. 1155**

The purpose of this measure is to allow the Director of Budget and Finance to provide public notice of abandoned property by posting on the State of Hawaii internet website and by publication in a daily or weekly publication of statewide circulation.

Your Committee received testimony in support of this measure with requested amendments from the Department of Budget and Finance.

Your Committee finds that the unclaimed property law requires all holders of abandoned property to report the names of owners of abandoned property to the Unclaimed Property program by November 1 each year. The names and last known addresses of owners of property valued at \$100 or more are then published by March 1 of each year.

Your Committee further finds that the annual notice contains approximately 7,000 names, and costs approximately \$150,000 for publication in a newspaper in each county. The Department proposes cost savings measures by publishing a notice in county newspapers or a newspaper of statewide circulation informing the public that the names of owners of abandoned property are available on its website along with a toll free telephone number. Additionally, a hard copy list will be available in fifteen public libraries and at the University of Hawaii.

Your Committee believes that this measure reduces publication costs by using modern technology while preserving public notification. Your Committee amended the bill at the Departments request by:

- (1) Clarifying that the internet website is the Department of Budget and Finance's internet website; and
- (2) Changing the effective date from July 1, 2050 to July 1, 2003.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1155, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1155, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hogue).

**SCRep. 1057      Judiciary and Hawaiian Affairs on H.B. No. 1303**

The purpose of this measure is to require the Office of Hawaiian Affairs (OHA) to reimburse the State for contributions made by the State to the Hawaii employer-union health benefits trust fund.

Testimony in support of the measure was submitted by OHA. Testimony in opposition to the measure was submitted by the Hawaiian Political Action Council of Hawaii.

Your Committee finds that this is a housekeeping measure. Section 10-12, Hawaii Revised Statutes, provides that officers and employees of OHA are entitled to be included in any benefit program generally applicable to officers and employees of the State. Therefore, OHA, as an employer, is obligated to reimburse the State for any contributions the State makes to the health benefits trust fund.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1303, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1058      Judiciary and Hawaiian Affairs on H.B. No. 814**

The purpose of this measure is to repeal the requirement that postage paid envelopes be included with notice of traffic infractions.

Your Committee received testimony in support of this measure from the Judiciary.

Your Committee finds that this cost-saving measure will save the Judiciary an estimated \$57,769.00 per year.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 814, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hogue).

**SCRep. 1059      Judiciary and Hawaiian Affairs on H.B. No. 815**

The purpose of this measure is to allow court costs, fees, bond forfeitures, fines, expenses, and other charges to be paid by debit card.

Your Committee received testimony in support of this measure from the Judiciary.

Your Committee finds that on occasion, members of the public have tried, unsuccessfully, to make court payments by debit card. Because the court does not accept this method of payment, the court could not process the transaction. As debit cards become more commonly accepted as a method of payment, your Committee believes the courts should be able to provide better public service by accepting debit cards payments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 815, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hogue).

**SCRep. 1060      Judiciary and Hawaiian Affairs on H.B. No. 1004**

The purpose of this measure is to repeal part III of chapter 353, Hawaii Revised Statutes (HRS), referred to as the Interstate Parole and Probation Compact.

Your Committee received testimony in support of this measure from the Judiciary and the Hawaii Paroling Authority. The Honolulu Police Department testified in support of the measure in its original form.

Your Committee finds that part III of chapter 353, HRS, was enacted in 1937 to enable Hawaii to participate in the first interstate compact for supervision of probationers and parolees to manage the movement of offenders between participating states and territories.

In 1999, Hawaii joined other states to begin a change in compact management in an effort to better meet the states' needs in interstate supervision of adult offenders. Chapter 353B, HRS, enacted by the legislature authorized a new Interstate Compact for Adult Offender Supervision to become effective upon no less than 35 states' enactment. The new compact was enacted by the 35<sup>th</sup> state in June 2002. On November 18, 2003, the new Compact will regulate the movement of offenders between its current 41 member states and non-signatory states.

Your Committee now finds that the 1937 Compact must be repealed, to eliminate duplicate national interstate requirements, two leadership structures, costly multiple procedures and policies, and to reduce compact dues.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1004, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hogue).

**SCRep. 1061      Judiciary and Hawaiian Affairs on H.B. No. 1022**

The purpose of this measure is to authorize the expungement of a juvenile arrest record upon the juvenile attaining the age of majority if the juvenile was counseled and released by the police.

Your Committee received testimony in support of this measure from the Department of the Attorney General, the Juvenile Justice Information Committee, and the Honolulu Police Department.

Your Committee finds that police often use the "counsel and release" procedure for first-time offenders. As part of the procedure, the juvenile admits to the offense and is made to see the impact the offender's actions have on the community.

Your Committee further finds that because the "counsel and release" procedure is currently ineligible for expungement, some juveniles have been advised against admitting to the offense. In these instances, the case moves forward through the criminal justice system. Often, prosecuting these cases is not an effective use of prosecutor and court resources.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1022, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hogue).

**SCRep. 1062      Judiciary and Hawaiian Affairs on H.B. No. 1220**

The purpose of this measure is to allow the administrative secretary of the Hawaii Paroling Authority (Authority) to designate a representative to issue warrants of arrest for parole violators.

Your Committee received testimony in support of this measure from the Hawaii Paroling Authority and Government Efficiency Teams, Inc.

Your Committee finds that this measure will allow the Authority to issue and process warrants in the absence of the administrative secretary, who, under current law is the only person authorized to issue and process warrants. The amendment enables the Authority to issue warrants in a more timely manner.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1220, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Hogue).

**SCRep. 1063 Water, Land, and Agriculture on H.B. No. 1509**

The purpose of this measure is to establish a South Kona wilderness park to be administered by the Department of Land and Natural Resources (DLNR), while providing for the development of a comprehensive management plan for the park.

Testimony in support of this measure was submitted by the Board of Land and Natural Resources, the Trust for Public Land, and a concerned community member.

Your Committee finds that the lands being proposed for a South Kona Wilderness Park -- an area running south along the coastal section of the ahupua`a of Honomalino to the ahupua`a of Manuka in the Ka`u district -- is compatible with other State Parks in DLNR's system. The significant archaeological sites and native plants and animals in the area will be preserved and protected, and limited access for recreational uses such as camping, fishing, swimming, and exploration will be allowed. This would be consistent with the State Parks' mission to provide and preserve unique places of natural, historic, cultural, and scenic importance for appreciation, study, and recreation by residents and visitors.

Your Committee has amended the measure by making the description of the area in Kapu`a more precise, and by stating that after the Act's repeal on December 31, 2004, any land classification that was changed by the Act will be reinstated.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1509, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1509, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

**SCRep. 1064 Judiciary and Hawaiian Affairs on H.B. No. 297**

The purpose of this measure is to establish the Drug Strike Force Program within the Department of Public Safety, and provide funding for the Drug Strike Force Program, crystal methamphetamine treatment and an adolescent treatment center on the island of Hawaii, and crystal methamphetamine prevention efforts. The measure also establishes the Office of the Drug Czar within the Office of the Lieutenant Governor.

Your Committee received testimony in support of this measure from the Representative from House district 5, the County of Hawaii, HMSA, and a concerned citizen. The Department of the Attorney General supported the intent of the measure and offered comments. The Department of Health supported the intent of the measure but opposed the measure due to budget implications. The American Heart Association supported the intent of the measure but opposed the measure as written. Testimony in opposition was received from the Department of Public Safety, Hawaii County Police Chief, the Department of Budget and Finance, the Department of Taxation, the American Cancer Society, the Tobacco Prevention and Control Advisory Board, Tobacco Free Kauai Coalition, the Coalition for a Tobacco Free Hawaii, and four concerned citizens. The Tax Foundation of Hawaii, the Community Alliance on Prisons, the ACLU, and Hawaii High Intensity Drug Trafficking Area provided comments.

Your Committee finds that crystal methamphetamine or "ice" abuse is a problem of epidemic proportions across the State. "Ice" abuse affects not only the user's health, but also burdens the State's health and human services resources. "Ice" abuse often leads to debilitating diseases, child abuse or neglect, unemployment, and increased property crimes.

Your Committee further finds that the island of Hawaii is experiencing a serious "ice" problem. The Hawaii County Police Department reports a 431% increase in "ice" arrests from 1997 to 2000. Child Protective Services reports that over 90% of cases on the Big Island are "ice" or drug related.

Your Committee further finds that enforcement efforts alone have not been successful. Collective efforts aimed at enforcement, treatment and rehabilitation, and prevention and education are needed to stem the "ice" problem.

Your Committee amended the bill by:

- (1) Rewriting the purpose section in part I to stress the effect of "ice" not only on the island of Hawaii, but on all islands;
- (2) Amending the first provision describing the Act's purpose to specify that the Drug Strike Force is a pilot project in the county of Hawaii;



- (3) Amending the second provision describing the Act's purpose to clarify that education programs are targeted at preventing the use of "ice" by middle and high school students;
- (4) Changing all references to crystal methamphetamine treatment to poly-drug abuse treatment;
- (5) Amending the fifth provision describing the Act's purpose by deleting its substance and inserting language establishing the temporary Coordinated Council on Drug Control in the Department of Public Safety for the purpose of reviewing existing coordinating bodies and statutes, and proposing a model comprehensive coordinating body to address drug abuse in this State;
- (6) Amending the first and second provisions describing the purposes of part II by clarifying that the Drug Strike Force program is a pilot project, and rewording the first provision for grammatical clarity;
- (7) Amending §353C- , Hawaii Revised Statutes, by inserting the words "pilot project" after the words "crystal methamphetamine eradication program";
- (8) Reordering §§245-26 and 321- , Hawaii Revised Statutes by placing the provisions of the new §321- , Hawaii Revised Statutes, first, and renumber the bill sections accordingly;
- (9) Amending the appropriation language in section 10 of the bill to specify that the appropriation from the criminal forfeiture fund is for the Drug Strike Force program pilot project expenses;
- (10) Deleting redundant language from the purpose section in section 16 of the bill;
- (11) Deleting the contents of section 18 of the bill and establishing the Coordinated Council on Drug Control in the Department of Public Safety. The Coordinated Council on Drug Control's purpose is to review existing coordinating bodies and statutes, and propose a model comprehensive coordinating body to address drug abuse in this State;
- (12) Changing the repeal date for the Drug Strike Force pilot project to June 30, 2006, and repealing the Coordinated Council on Drug Control on June 30, 2004; and
- (13) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 297, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 297, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

**SCRep. 1065      Judiciary and Hawaiian Affairs on H.B. No. 756**

The purpose of this measure is to amend the election laws by:

- (1) Requiring the Chief Election Officer or the County Clerk in county elections, to order a ballot recount no later than seven days after an election if the difference in votes cast for the winning and losing candidate is 1/8 of one per cent or less;
- (2) Requiring the Chief Election Officer or the County Clerk in county elections, to order a ballot recount no later than seven days after an election if the difference in votes received by the lowest winning candidates and the votes received by the highest losing candidates is 1/8 of one per cent or less in an election for multiple seats in one office;
- (3) Requiring that recount complaints for primary, special primary elections, and county elections held concurrently with a regularly scheduled primary or special primary election be filed no later than 4:30 p.m. on the sixth day after completion of the recount in the Office of the Clerk of the Supreme Court; and
- (4) Requiring that recount complaints for general, special general, special, and runoff elections be filed no later than 4:30 p.m. on the twentieth day after completion of the recount in the Office of the Clerk of the Supreme Court.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii. The Office of Elections provided comments.

Your Committee finds that the validation and confirmation of election results is a total process that includes a myriad of steps. The time period between the primary and general elections is currently insufficient for the Office of Elections to proof and print ballots if a recount is required between the primary and general elections. Therefore, your Committee amended the bill by repealing the second to the last Saturday of September, and inserting the second Saturday in August as the date of the primary election to give the Office of Elections sufficient time to print ballots in the event a recount is required.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 756, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 756, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

**SCRep. 1066      Judiciary and Hawaiian Affairs on H.B. No. 1255**

The purpose of this measure is to appropriate unspecified amounts from the general fund to the Office of Elections to meet the five per cent matching fund requirement of the federal Help America Vote Act of 2002.

Your Committee received testimony in support of this measure from the Office of Elections, the League of Women Voters of Hawaii, the Hawaii Pro Democracy Initiative, and the Disability and Communication Access Board.

Your Committee finds that on October 28, 2002, President George W. Bush signed the Help American Vote Act of 2002. The Act provides federal funding to each State to improve the administration of elections. Each qualifying state will receive .5% of the aggregate amount appropriated by Congress. It is estimated that Hawaii's share may be \$20 million plus additional funds based on the proportion of Hawaii's voting age population to the population of the State.

Your Committee notes that the federal Act also requires that states develop a self-certifying state plan and maintain a level of funding for state election activities at not less than the amount expended for the period ending November 2000 to qualify for federal funds.

Your Committee amended the bill by inserting \$250,000 into the appropriation section to meet Hawaii's matching funds requirement.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1255, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1255, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

**SCRep. 1067      Commerce, Consumer Protection and Housing on H.B. No. 75**

The purpose of this measure is to authorize a one year extension for the Real Estate Commission's review and proposed recodification of the condominium laws.

The Real Estate Commission (Commission), Hawaii Association of Realtors, Community Associations Institute-Hawaii Chapter, and Hawaii Council of Associations of Apartment Owners testified in support of this measure.

Act 213, Session Laws of Hawaii 2000, directed the Commission to review Hawaii's condominium property regimes law and develop draft legislation consistent with its recommendations for submission to the 2003 Legislature. This measure authorizes a one year extension of the review process, requires that public hearings on the draft legislation be held in the counties of Honolulu, Hawaii, Maui, and Kauai by the end of 2003, and authorizes an appropriation of \$95,000 from the Condominium Management Education Fund (CMEF) to the Department of Commerce and Consumer Affairs for related expenses.

Your Committee finds that the condominium law recodification process involves the consideration of complex issues and the interests of various stakeholders. Your Committee further finds that the Commission requires more time to work with stakeholders to refine the current draft, hold statewide public hearings to receive input on the draft, and to finalize the draft law for presentation to the Legislature.

Your Committee has amended this measure by replacing its contents with the language of a substantially similar measure, S.B. No. 1087, S.D. 1. As amended, this measure:

- (1) Deletes language directing the Commission to hold public hearings on the draft legislation in the counties of Honolulu, Hawaii, Maui, and Kauai by December 31, 2003;
- (2) Expands the membership of the recodification advisory committee to include representatives of the Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium and Cooperative Owners, Community Associations Institute-Hawaii Chapter, Hawaii Association of Realtors, and Condominium Council of Maui; and
- (3) Requires the recodification advisory committee to meet:
  - (a) To review the final version of the recodification draft to be presented at public hearings throughout the State; and
  - (b) After the public hearings, to consider data received at the hearings and to make recommendations to the Commission before the final recodification draft is submitted to the Legislature.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 75, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 75, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Sakamoto, Whalen).

**SCRep. 1068 Commerce, Consumer Protection and Housing on H.B. No. 1511**

The purpose of this measure is to:

- (1) Preclude the nullification of a bulk sale purchase or conveyance of leased fee interests in a partially converted condominium, and of related obligations and assessments, if the sale or conveyance was undertaken by the lessor and association of apartment owners (AOAO) in good faith; and
- (2) Limit the liability of lessors and AOAOs for noncompliance with the law in such purchases or conveyances, to transactions involving knowing and intentional noncompliance, gross negligence, or wilful misconduct.

The Hawaii Council of Associations of Apartment Owners testified in support of this measure.

Act 199, Session Laws of Hawaii 2002, established requirements for the bulk sale purchase of leased fee interests in a partially converted condominium by AOAOs, including the requirement that the units' lessees be provided the first opportunity to purchase the leased fee interest from the AOAO. This measure provides limited protection for lessors and AOAOs against claims that may be asserted against them in connection with the bulk sales.

Your Committee has amended this measure by making a technical amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1511, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1511, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Sakamoto, Whalen).

**SCRep. 1069 Commerce, Consumer Protection and Housing on H.B. No. 475**

The purpose of this measure is to require the Auditor to conduct a management audit of the Public Utilities Commission (PUC).

The PUC, Life of the Land, Na Leo Pohai, and the Sierra Club testified in support of the measure. The Consumer Advocate submitted comments.

This measure directs the Auditor to conduct a management audit of the PUC that examines the appropriateness of utility legislation, the adequacy of PUC policies, rules and procedures, the provision of technical and analytical staff support for case management and enforcement purposes, and the effectiveness of the PUC and the Consumer Advocate in dealing with issues within their jurisdictions.

Your Committee finds that a management audit will help the PUC assess the adequacy of its regulatory policies and procedures, particularly in dealing with issues, problems, and developments in complex and changing areas, such as telecommunications, energy regulation, and intergovernmental relations.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 475, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Sakamoto, Whalen).

**SCRep. 1070 (Joint) Commerce, Consumer Protection and Housing and Science, Arts, and Technology on H.B. No. 473**

The purpose of this measure is to require the Public Utilities Commission (PUC) to maintain a web site containing information about its decisions, open dockets, and upcoming meetings, and to require applications to the PUC to be submitted electronically or on a compact disc.

Testimony in support of this measure was submitted by the PUC, Consumer Advocate, Verizon Hawaii, Life of the Land, Na Leo Pohai, and Hawaii Renewable Energy Alliance. The Office of Information Practices (OIP) submitted comments on the measure.

Your Committees find that this measure enhances public access to and participation in government, as well as provides a cost effective and efficient means of informing and educating the public about PUC proceedings and activities.

Your Committees have amended this measure by replacing its contents with the language of a similar measure, S.B. No. 498, S.D. 2, and by inserting language proposed by OIP. As amended, this measure:

- (1) Also requires the PUC to post a list of all pending deadlines on its web site;

- (2) Deletes language relating to the submission of applications to the PUC via electronic mail;
- (3) Clarifies that information not required to be disclosed pursuant to the Uniform Information Practices Act is exempt from the requirement of submission to the PUC in electronic format;
- (4) Provides that the time period within which a PUC decision must be issued does not begin to run until a substantially completed application has been posted on the PUC's web site;
- (5) Authorizes the hiring of personnel to implement and administer the web site;
- (6) Makes an appropriation from the Public Utilities Commission Special Fund to fund the activities of the PUC related to its web site; and
- (7) Takes effect on July 1, 2003, rather than upon its approval.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Science, Arts, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 473, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 473, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Baker, English, Sakamoto, Hemmings, Whalen).

**SCRep. 1071 Energy and Environment on H.B. No. 10**

The purpose of this measure is to mandate disclosure of the fuel mix used to produce electricity sold by each retail supplier of electricity to promote consumer awareness.

The Department of Business, Economic Development, and Tourism, Public Utilities Commission, Department of Commerce and Consumer Affairs, and Hawaiian Electric Company, Inc. submitted testimony supporting the intent of this measure.

Your Committee finds that a uniform, accurate, and inexpensive fuel mix disclosure by retail suppliers of electricity will make consumers more aware of renewable resources, resource diversity, and environmental protection.

Your Committee notes that this measure is not intended to increase costs to utilities or ratepayers.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 10, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 1072 Energy and Environment on H.B. No. 196**

The purpose of this measure is to provide a twenty per cent tax credit for hydrogen production systems that utilize geothermal energy.

Hawaiian Electric Company, Inc. (HECO), and Hawaii Renewable Energy Alliance submitted testimony supporting this measure. The Department of Taxation submitted testimony opposing this measure. The Department of Business, Economic Development, and Tourism and the Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that approximately thirty per cent of the oil imported to Hawaii is used for electrical energy generation and the rest mostly for transportation purposes. The vast majority of fuel that HECO uses to generate electricity is the residual oil from the refining process to produce the jet fuel and gasoline for the transportation sector. Hawaii will not make any significant reductions in petroleum importation unless it addresses the transportation sector. Your Committee finds that the Electric Power Research Institute, the research arm of the electric utility industry, recognizes hydrogen as the favored energy carrier for fuel cell automobiles and the long-term electricity storage solution. Your Committee believes that this measure is a step in the right direction.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 196, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 1073 Judiciary and Hawaiian Affairs on H.B. No. 1276**

The purpose of this measure is to reallocate the responsibility of publishing the text of proposed constitutional amendments from the Office of Elections to the legislature.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii. The Office of Elections provided comments.

Because a bill proposing a constitutional amendment is subject to the legislative process, your Committee believes reallocating the task of publication of the proposed constitutional amendment to the legislature is an efficient and appropriate use of legislative resources. Additionally, Legislative Reference Bureau personnel are responsible for interpreting proposed constitutional amendment bills and generating:

- (1) Summaries of the bills;
- (2) Factsheets;
- (3) Digests of the proposed constitutional amendments, including the purpose and intent of the amendments and ramifications of the amendments if ratified by the electorate; and
- (4) Arguments for and against ratification of the proposed constitutional amendments.

Therefore, your Committee finds that it is the legislative intent that the legislature assume responsibility for publishing the text of proposed constitutional amendments as well as providing appropriate voter education materials to the public.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1276, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Ihara).

**SCRep. 1074 (Joint) Tourism and Economic Development on H.B. No. 662**

The purpose of this measure is to establish in statute the Hawaii Sports Hall of Fame, and to create the Hawaii Sports Hall of Fame Special Fund.

Your Committees received testimony in support of this measure from the Lieutenant Governor, Department of Accounting and General Services, State Procurement Office, Aloha Stadium, Hawaii Sports Hall of Fame, and one individual. Comments were submitted by the Department of Budget and Finance.

The intent establishing a Hawaii Sports Hall of Fame is to ensure for all time that Hawaii's athletes whose competitive spirit and accomplishments have focused national and international attention on Hawaii will be forever preserved. Without such a facility, Hawaii's future generations of young athletes would lose a very important link with those sport greats who preceded them.

Your Committees were impressed with the testimony of Mr. Larry Price, a current radio personality and former head coach of the University of Hawaii football team, who stated that no other state has a sports hall of fame and that in his opinion, Hawaii has more famous athletes than any other state.

Your Committees are concerned whether it is proper to place the Hawaii Sports Hall of Fame, a private entity, into statute. Your Committees believe that an executive order or a concurrent resolution would suffice to place the facility at the Aloha Stadium where it currently is housed. However, supporters prefer that a statute be enacted to ensure continued support and existence of a sports hall of fame, as well as a permanent place of residence.

Your Committees have amended this measure by deleting the enactment of a new chapter, including references to a special fund, and enacting a new statutory section to designate the Hawaii Sports Hall of Fame as the State of Hawaii Museum of Sports History in the Islands. This concept is modeled upon existing law establishing the Bernice Pauahi Bishop Museum as the State of Hawaii Museum of Natural and Cultural History (section 6E-40, Hawaii Revised Statutes). As amended, this measure specifies that the Hawaii Sports Hall of Fame may select a site, with preference given to a recreational facility having convenient access to tourists. According to testimony, the current location of the Aloha Stadium is ideal, being convenient for tourists traveling to and from the airport particularly for Japan tourists who normally engage in sightseeing prior to checking into their hotels.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 662, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 662, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 5 (Espero, Ihara, Kanno, Kawamoto, Taniguchi).

**SCRep. 1075 (Joint) Education and Transportation, Military Affairs, and Government Operations on H.B. No. 620**

The purpose of this measure is to appropriate funds for a Junior Reserve Officers' Training Corps (JROTC) program at Kealakehe High School.

Testimony in support of the measure was submitted by Kealakehe High School U.S. Army JROTC and a JROTC cadet.

Your Committees find that Kealakehe High School has the only JROTC program of the twenty-six units in Hawaii that is not permanently funded in the state budget. Kealakehe's JROTC has ranked in the top five units in Hawaii for six years, and is one of the most active units in the State. It services approximately thirty-five percent special education students, many of whom would not come to school without JROTC.

Your Committees believe that the State should support exemplary programs such as the Kealakehe High School JROTC program in order to foster the personal growth of its participants.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 620, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Baker, Chun Oakland, Hooser, Kanno, Tsutsui).

**SCRep. 1076 (Joint) Education and Judiciary and Hawaiian Affairs on H.B. No. 631**

The purpose of this measure is to appropriate funds for the Hawaiian Language Immersion Program.

The Department of Education, the Office of Hawaiian Affairs, Kamehameha Schools, and Ka Lahui Hawai'i submitted written testimony in support of this measure.

Your Committees find that the preservation of the Hawaiian language and culture is important in revitalizing the Hawaiian language and assisting people of Hawaiian ancestry to regain and maintain their language. Learning the Hawaiian language and cultural values significantly and positively impacts a student's education and self-esteem. The Department of Education's immersion program has grown and flourished since its inception. However, your Committees determine that Hawaiian immersion education requires specialized educational materials, which necessitates the appropriation of adequate funding in order to ensure that the quality of education received by the students within the immersion program continues to match the content and quality of a regular public school curriculum.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 631, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Menor, Tsutsui, Hogue).

**SCRep. 1077 Ways and Means on H.B. No. 1077**

The purpose of this measure is to appropriate funds for staffing the Office of the Governor and the Office of the Lieutenant Governor from January 2003 through June 2003.

Specifically, the bill appropriates \$838,136 and \$141,000 to the Offices of the Governor and the Lieutenant Governor, respectively.

Your Committee finds that the funds appropriated in this measure will assist the Governor and Lieutenant Governor in accomplishing their statutory and constitutional responsibilities in serving the people of Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1077, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Aduja, Kanno, Sakamoto).

**SCRep. 1078 (Joint) Health and Education on H.B. No. 422**

The purpose of this measure is to establish a center for nursing at the University of Hawaii, governed by an advisory board, to research workforce issues for nurses and other assistive healthcare personnel. In addition, this measure establishes a fee, in addition to current nursing licensing fees, to be utilized for the center for nursing.

Testimony supporting this measure was received from the Board of Nursing, University of Hawaii School of Nursing and Dental Hygiene, Hawaii Nurses' Association, Hawaii Government Employees Association, Healthcare Association of Hawaii, and two individuals. The Department of Budget and Finance opposed the creation of the center for nursing special fund provided in this measure.

Your Committees find that a nursing shortage exists and will continue into the next decade unless actions are taken to reverse the trend. It is anticipated that Hawaii will need to produce four hundred nurses each year for the next fifteen years to replace the number of nurses leaving the profession. Nurse shortages directly reduce the availability and quality of all health care services thereby threatening the health and welfare of the public. The State must make every effort to ensure that Hawaii's residents have adequate and high quality health care at all times. The establishment of a center for nursing will centralize data, research, and overall efforts to find a solution to the nurse shortage.

Your Committees have amended this measure this measure by:

- (1) Specifying that the amount of the center for nursing fee shall be \$40;
- (2) Providing that the fee shall not be assessed after June 30, 2009;
- (3) Changing its effective date from July 1, 2020, to July 1, 2003; and
- (4) Making technical, nonsubstantive amendments to reflect proper drafting style.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 422, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 422, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Kokubun, Menor, Tsutsui).

**SCRep. 1079 Health on H.B. No. 548**

The purpose of this measure is to extend the sunset date of the organ and tissue education fee, the Hawaii organ and tissue education special fund, and the Department of Health's reporting requirement related thereto, to June 30, 2006.

Testimony supporting this measure was received from the Department of Health, Kaiser Permanente, Hawaii Medical Association, Organ Donor Center of Hawaii, Bayanihan/MOTTEP of Hawaii, Congress of Visayan Organizations, Hawaii Coalition on Donation, Transplant Association of Hawaii, and one individual.

Your Committee finds that in passing Act 88, Session Laws of Hawaii 1999 (Act 88), the Legislature intended "to increase the number of individuals being asked to donate organs, to expand educational efforts across all ethnic, religious, and age groups, to increase the supply of organs for waiting transplant recipients, and to create a special fund which will be used to promote public education programs on organ, tissue, and eye donation" (Act 88, §1). Your Committee finds that Act 88 has been successful in many respects although an organ shortage continues to exist.

Clearly, the current successes of Hawaii's organ donation programs resulting from Act 88 are largely due to the volunteerism, diligence, and support of the public, and facilitated by the funds generated by the donations made during motor vehicle registrations, and otherwise. This measure only extends this program for another three years.

Your Committee, however, believes that by making permanent the existence of the Hawaii organ and tissue education special fund and continuing to allow donations to be made during motor vehicle registrations, Hawaii will continue to increase the number of organ and tissue donors, thereby saving lives and enhancing the quality of life for many persons well into the future.

Therefore, your Committee has amended this measure by replacing its contents with the provisions of Senate Bill No. 739, which makes permanent the provisions of Act 88 that establish the Hawaii organ and tissue education special fund and allow individuals to donate \$1 to the fund upon registering their motor vehicle.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 548, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 548, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hogue).

**SCRep. 1080 Human Services on H.B. No. 127**

The purpose of this measure is to create a "good cause" exemption for general assistance recipients who would be subject to sanctioning because of failure to comply with treatment.

Testimony in support of this measure was submitted by the Department of Human Services (DHS); Hawaii State Commission on the Status of Women; Legal Aid Society of Hawaii; Legal Aid Society of Hawaii, Hilo Office; National Association of Social Workers, Hawaii Chapter; and three concerned citizens.

Your Committee finds that the Department of Human Services has narrowly construed sections 346-71(b)(3)(C) and (D), Hawaii Revised Statutes, which require general assistance recipients to comply with DHS treatment recommendations. As a result, recipients are sanctioned if they do not comply with DHS treatment recommendations, even if the recipient has made an effort to obtain treatment but has been unable to obtain that treatment within the prescribed time period. Your Committee finds that many of the recipients who are required to follow treatment recommendations have mental disabilities, including bipolar disease, post-traumatic stress disorder, and other mental illnesses, that may make understanding treatment requirements and keeping appointments difficult. The Department of Human Services, testifying in support of this measure, stated that the "good cause" exception language in H.B. 127, H.D. 1, is similar to its other noncompliance policies that allow for "good cause" exceptions.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 127, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Inouye, Tsutsui).

**SCRep. 1081 Human Services on H.B. No. 668**

The purpose of this measure is to appropriate funds for activities relating to the delinking of welfare and medical assistance programs.

Testimony in support of this measure was submitted by Hale Mahaolu and the Hawaii Primary Care Association. The Department of Human Services submitted testimony in support of the intent of this measure.

Your Committee finds that the Welfare Reform Act of 1996 delinked the Temporary Aid to Needy Families (TANF) and Medicaid eligibility. Prior to 1996, anyone who was eligible for TANF was automatically eligible for Medicaid. With the delink, however, the federal government believed that recipients who lost their TANF benefits after the statutory maximum five-year benefit period ended, would not be aware that they might still be eligible to receive Medicaid. Therefore, the Federal government provided funds to publicize the fact that a person might still qualify for Medicaid even if ineligible for TANF. Federal funds are available at an enhanced matching rate of 75% or 90% (compared to the regular match rate of about 58%), but must be used only for purposes related to the delinking.

Your Committee further finds that Hale Mahaolu is a non-profit organization that has been providing affordable rental units and social services programs for disabled and chronically ill frail adults and elders in Maui County for thirty-two years. In 1985, Hale Mahaolu established the personal care program to provide income-eligible disabled or chronically ill frail adults and elders on the islands of Maui, Molokai, and Lanai, with financial assistance for in-home personal care attendant services at a significantly lower cost than nursing home care, thereby maximizing limited federal and state resources for medical assistance. Hale Mahaolu entered into a four-year contract with the Department of Human Services to provide personal care services in Maui County in 2002, based on representations that funding would be maintained at a certain level for each of the four years of the contract. Hale Mahaolu has just recently been informed by the Department of Human Services that the contract amount for the last two years of the contract would be reduced by \$90,000. This reduction means that the personal care services program would have to be cut, resulting in a waiting list for services. Accordingly, Hale Mahaolu is seeking a \$90,000 grant-in-aid from the State in order to maintain the personal care services program at current levels.

Your Committee has amended this measure by:

- (1) Deleting the words "The QUEST rolls have decreased and," on page 1, line 12, for accuracy as noted in the Department of Human Services' testimony; and
- (2) Adding a new part to the measure and appropriating \$90,000 in each of fiscal years 2003-2004 and 2004-2005 for a grant-in-aid to Hale Mahaolu for the personal care program for disabled or chronically ill frail adults and elders residing in Maui county.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 668, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 668, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Tsutsui).

**SCRep. 1082 Human Services on H.B. No. 1342**

The purpose of this measure is to appropriate funds for fiscal years 2003-2004 and 2004-2005 to the Office of Youth Services for youth service centers.

Testimony in support of the intent of this measure was submitted by the Office of Youth Services.

Your Committee finds that youth service centers provide safe environments for youth, allowing youth to access opportunities, experiences, and a continuum of services within a supervised program with positive adult role models. Youth service centers support positive youth development, increase the protective factors for youth, and deter the onset or escalation of destructive, delinquent, and dangerous behaviors. Your Committee also finds that youth service centers provide a central focus and coordinated effort to ensure all youth, particularly those overrepresented in the juvenile justice system, the opportunity to develop skills that enable them to become responsible, productive adults.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1342, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Inouye, Tsutsui).



**SCRep. 1083 Human Services on H.B. No. 1429**

The purpose of this measure is to establish a Commission on Fatherhood within the Office of the Governor, to make recommendations and oversee policies for programs, services, and contracts that promote healthy family relationships and are family-friendly and inclusive.

Testimony in support of this measure was submitted by Parents and Children Together; the Hawaii Coalition for Dads; Healthy Mothers, Healthy Babies Coalition of Hawaii; and one concerned citizen. The Department of the Attorney General submitted testimony in support of the intent of this measure.

Your Committee finds that the Commission on Fatherhood will bring together Legislators, representatives of public and private agencies, and community members to strengthen, through collaboration, Hawaii's efforts to support fatherhood. Through the establishment of this Commission, Hawaii will join a growing national fatherhood movement and position itself to leverage Federal support for fatherhood initiatives proposed by President Bush.

Your Committee has amended this measure by:

- (1) Moving some of the language from the purpose section into a new "findings and purpose" section designated as § -1 of the new chapter establishing a Commission on Fatherhood, and renumbering the sections of the new chapter accordingly;
- (2) Providing that the Commission on Fatherhood shall be located within the Department of Health for administrative purposes, rather than the Governor's office;
- (3) Deleting the representative from the Office of Children and Youth, as that office has been abolished, and making the total number of members fourteen, not fifteen; and
- (4) Adding a section to clarify that meetings of the Commission are subject to Chapter 92, Hawaii Revised Statutes, otherwise known as the Sunshine Law.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1429, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1429, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Inouye, Tsutsui).

**SCRep. 1084 Transportation, Military Affairs, and Government Operations on H.B. No. 49**

The purpose of this measure is to prohibit drivers from using a hand-held cellular telephone while operating a motor vehicle.

Your Committee received testimony in support of this measure from two concerned citizens. Comments were submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu and by Verizon Wireless.

Your Committee finds that cellular telephones have become an indispensable part of modern society; nearly every person carries a cell phone. Cell phones offer the user the convenience and safety of staying in touch from anywhere.

While your Committee agrees that cell phones offer many benefits, they must be used responsibly. It is quite common for motorists to talk on a cell phone while driving, and your Committee finds that such behavior can easily distract a driver's attention from the roadway.

Therefore, your Committee supports the concept of this measure in an effort to keep our roads safe. Your Committee is mindful that existing law provides penalties for inattention to driving. However, your Committee is aware of no instances when a person was charged with that violation for talking on a cell phone.

While supporting this measure, your Committee has made several amendments to lessen the otherwise drastic effect its implementation would have on the public.

First, your Committee amended this measure to apply this offense only as a secondary offense. As such, a motorist cannot be stopped solely for talking on a cell phone; only if a driver is stopped for another, separate violation can that person be charged for talking on the phone.

Second, your Committee delayed the effective date until January 1, 2004, to give the public ample time to prepare for implementation. Your Committee also believes that this offense should serve as a temporary pilot project, and therefore inserted a sunset date of January 1, 2006. After judging the effectiveness of this ban for two years, the Legislature can revisit the issue.

Your Committee also amended the exception for so-called "hands-free" cellular phones to specify that the exception applies to any cell phone that is properly used with a hands-free device, such as a headset or cradle.

Finally, your Committee made several technical, nonsubstantive amendments for purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 49, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 49, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1085      Transportation, Military Affairs, and Government Operations on H.B. No. 58**

The purpose of this measure is to exempt motor vehicle rental companies that periodically ship vehicles in quantities of ten or more from the requirements governing the removal or shipping of vehicles from the State or between the counties.

Catrala-Hawaii, Dollar Rent A Car, Enterprise Rent-a-Car, and ANC Rental Corporation testified in support of this measure.

Your Committee finds that the documentation requirements for shipping vehicles out of the State or between the counties place an undue burden on motor vehicle rental companies that deal in the shipment of quantities of vehicles. By exempting those companies from the requirements, this measure will facilitate business and commercial activity in the State.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 58, and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aduja, Kanno).

**SCRep. 1086      Transportation, Military Affairs, and Government Operations on H.B. No. 659**

The purpose of this measure is to place each house of the Legislature in charge of publishing, selling, and distributing the legislative journals.

Your Committee finds that under existing law, the Office of the Lieutenant Governor is responsible for selling, distributing, and fixing the price of the legislative journals, while the Legislature is responsible for preparing the journals.

Your Committee agrees that it makes more sense to put each house of the Legislature in charge of selling, distributing, and fixing the price for the legislative journals, and to allow the Legislature to retain the proceeds from sales of the journals.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 659, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

**SCRep. 1087      Transportation, Military Affairs, and Government Operations on H.B. No. 772**

The purpose of this measure is to allow counties, in the issuance of general obligation bonds, to acquire policies of insurance and enter into banking arrangements.

Testimony in support of this measure was received from the City and County of Honolulu Department of Budget and Fiscal Services.

This measure facilitates the ability of counties to issue general obligation bonds (GO bonds) as a means to finance public improvements. GO bonds are an essential source of funding for counties to build public facilities. These projects need to be cost-effective, so it is important that counties are able to manage interest costs and limit potential risks associated with interest rate fluctuations in the municipal bond market.

Elsewhere in the country, interest rate swaps and other similar contractual arrangements have proven to be an effective means by which local government agencies can manage the interest costs and risks associated with their bond issues. Unfortunately, there is no express authorization under Hawaii law for our counties to utilize these types of contractual arrangements in connection with their general obligation or revenue bond issues. Consequently, the counties have not been able to determine that such arrangements are permissible under Hawaii law.

This measure, if enacted, would make it possible for our counties to utilize interest rate swaps and other similar contractual arrangements in the structuring of general obligation bonds issued under Chapter 47, Hawaii Revised Statutes. This would enhance the counties' ability to finance needed public improvements on a more cost-effective basis and thereby help to ease the burden which the counties' residents and businesses must bear with respect to the costs of these improvements.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 772, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

**SCRep. 1088      Transportation, Military Affairs, and Government Operations on H.B. No. 773**

The purpose of this measure is to allow counties, in the issuance of revenue bonds, to acquire policies of insurance and enter into banking arrangements.

Testimony in support of this measure was received from City and County of Honolulu Department of Budget and Fiscal Services.

This measure clarifies the authority of counties to enter into certain commonplace insurance and banking arrangements in the course of issuing revenue bonds to finance public works projects which produce revenue. These projects need to be cost-effective, so it is important that counties are able to manage interest costs and limit potential risks associated with interest rate fluctuations in the municipal bond market.

Elsewhere in the country, interest rate swaps and other similar contractual arrangements have proven to be an effective means by which local government agencies can manage the interest costs and risks associated with their bond issues. Unfortunately, there is no express authorization under Hawaii law for our counties to utilize these types of contractual arrangements in connection with their revenue bond issues. Consequently, the counties have not been able to determine that such arrangements are permissible under Hawaii law.

This measure, if enacted, would make it possible for our counties to utilize interest rate swaps and other similar contractual arrangements in the structuring of revenue bonds issued under Chapter 49, Hawaii Revised Statutes. This would enhance the counties' ability to finance needed public improvements on a more cost-effective basis and thereby help to ease the burden which the counties' residents and businesses must bear with respect to the costs of these improvements.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 773, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

**SCRep. 1089      Transportation, Military Affairs, and Government Operations on H.B. No. 818**

The purpose of this measure is to remove law enforcement mileage fees in relation to driver's license revocation hearings.

Testimony in support of this measure was received from the Judiciary and Honolulu Police Department (HPD).

This measure is a conforming amendment to the amendment enacted in Act 157, Session Laws of Hawaii 2001 (Act 157), which provided that the costs of issuing subpoenas for witnesses, including mileage fees, is to be borne by the party requesting the subpoena. Act 157 did not delete the reference to law enforcement mileage fees from the list of administrative costs covered under the \$30 statutory charge for fees and costs. This measure makes it clear that the party requesting the subpoena must pay for the law enforcement mileage fees as with any other witness mileage fees, in addition to the \$30 fee.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 818, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aduja, Kanno).

**SCRep. 1090      Transportation, Military Affairs, and Government Operations on H.B. No. 899**

The purpose of this measure, as received by your Committee, is to reduce the fireworks permit fee from \$25 to \$10.

Prior to the hearing on this measure, your Committee prepared a proposed S.D. 1 version to increase the fireworks permit fee to \$50, to require a permit for purchase of novelty fireworks, and to allow only one permit per household for use of fireworks during any authorized period.

Your Committee received testimony in support of the proposed S.D. 1 version of this measure from the Department of Labor and Industrial Relations. Legislative Information Services of Hawaii and a concerned citizen submitted testimony in opposition to the proposed S.D. 1. A small business owner submitted testimony in support of the original measure, and the State Fire Chief submitted statistics related to fireworks use.

Following the amendments to Chapter 132D, Hawaii Revised Statutes, in 2000, your Committee finds that the problems related to discharge of fireworks have declined significantly. Overall, there have been fewer fireworks-related fires and health complaints during the past two years.

However, your Committee finds that fireworks continue to be a problem, and that tougher regulation is necessary. So-called novelty fireworks produce prodigious amounts of noise and smoke, and your Committee finds that it is appropriate to require a permit to purchase novelty fireworks.

Your Committee also finds that it is appropriate to raise the permit fee. Since the discharge of fireworks interferes substantially with every person's right to be free from undue noise, odors, and smoke, your Committee believes that persons who wish to set off fireworks should pay a higher fee for that privilege.

Likewise, your Committee believes that it is fair to limit each household to a single permit. Traditionally, fireworks have been viewed and used by a family together, and therefore it makes sense to allow a single permit to be purchased per household.

In the spirit of compromise, your Committee amended the provisions of the proposed S.D. 1, by maintaining the proposed permit fee increase but allowing for the purchase of up to five thousand firecrackers and up to \$20 in novelty fireworks, rather than one or the other, under one permit.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 899, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

**SCRep. 1091      Transportation, Military Affairs, and Government Operations on H.B. No. 1247**

The purpose of this measure is to appropriate funds for the Department of Transportation (DOT) to establish a contraflow lane on Farrington Highway during morning and evening rush hours.

Your Committee received testimony in support of this measure from a concerned citizen. The DOT and another concerned citizen submitted testimony supporting the general intent of this measure.

Your Committee finds that the traffic situation along Farrington Highway is reaching a crisis point, and that something must be done to alleviate the problem. Since the highway is the only path of ingress and egress to the leeward coast, residents and commuters are forced to sit in unbearable traffic, particularly during the morning and evening rush hours.

Therefore, your Committee supports the intent of this measure, which would dedicate state funds for the purpose of establishing a contraflow lane on Farrington Highway, so that there are two lanes moving in one direction during rush hour.

Based on the testimony submitted by the DOT, however, your Committee amended this measure to give the DOT discretion on what type of traffic easing measures to institute along Farrington Highway.

Your Committee believes that a contraflow lane may be the most appropriate and economical solution in the short run, and the DOT still may utilize that option. However, your Committee believes that the DOT should have discretion to use whatever techniques it finds most effective.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1247, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1092      Transportation, Military Affairs, and Government Operations on H.B. No. 150**

The purpose of this measure is to transfer the State Capitol Tour Service from the Office of the Governor to the State Foundation on Culture and the Arts (SFCA).

Your Committee received testimony in support of this measure from the Department of Accounting and General Services and the SFCA.

Your Committee finds that the Hawaii State Capitol Building was designed and constructed to showcase the history and geography of the Hawaiian Islands. The capitol building is as unique as our islands and our people, and its story has enchanted thousands of visitors and residents over the years.

Your Committee further finds that the SFCA recently opened the Hawaii State Art Museum at the No. 1 Capitol District Building. Your Committee supports the SFCA's plans to locate the capitol tours program within the Capitol District Visitors Information Center at the No. 1 Capitol District Building, which is scheduled for completion in Fall, 2004.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 150, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

**SCRep. 1093      Transportation, Military Affairs, and Government Operations on H.B. No. 285**

The purposes of this measure are to require administrative rules to conform to enabling statutes, to provide for the automatic repeal of outdated administrative rules, and to modify the scope of the Small Business Regulatory Review Board's annual evaluation report.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development and Tourism, the Department of Human Resources Development, The Chamber of Commerce of Hawaii, and the Land Use Research Foundation.

Your Committee finds that, through the enactment of statutes, the Legislature often gives state agencies the authority to adopt rules that have the force and effect of law. Since the Legislature is delegating its duty to make law, your Committee finds that it is tantamount that the rules conform to the legislative intent in enacting the enabling statute.

In addition, when the enabling statute is amended or repealed, the rules adopted pursuant thereto require amendment or repeal as well. Due to the expense of repealing rules under the Administrative Procedure Act, however, many agencies allow outdated rules to remain on the books.

Your Committee supports this measure as a means to address these and related problems associated with the administrative rule process.

Your Committee amended this measure to allow any person, and not only affected small businesses, to petition an agency regarding the adoption of an administrative rule.

Your Committee also made several technical, nonsubstantive amendments for purposes of style and accuracy.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 285, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 285, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aduja, Kanno).

**SCRep. 1094      Transportation, Military Affairs, and Government Operations on H.B. No. 1010**

The purpose of this measure is to allow a suspect's refusal to submit to a blood alcohol level test to be admissible in subsequent civil and criminal proceedings against the suspect, and to repeal the penalties for refusal to submit to a test.

Your Committee received testimony from the Judiciary in support of some portions of this measure and opposing other portions. Testimony in opposition to this measure was submitted by the Department of Transportation, the Honolulu Police Department, the Honolulu Prosecuting Attorney, and Mothers Against Drunk Driving.

Due to the amount of opposing testimony, your Committee amended this measure by replacing its contents with the contents of Senate Bill No. 1216.

The purpose of this measure, as amended by your Committee, is to allow police to take breath, blood, or urine tests from persons involved in a motor vehicle accident who are not injured or refuse to be treated for an injury.

As amended, this measure also:

- (1) Adds the offense of operating a vehicle after consuming a measurable amount of alcohol by persons under the age of twenty-one to the list of violations under which a law enforcement officer with probable cause may request a sample of blood or urine; and
- (2) Clarifies that the notice of administrative revocation does not serve as a temporary permit if at the time of the arrest the person refused to take a breath, blood, or urine test.

The intent of this measure, as amended, is to cover the situation where suspected impaired drivers are not injured in a collision involving injury or death and refuse to take a breath, blood, or urine test. Existing law in practical effect covers only situations where the driver is injured, because the driver is afforded medical treatment usually at a hospital where a definitive test can be administered. Thus, the uninjured impaired driver may elude conviction for driving under the influence of an intoxicant by refusing to submit to a breath, blood, or urine test. Therefore, your Committee finds that this measure closes a loophole in the law.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1010, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1010, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aduja, Kanno).

**SCRep. 1095      Transportation, Military Affairs, and Government Operations on H.B. No. 1363**

The purpose of this measure is to appropriate funds as a grant-in-aid to the City and County of Honolulu to clean and remediate the Salt Lake Waterway.

Your Committee received testimony in support of this measure from two concerned residents of the Salt Lake area.

Your Committee finds that the waterways in the Salt Lake area, aside from being malodorous, present a health hazard for local residents and those coming in contact with the water, which is often full of rubbish, debris, and sediment.

Although several efforts have been undertaken in the past several years to clean the Salt Lake Waterways, your Committee finds that a concerted, systematic effort is required to ensure that the waterways are returned to a healthy state and remain that way.

Therefore, your Committee supports a joint effort sponsored by the State, the City and County of Honolulu, and the federal government to provide funds for that purpose.

To ensure that the City and County of Honolulu participates fully in this effort, your Committee has amended this measure to require the City and County of Honolulu to match every dollar that is appropriated by the State as a grant-in-aid for cleaning the Salt Lake Waterway. Your Committee feels that this solution is equitable, and urges all parties to seek federal funding to assist in the effort.

Your Committee also made several technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1363, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1363, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

**SCRep. 1096      Labor on H.B. No. 132**

The purpose of this measure is to require the Department of Human Resources Development (DHRD) to retain records relating to state employees and to report to the Legislature on possible gender discrimination. This measure also establishes a commission to review the reports and other data and to develop recommendations for the correction of gender-based pay inequities.

The Hawaii Civil Rights Commission, the Hawaii State Commission on the Status of Women, Hawaii Women Lawyers, and Planned Parenthood of Hawaii submitted testimony in support of this measure. Testimony in opposition to this measure was submitted by the Department of Human Resources Development.

The 1963 Equal Pay Act prohibits discrimination in compensation for equal work on the basis of sex. Title VII of the Civil Rights Act of 1964 prohibits discrimination in compensation because of race, color, religion, national origin, or sex. However, inequities continue to exist despite the existence of these and other laws and policies promoting equality.

Your Committee finds that government must set an example in scrutinizing its operation to ensure that it is free of bias and that any discriminatory employment practices that may exist are identified and eliminated. Your Committee believes that the gathering, review, and analysis of relevant data by the Department of Human Resources Development combined with review by the Commission on Pay Equity are positive efforts in eliminating discrimination in compensation based upon gender bias.

However, your Committee has amended the measure as follows for purposes of clarity:

- (1) By deleting language requiring DHRD to review data collected "as of September 30, 1999" and replacing it with language requiring DHRD to review "all current relevant" data;
- (2) By correcting erroneous references to the "department of human services development" to read the "department of human resources development";
- (3) By restructuring the composition of the Commission on Pay Equity as follows:
  - (a) By including the Director of DHRD and/or a representative from the DHRD Workforce Planning Division or the DHRD Labor Relations Division;

- (b) By replacing the four representatives of public employers with one representative from the Department of Education, the University of Hawaii, and the Hawaii Health Systems Corporation; and
  - (c) By including one representative from the Hawaii Civil Rights Commission; and
- (4) By making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 132, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 132, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 1097 Labor on H.B. No. 287**

The purpose of this measure is to mandate the termination of a public employee convicted of a felony for conduct in violation of the employee's duties.

This measure also provides for the reinstatement and back pay for a public employee whose conviction is overturned.

The Hawaii State Ethics Commission and the League of Women Voters of Hawaii submitted testimony in support of this measure. The Department of Human Resources Development and the Department of the Attorney General submitted testimony in support of the intent of this measure with reservations.

Your Committee finds that public trust and confidence in government has been shaken by recent criminal convictions of public employees, including elected public officials. Your Committee believes that public servants should be held to the highest of ethical standards. Public employees convicted of felonies for conduct in violation of their duties should be subject to termination to serve as both a deterrent and punishment for criminal activity and abuse of office.

Your Committee determines that clarification of the term public employee is necessary and has amended the measure as follows:

- (1) By including the term "public official" within the definition of "public employee"; and
- (2) By making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 287, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 287, H.D. 3, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 1098 (Majority) Labor on H.B. No. 294**

The purpose of this measure is to provide temporary health insurance for unemployed persons who have lost their health insurance.

The Department of Human Services submitted testimony in support of this measure, however, citing concerns regarding possible cost implications associated with implementation.

Your Committee finds that the depressed state of the economy has resulted in numerous employment furloughs, layoffs, reduced work hours, and terminations. Although the affected individuals may obtain some financial relief through unemployment insurance benefits, they may be unable to maintain health care insurance coverage. Given the unstable global climate, the future for these individuals may continue to be difficult. Your Committee further finds that by assisting those in need through the maintenance of health insurance coverage, the economic impact of having a large population of medically uninsured persons will be alleviated.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 294, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

**SCRep. 1099 Labor on H.B. No. 403**

The purpose of this measure is to reduce the retirement allowance of legislative officers appointed after June 30, 2003, from three and one-half per cent to two per cent.

This measure also imposes a penalty for legislative officers, hired after June 30, 2003, who retire before they reach the age of fifty-five.

The Employees' Retirement System submitted comments on the measure.

Your Committee finds that during these difficult economic times, efforts must be made to reduce government spending. Although providing benefits for our dedicated public employees is of great importance, this objective must be balanced with the struggle to minimize the depletion of the State's limited resources. However, your Committee determines that the reduction should not apply to legislative officers appointed prior to July 1, 2003, so as not to compromise the benefits offered and provided at the time of appointment.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 403, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 1100 Labor on H.B. No. 507**

The purpose of this measure is to allow licensed emergency medical technicians to retire without penalty after accruing twenty-five years of credited service.

The City Council for the City and County of Honolulu submitted a Resolution wherein the City Council expressed its support for the measure. The Department of Health, the Director and Deputy Director of the Honolulu Emergency Services Department for the City and County of Honolulu, the Prehospital Emergency Care Professionals Association, and forty emergency medical technicians submitted testimony in support of this measure.

The Department of Budget and Finance submitted testimony in opposition to this measure, and the Employees' Retirement System submitted comments on the measure with recommendations for amendments.

Your Committee finds that Emergency Medical Technicians are public safety personnel who perform hazardous, stressful, and physically demanding duties, yet are ineligible to retire after twenty-five years of service without penalty, regardless of age upon retirement, as are their public safety personnel counterparts. Your Committee also finds that a shortage of Emergency Medical Technicians exists within the State and that efforts must be made to equitably compensate, retain, and recruit qualified individuals. These efforts should include an increase of benefits, such as reducing the number of years required for retirement eligibility.

However, your Committee determines that difficult economic times are upon us and fiscal responsibility continues to remain a priority. Additionally, the concern has been raised that a mass exodus of Emergency Medical Technicians will occur if eligibility requirements for retirement are reduced, thereby crippling emergency services available within the State. Therefore, your Committee believes that a graduated schedule to phase-in the allowance for Emergency Medical Technicians to retire after twenty-five years of credited service will best serve the needs and requests of the Emergency Medical Technicians, ensure against a mass exodus, and minimize the fiscal impact associated with this change.

Your Committee has amended this measure as follows:

- (1) By creating a new section in chapter 88, Hawaii Revised Statutes, to allow licensed Emergency Medical Technicians to retire without penalty upon accruing thirty years of credited service through June 30, 2003; twenty-nine years of credited service on or after July 1, 2004; twenty-eight years of credited service on or after July 1, 2005; twenty-seven years of credited service on or after July 1, 2006; twenty-six years of credited service on or after July 1, 2007; and twenty-five years of credited service on or after July 1, 2008, as an Emergency Medical Technician, if the last five or more years prior to retirement are credited service in that capacity;
- (2) By deleting the amendment to section 88-74, Hawaii Revised Statutes, which allowed Emergency Medical Technicians to retire after twenty-five years of credited service in such capacity; and
- (3) By changing the effective date in the measure to make the Act effective upon approval.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 507, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 507, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 1101 Labor on H.B. No. 731**

The purpose of this measure is to amend the definition of "medical care", "medical services", or "medical supplies" in the workers compensation law to include services provided by occupational therapists and occupational therapy assistants.

This measure also replaces the term "masseur" with "licensed massage therapist."



The Department of Labor and Industrial Relations, the Occupational Therapy Association of Hawaii, the Hawaii Healthcare Association of Hawaii, the Hawaii Chapter of the American Physical Therapy Association, the Queens Medical Center Occupational Therapy Department, and fourteen individuals submitted testimony in support of this measure.

The Building Industry Association of Hawaii submitted testimony in opposition to this measure.

Your Committee finds that currently, occupational therapists and occupational therapist assistants have been providing care for injured workers without reimbursement for such services under workers' compensation law. These professionals have been trained, examined, and licensed, similar to their physical therapist counterparts who are included in the definition of "medical care" under workers' compensation law.

Your Committee determines that to ensure efficient and timely access to care and for the valued rehabilitative services provided, occupational therapists and occupational therapy assistants should be included in the definition of "medical care" in order to provide increased access to those injured workers in need of occupational therapy.

Additionally, your Committee determines that "masseur" is an outdated term and that the language of the statute should be updated to reflect current appropriate terminology.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 731, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 1102 (Majority) Labor on H.B. No. 968**

The purpose of this measure is to encourage eligible claimants of unemployment insurance to seek gainful employment by permitting claims to receive their weekly benefit amount without regard to earnings received from employment.

The Department of Labor and Industrial Relations and the ILWU Local 142 submitted testimony in support of the intent of the measure with reservations.

Your Committee finds that existing law regarding unemployment benefits presents a deterrent for those seeking employment or those individuals with multiple employers. Many individuals find it necessary to hold multiple jobs in order to make a living. The supplementation of unemployment benefits due to the loss of one job is currently offset by weekly earnings in excess of fifty dollars. This reduction in the benefit paid can act to penalize individuals who, although eligible for unemployment benefits, have obtained or are maintaining gainful employment in a less than full-time capacity. Your Committee determines that these eligible individuals should be allowed to maximize their weekly benefit amount irrespective of any wages earned.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 968, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

**SCRep. 1103 Labor on H.B. No. 986**

The purpose of this measure is to permit surviving dependent children over the age of eighteen and until the age of twenty-four to receive death benefits while they are, when they become, and as long as they remain, full-time students.

The Hawaii State Teachers Association submitted testimony in support of this measure. The Department of Budget and Finance submitted testimony in opposition to this measure, and the Employees' Retirement System submitted comments indicating that it would submit information regarding cost impacts of this measure.

Your Committee finds that the surviving children of deceased public employees are often faced with financial hardship due to the absence of support from the deceased parent or parents. Your Committee believes that the State should assist surviving children beyond the age of eighteen who are seeking to further their education by continuing to provide them with death benefits until the age of twenty-four so long as they are full-time students.

Your Committee has amended the measure to make a technical, nonsubstantive amendment to accurately reflect statutory formatting.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 986, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 986, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 1104 Labor on H.B. No. 1041**

The purpose of this measure is to appropriate funds for the salary increases and other cost adjustments authorized by Chapter 89C, Hawaii Revised Statutes, for officers and employees excluded from collective bargaining from the Office of the Auditor, the Hawaii State Ethics Commission, the Office of the Legislative Reference Bureau, and the Office of the Ombudsman for the fiscal biennium 2003-2005.

The Office of Collective Bargaining, the Office of the Ombudsman, the Hawaii State Ethics Commission, the Legislative Reference Bureau, and the Managerial and Confidential Employees Chapter of the Hawaii Government Employees Association submitted testimony in support of this measure.

Your Committee believes that this measure should remain available for action throughout the legislative process as negotiations between the State and exclusive bargaining representative to which salary increases for excluded employees are tied, continue.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1041, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 1105 Labor on H.B. No. 1042**

The purpose of this bill is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of Collective Bargaining Unit 1, nonsupervisory employees in blue-collar positions.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for nonsupervisory employees in blue-collar positions who are excluded from collective bargaining.

The Office of Collective Bargaining submitted testimony in support of this measure.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 1 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1042, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 1106 Labor on H.B. No. 1043**

The purpose of this measure is to fund all collective bargaining cost items in the agreements negotiated with the exclusive bargaining representative of collective bargaining Unit 2, supervisory employees in blue collar positions; Unit 3, nonsupervisory employees in white collar positions; Unit 4, supervisory employees in white collar positions; Unit 6, educational officers and other personnel of the department of education under the same pay schedule; Unit 8, personnel of the University of Hawaii and the community college system, other than faculty; Unit 9, registered professional nurses; and Unit 13, professional and scientific employees, who cannot be included in any other bargaining units.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and under the same compensation plans as those officers and employees within collective bargaining Units 2, 3, 4, 6, 8, 9, and 13.

The University of Hawaii and the Hawaii Government Employees Association submitted testimony in support of this measure. The Office of Collective Bargaining submitted testimony in support of the intent of the measure with recommendations for amendments.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Units 2, 3, 4, 6, 8, 9, and 13 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1043, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 1107 Labor on H.B. No. 1044**

The purpose of this measure is to fund all collective bargaining cost items in the arbitration award for collective bargaining Unit 5, teachers and other personnel of the Department of Education under the same salary schedule.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for teachers and other personnel of the Department of Education under the same salary schedule who are excluded from collective bargaining.

The Office of Collective Bargaining and the Hawaii State Teachers Association submitted testimony in support of this measure.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 5 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1044, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 1108 Labor on H.B. No. 1045**

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining Unit 7, faculty of the University of Hawaii and the community college system.

This measure also funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for faculty of the University of Hawaii and the community college system who are excluded from collective bargaining.

The Office of Collective Bargaining, the University of Hawaii, and the University of Hawaii Professional Assembly submitted testimony in support of this measure.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 7 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1045, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 1109 Labor on H.B. No. 1046**

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining Unit 10, institutional, health, and correctional workers.

In addition, this measure provides for the funding of salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for institutional, health, and correctional workers who are excluded from collective bargaining.

The Office of Collective Bargaining submitted testimony in support of this measure.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 10 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1046, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 1110 Labor on H.B. No. 1047**

The purpose of this measure is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining Unit 11, firefighters.

In addition, this measure provides for the funding of salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for firefighters who are excluded from collective bargaining.

The Office of Collective Bargaining and the Hawaii Fire Fighters Association submitted testimony in support of this measure.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, salary increases, and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 11 will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1047, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 1111 Labor on H.B. No. 1157**

The purpose of this measure is to minimize the administrative processing of refunding contributions for the employees mandatorily excluded from the Social Security coverage.

The Employees' Retirement System submitted testimony in support of this measure.

Your Committee finds that under existing law, nonresident aliens holding F-1, J-1, M-1, or Q-1 visas are excluded from Social Security coverage. These individuals are classified as Class B members who are not assessed FICA or Medicare taxes, unlike other members who are enrolled as Class A or Class C members. Also classified as Class B members are those individuals who elected not to participate in Social Security and police officers and firefighters hired on or prior to March 1, 1986.

Your Committee determines that classifying employees hired after June 30, 1984, and not covered by Social Security, as Class C members will minimize the processing of payroll adjustments and refunds currently necessary once a nonresident alien obtains a green card or otherwise becomes covered by Social Security.

Your Committee has amended the measure by making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1157, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1157, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 1112 Labor on H.B. No. 1198**

The purpose of this measure is to prohibit minors from working in adult entertainment.

The Department of Labor and Industrial Relations submitted testimony in support of this measure.

This measure also establishes a misdemeanor offense for any person who knowingly violates the Child Labor Law and modifies and clarifies work hour restrictions for minors.

The Hawaii Child Labor Law was enacted with the intent of protecting minors in the workplace and ensuring that they have the opportunity to complete their education and become productive members of society. Your Committee finds that our children are our future and that while they are minors, they require additional protection against exploitation and injury in the workplace. Specifically, minors should be prohibited from working in the adult entertainment industry where exploitation is of the utmost concern, and criminal liability should attach for any and all violations of the Child Labor Law.

Your Committee also finds that minors will be further protected through the clarification of existing law with regard to work hour restrictions. The measure amends current law to reflect the existence of year round school schedules in our public school system, in order to permit students to work extended hours during any school break, not merely the summer break.

Your Committee has amended the measure by making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1198, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1198, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 1113 (Majority) Labor on H.B. No. 1373**

The purpose of this measure is to set forth leave provisions for permanent full-time employees of the State or one of its political subdivisions who are exempt from Chapters 76 and 89, but are not considered "excluded employees" under section 89C-1.5, Hawaii Revised Statutes.

The Department of Human Resources Development submitted testimony in support of the intent of the measure with recommendations for amendments. The Hawaii Government Employees Association opposed passage of the measure stating that if passed as received by your Committee, the measure would create an inequitable leave earning status for employees.

Act 253, Session Laws of Hawaii 2000, repealed Chapter 79, Hawaii Revised Statutes, which covered leaves of absence for public employees. The repeal was effective July 1, 2001, pursuant to Act 124, Session Laws of Hawaii 2001, and since that time, no statutory provision has been enacted to address the issue. However, despite the repeal, by practice, the policy and guidelines of Chapter 79 have continued in lieu of any subsequent legislation.

Your Committee finds that the excluded employees covered by this measure should be provided appropriate leave benefits. However, new employees subject to collective bargaining agreements are currently earning less leave than that which would be provided to their excluded counterparts under this measure. Your Committee determines that in order to maintain parity amongst similarly situated employees, newly hired excluded employees should be granted leave at the same rate as their union counterparts.

Your Committee has amended the measure as follows:

- (1) By establishing that the leave provisions outlined in the new Part apply to employees hired prior to July 1, 2003, unless otherwise stated;
- (2) By creating a new section within the Part to require employees hired after June 30, 2003, to be entitled to and granted any leave granted to employees under the new Part at the same rates as those provided to employees in the same or similar positions that are subject to a collective bargaining agreement;
- (3) By changing the effective date of the Act to July 1, 2003; and
- (4) By making technical, nonsubstantive corrections to reflect proper drafting style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1373, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1373, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Sakamoto).

**SCRep. 1114 Transportation, Military Affairs, and Government Operations on H.B. No. 373**

The purpose of this measure is to prohibit landlords from restricting renters of a single family residence from displaying reasonable political signs.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawaii.

Your Committee finds that political speech deserves the highest protection under the Constitution and laws of the State. Therefore, your Committee encourages the free exercise of political speech by tenants, so long as public health and safety are not affected.

Your Committee amended this measure to remove the prohibition against displaying roadside campaign signs more than forty-five days prior to and ten days following an election. Your Committee finds that the federal courts have extended the highest constitutional protections to political speech. Furthermore, the State Attorney General has issued Opinion No. 96-04, holding that the durational limits on the posting of political signs is unconstitutional.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 373, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 373, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 1115 Transportation, Military Affairs, and Government Operations on H.B. No. 887**

The purpose of this measure is to require corporations that contribute more than \$10,000 in an election period to file campaign spending reports similar to those for candidate and noncandidate committees.

Your Committee received testimony in opposition to this measure from the Campaign Spending Commission.

Your Committee finds that with the wave of indictments of public officials in recent years, public confidence in the integrity of the legislative process has diminished. Your Committee believes that it is vital that the public believes that its elected officials are working in the public interest, and not solely to benefit those entities that provide financial support to a candidate.

Therefore, your Committee believes that this measure may improve public confidence in their elected officials.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 887, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 1116      Transportation, Military Affairs, and Government Operations on H.B. No. 1453**

The purpose of this measure is to clarify that chapter 516, Hawaii Revised Statutes (HRS), the Residential Leasehold Conversion law, applies only to lots zoned for residential use.

Your Committee received testimony in support of this measure from the Housing and Community Development Corporation of Hawaii, Kamehameha Schools, and three small landowners.

Chapter 516, HRS, relating to residential leaseholds, authorizes the mandatory lease-to-fee conversion of residential leaseholds. The nature of today's residential housing development is such that residential housing is frequently a component of a commercially zoned mixed use project or agriculturally zoned project.

Proponents of this measure have argued that mandatory conversion was intended to apply only to residentially zoned land, not to agricultural land or mixed-use properties. Your Committee supports this measure, which would limit mandatory conversions to properties zoned for residential use.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1453, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 1117      Science, Arts, and Technology on H.B. No. 1532**

The purpose of this measure is to appropriate funds for the annual celebration of Martin Luther King Jr. Day in Hawaii.

Testimony in support of this measure was submitted by the Hawaii Civil Rights Commission, the Dr. Martin Luther King Jr. Coalition-Hawaii, the Hawaii State Parent Teacher Student Association, and two private citizens.

Your Committee finds that the legacy of Dr. Martin Luther King Jr. is important not only for his impact upon our nation, but especially in Hawaii, a state comprising many ethnic and racial groups. Your Committee further finds that 2004 is the 15<sup>th</sup> anniversary of the Martin Luther King Jr. holiday in Hawaii, and many educational programs and events are planned, including an art exhibit, a musical concert, a parade, a unity rally, a black history film festival, and the distribution of educational materials in paperback and CD-Rom versions to schools and libraries. Your Committee agrees that state support for the coordination of these programs and activities is appropriate in recognition of Dr. King's contributions to our nation and our State.

Your Committee notes its support for the requested amounts of \$15,000 to be appropriated in each fiscal year, but has amended this measure to insert \$1 in each fiscal year in recognition of further consideration by the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1532, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1532, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1118      (Joint) Human Services and Health on H.B. No. 122**

The purpose of this measure is to ensure early and continuous prenatal care by requiring the Department of Human Services to grant presumptive eligibility to pregnant women who apply for Medicaid or QUEST coverage for prenatal care or other medical services related to the pregnancy.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women; Hawaii Primary Care Association; Healthy Mother, Healthy Babies Coalition of Hawaii; HMSA; March of Dimes, Hawaii Chapter; Mothers Care for

Tomorrow's Children; Big Island Malama A Hoopili Pono Perinatal Consortia; Kokua Council; and two concerned individuals. The Department of Human Services opposed this measure.

Your Committees find that early and continuous prenatal care for pregnant women is a nationally recognized and recommended standard of care to address both low birth-weight and poor birth outcomes in infants. The State Department of Health in January 2002 reported that key indicators for maternal and child health in Hawaii had worsened since 1995, after the MOMI program providing presumptive eligibility for Medicaid coverage for pregnant women was abolished. Significantly, the Department of Health documented increases in infant mortality and low birth-weight infants, and a decrease in the number of women seeking early prenatal care.

Your Committees further find that promoting early and continuous prenatal care is in the best interests of the child and the mother, as well as the State. Hawaii Medicaid now pays the costs of 25% of all births, 38% of all births with complications costing \$50,000 or more, and 75% of all births costing \$1 million or more. By contrast, prenatal care is relatively inexpensive, averaging \$1,800 for the entire pregnancy, and provides medical supervision that is crucial if either mother or infant develop pregnancy-related complications.

Your Committees further find that the Department of Human Services has been working on a simplified application form and other changes to its existing rules and procedures to expedite the processing of applications for Medicaid or QUEST coverage from pregnant women. Despite over eight years of effort, this issue has yet to be resolved satisfactorily. Accordingly, your Committees believe that the best way to ensure that pregnant women are able to access early prenatal care is by statutorily mandating the Department of Human Services to grant presumptive eligibility to pregnant applicants.

Your Committees have amended this measure by:

- (1) Requiring pregnant women to submit proof of income and confirmation of pregnancy with the application, in order to be deemed presumptively eligible for Medicaid or QUEST coverage;
- (2) Providing that infants of pregnant women granted presumptive eligibility shall also be deemed eligible for services and processed for coverage under the State Children's Health Insurance Program (SCHIP);
- (3) Providing that if a pregnant woman is later determined to be ineligible for medical assistance, the plan shall be notified and reimbursed by the Department of Human Services for the months in which the pregnant woman was enrolled; and
- (4) Providing that reimbursement payments to providers shall be calculated on the basis of reimbursement standards for prenatal care established by the Department of Human Services, based on the recommended guidelines of the American College of Obstetrics and Gynecology for prenatal and postnatal care.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 122, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 122, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Ige, Tsutsui, Hogue).

**SCRep. 1119 (Joint) Human Services and Health on H.B. No. 914**

The purpose of this measure is to allow the Department of Health to conduct unannounced annual inspections of adult residential care homes and expanded adult residential care homes and allow the Department of Human Services to conduct unannounced annual inspections of community-care foster family homes.

Testimony in support of this measure was submitted by: the State Long-Term Care Ombudsman; Department of the Prosecuting Attorney, City and County of Honolulu; Hawaii Long-Term Care Association; Hawaii Disability Rights Center; National Association of Social Workers, Hawaii Chapter; Advocates for Consumer Rights; Healthcare Association of Hawaii; AARP Hawaii; Waikiki Health Center's Friendly Neighbor Program; and four concerned citizens. Testimony in support of the intent of this measure was submitted by the Department of Human Services and the Department of Health. Testimony in opposition to this measure was submitted by the Hawaii Coalition of Care Home Administrators. The Department of the Attorney General and the Judiciary's Office of the Public Guardian submitted comments on this measure.

Your Committees find that the State has a significant interest in protecting the safety and welfare of residents of care homes. Residents of care homes are generally elders or individuals with disabilities who are unable to care for themselves, and whose disabilities may affect their ability to report maltreatment. As a result, residents of care homes are particularly vulnerable to abuse and neglect.

Your Committees find that allowing for unannounced inspections of residential care homes can help to ensure the safety and well-being of vulnerable adult care home residents. Your Committees further find that proposed changes to the Department of Health's administrative rules that would permit unannounced inspections have been debated for over four years now, with no resolution in sight, and believe that further delay is unwarranted.

Your Committees have amended this measure by deleting the contents of H.B. 914, H.D. 2, and inserting the contents of S.B. 1061, S.D. 1, which:

- (1) Codify licensing qualifications and personnel, staff, and family requirements, including requirements for initial criminal background checks, for Type I and Type II adult residential care homes (ARCHs) and expanded adult residential care homes (expanded ARCHs); and
- (2) Require the Department of Health to conduct unannounced inspections of ARCHs and expanded ARCHs during and outside of normal business hours, on an annual basis and at such intervals as required to determine compliance with licensing requirements.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 914, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 914, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Ige, Tsutsui, Hogue).

**SCRep. 1120      Health on H.B. No. 189**

The purpose of this measure is to require hospitals that provide emergency care to provide emergency contraception to sexual assault survivors.

Testimony supporting this measure was received from the Hawaii State Commission on the Status of Women, Planned Parenthood of Hawaii, Healthy Mothers, Healthy Babies Coalition of Hawaii, Sex Abuse Treatment Center, Community Alliance on Prisons, The First Unitarian Church, and American Civil Liberties Union of Hawaii. Opposing testimony was received from Hawaii Right to Life, Ohana Pregnancy Referrals, Roman Catholic Church in the State of Hawaii, St. Francis Healthcare System of Hawaii, American Center for Law & Justice of Hawaii, Pro-Family Hawaii, and eighteen individuals. Comments were received from the Department of the Attorney General.

Your Committee finds that more than 300,000 women are sexually assaulted in the United States each year. Of these, an estimated 32,000 become pregnant as a result of the assault.

Your Committee further finds that currently, emergency contraceptives are part of the treatment protocol for all sex assault victims in Hawaii. Identified sex assault survivors are taken to a hospital with medical personnel trained in this area. Your Committee further finds, however, that some victims choose not to identify themselves as having been sexually assaulted and seek treatment for assault symptoms.

Your Committee notes that use of emergency contraceptives in sexual assault cases is endorsed by the American Medical Association, the American College of Obstetricians and Gynecologists, and the Hawaii Medical Association. Your Committee is sensitive, however, to other religious, social, and moral views on contraception. Therefore, after balancing the needs of victims with the religious beliefs of care providers, your Committee amended the measure by replacing its contents with the provisions of the Senate version, Senate Bill No. 658, S.D. 1, which:

- (1) Requires nonreligious hospitals to offer and provide emergency contraceptives to sexual assault survivors;
- (2) Adds a definition for “religious hospital”; and
- (3) Adds a new section that exempts religious hospitals from the requirement of offering and providing emergency contraceptives while retaining the requirement that they provide unbiased information on the risks of pregnancy.

In addition, your Committee further amended this measure by:

- (1) Adding to the new part created by this measure a definition of “department” to mean the Department of Health; and
- (2) Providing that a hospital that commits two violations of the emergency care requirements for sexual assault survivors as provided in this measure shall be subject to suspension or revocation of its “license”, rather than its “application for a certificate of authority”, which your Committee finds to be an ambiguous term.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 189, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 189, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hogue).

**SCRep. 1121      Health on H.B. No. 651**

The purpose of this measure is to update the provisions relating to a health care provider’s duty to inform a patient regarding medical treatment to provide consistency with the rules adopted by the Board of Medical Examiners (BME).

Testimony supporting this measure was received from HAPI’s Physicians’ Indemnity Plan, Cancer Institute of Maui, Hawaii Medical Service Association, Hawaii Association of Health Plans, Healthcare Association of Hawaii, Kaiser Permanente, Medical



Insurance Exchange of California, Hawaii Medical Association, Hawaii Psychiatric Medical Association, and four individuals. Opposing testimony was received from the Consumer Lawyers of Hawaii and one individual.

Your Committee finds that Hawaii's laws relating to informed consent are outdated and has not kept up with the changing pace of the medical and legal communities. The existing statutory language originated from rules adopted by the BME in 1979. Since then, the BME has revised their rules many times to reflect the current legal and medical standards. Unfortunately, the statutes have yet to reflect the current standards and practices. Your Committee finds that this measure updates and revises statutory law to reflect current medical and legal standards and practices relating to informing a patient about medical treatments. In reviewing the proposed amendments, your Committee felt it was important to maintain the current patient-oriented standard of informed consent and not revert to a profession-oriented standard.

Your Committee has amended this measure by replacing its contents with the provisions of the Senate version, Senate Bill No. 624, S.D. 1, with modifications. As amended, this measure:

- (1) Mandates disclosure of specific information to a patient, rather than relying on general standards of medical practice, prior to obtaining consent to a medical, surgical, diagnostic, or therapeutic treatment or procedure;
- (2) Specifies that recognized material risks of serious complications or mortality associated with the treatment or procedure must be disclosed;
- (3) Defines "legal surrogate" as an agent designated in a power of attorney for health care or surrogate designated or selected in accordance with chapter 327E, Hawaii Revised Statutes;
- (4) Sets the effective date of this measure at January 1, 2004, rather than July 1, 2050; and
- (5) Replaces the language in section 671-3(a), Hawaii Revised Statutes, to a "patient is not competent" to "patient lacks the capacity".

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 651, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 651, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hogue).

**SCRep. 1122      Health on H.B. No. 1182**

The purpose of this measure is to delete the requirement of a terminal condition diagnosis as the sole circumstance when "comfort care only" (do not resuscitate protocol) may be initiated by in-the-field emergency response personnel to a person whose heart or breathing has stopped.

Testimony supporting this measure was received from the Department of Health, a member of the Maui County Council, and Compassion in Dying of Hawaii.

Your Committee agrees with the intent of this measure and previously passed the Senate version, Senate Bill No. 1360, S.D. 1, which is very similar to this measure and currently under consideration by the House of Representatives. Therefore, your Committee decided to utilize this measure as a vehicle to address the provision of emergency medical services, particularly ambulance services, to Hawaii residents.

Your Committee finds that the availability of rapid and efficient emergency services is determinative of the extent of recovery from a traumatic injury. The longer the delay in receiving appropriate and necessary trauma care, the more likely an injury may result in the death of a patient. The neighbor islands and remote areas on Oahu have a special need for emergency services due to their lack of sufficient acute care services, long geographic distances that must be traveled to reach service providers, and lack of immediate access to emergency medical services.

With respect to Maui County, your Committee finds that provision of a helicopter to provide emergency aeromedical services to Maui is imperative to augment existing ground and fixed-wing emergency medical services that have serviced Maui diligently and successfully. Your Committee conducted a hearing on House Bill No. 1498, H.D. 1, which appropriated funds for an emergency medical helicopter for Maui. An overwhelming number of Maui organizations, medical personnel, and residents submitted testimony supporting that measure. Clearly, an emergency aeromedical helicopter is necessary to secure the public health and welfare of the residents of Maui County.

In addition, your Committee finds that utilization of the emergency aeromedical helicopter services must be conducted pursuant to appropriate standards. Therefore, your Committee intends that the Department of Health, when utilizing emergency aeromedical helicopter flights, shall use national aeromedical triage and transport guidelines established by the Association of Air Medical Services, the American College of Surgeons, and the National Association of Emergency Medical Services Physicians. Furthermore, it is the intent of your Committee that aeromedical helicopter flights be used in those geographic regions or situations where helicopter transport is more appropriate, considering the location and status of the patient.

Unfortunately, the shortage of emergency medical services is at critical stages in areas throughout the State. Therefore, your Committee has amended this measure by replacing its contents with the provisions of Senate Bill No. 745, S.D. 2, which integrates

emergency aeromedical services into statewide emergency medical services and appropriates funds for emergency helicopter aeromedical services for the County of Maui, emergency medical services, including ambulance services, at the Waianae Coast Comprehensive Health Center, and advanced life support ambulance services for the Kihei/Wailea region of Maui County and the residents of Hawaiian Ocean View Estates on the island of Hawaii. In addition, your Committee further clarified that the intent of providing helicopter aeromedical services is to augment and enhance the current emergency health care services provided in Maui County and not to supplant current fixed-wing services.

Kula, Maui, currently has emergency ambulance medical services available in twelve-hour shifts per day. Your Committee, however, believes that twenty-four-hour availability is necessary. The Governor also recently recognized the need for extended hours for these services in that region. Although not included in this measure, your Committee requests that your Committee on Ways and Means consider providing the resources necessary to extend the availability of emergency ambulance medical service in Kula, Maui, to twenty-four hours a day.

Your Committee is mindful of the State's current fiscal condition and desires that appropriations in this measure be funded responsibly. Your Committee notes that all appropriations provided in this measure are contingent upon the respective counties providing matching funds to share in the cost. This is one possible solution in reducing the burden upon the State.

Another viable solution that your Committee believes deserves serious consideration is increasing the State registration fee for motor vehicles (currently \$20) and diverting the increased collections to fund emergency medical services in the State, specifically those provided in this measure, as amended.

Your Committee inquired with the counties to obtain an estimate of the amount of revenue that would be generated by an increase in registration fees. It was estimated that an increase of \$10 (raising the fee to \$30) would yield an additional \$9,404,470 for emergency medical services. This amount would be sufficient to fund the emergency medical services provided in this measure, as amended, and reduce general fund expenditures for other emergency medical services. In which case, general funds and matching county funds would no longer be necessary. Your Committee believes that this is a reasonable solution that imposes a nominal financial inconvenience when weighed against the necessity to provide vital emergency medical services to Hawaii's residents. Again, this Committee requests that your Committee on Ways and Means diligently evaluate this proposal.

Regardless of the funding source for the services provided in this measure that will eventually be determined by your Committee on Ways and Means, your Committee on Health requests that the emergency medical services providers retain flexibility in utilizing resources obtained in addition to State resources. Every effort must be made to secure as many resources as possible without compromise to address the existing critical shortage of emergency medical services resources in the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1182, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1182, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hogue).

**SCRep. 1123 Water, Land, and Agriculture on H.B. No. 83**

The purpose of this measure is to approve an exchange of private lands owned by the Aloha Council, Boy Scouts of America in Waialeale, Oahu, for public lands on Oahu, Kauai, and the Big Island.

Testimony in support of this measure was submitted by the Board of Land and Natural Resources and the Aloha Council, Boy Scouts of America.

Your Committee finds that the land transfer will allow the Boy Scouts to go ahead with their plan to upgrade their campgrounds on lands that they had leased from the State, while allowing the State to gain three contiguous lots in a light industrial area, from which more revenue could be realized.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 83, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

**SCRep. 1124 Water, Land, and Agriculture on H.B. No. 179**

The purpose of this measure is to appropriate funds to purchase a 1.24-acre parcel of sacred native Hawaiian grounds to link Keolonahihi State Park and Keakealaniwahine Complex.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, the Mayor of Hawai'i County, Kamehameha Schools, Ka Lahui Hawai'i Political Action Committee, and a cultural advisor from the Kaha region of North Kona. The Board of Land and Natural Resources submitted testimony supporting the intent of the measure.

Your Committee finds that the cultural significance of this plot of land warrants preservation of the area as a unit. Kaluaokalani is one of the most sacred intact sites in Hawai'i, and its integrity is threatened by development. The preservation of this 1.24-acre parcel may encourage other adjacent property owners to donate significant cultural sites for inclusion into the State Park.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 179, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

**SCRep. 1125 Water, Land, and Agriculture on H.B. No. 1214**

The purpose of this measure is to protect the State and counties from liability on improved and unimproved public lands when the requirements of this measure are met.

Testimony in support of this measure was submitted by the State Attorney General, the Kauai County Attorney, two council members of the Hawaii County Council, the Sierra Club, the Hawaii Association of Realtors, and a concerned citizen. Testimony in opposition to the measure was submitted by the Consumer Lawyers of Hawaii. The Board of Land and Natural Resources submitted comments on the measure.

The measure also establishes a risk assessment working group attached to the Department of Land and Natural Resources to assist the Department in the design and placement of warning signs and other devices.

Your Committee finds that the State and counties need protection from liability arising from the inherent risks posed by improved and unimproved public lands under their jurisdictions. Your Committee also finds that it is necessary to strike an equitable balance between the personal responsibility of people engaged in recreational pursuits and the duty of the government to take reasonable measures to protect citizens from harm by providing adequate warning.

Your Committee has amended the measure to include two provisions from S.B. 1418, S.D. 2, that were deleted from the House version of the measure. These provisions clarify existing law that the State and counties shall not have a duty to warn for dangerous natural conditions on unimproved public lands. Your Committee finds that it is important to expressly provide that there is no such duty, because governmental entities cannot reasonably be expected to provide warnings for dangerous natural conditions on all lands under their jurisdictions. The reinsertion of these protective provisions will avoid unnecessary litigation and provide appropriate protection.

Your Committee discussed whether there should be an exception to these provisions if the State or counties have actual notice of a dangerous condition that is being utilized by the public in an unimproved area. To include this exception would create a new duty upon government entities: a duty to warn the public of danger on lands where government entities are not inviting people to go.

Your Committee also discussed whether there should be a mandate to perform periodic inspections to check that warning signs have not been removed or vandalized. Your Committee is concerned that it may not be reasonable to have a conclusive presumption of protection if the sign has been removed or made illegible, especially since the measure provides that the presumption remains valid until thirty days after the removal or vandalism is discovered. Although no rules for regular inspection have been adopted by the Department of Land and Natural Resources, regular inspections of trails and improved public lands are made throughout the year. Your Committee believes that staffing needs for such inspections and the permanence attached to including deadlines in statutes needs to be discussed further so that an equitable solution may be fashioned in a manner that will protect the government's interests as well as its citizenry.

Although your Committee has concerns with this measure, it believes this measure should continue in the legislative process to conduct more research and promote further discussion.

Your Committee has also amended the measure to make technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1214, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1214, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (English).

**SCRep. 1126 Water, Land, and Agriculture on H.B. No. 1285**

The purpose of this measure is to provide protections and penalties for damaging historic properties or burial sites found on private lands when the necessary approvals have not been sought as required by historic preservation law.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Hawaii County Planning Department, and the Representative from the fourth House District. Testimony in support of the intent of this measure was submitted by the Board of Land and Natural Resources and Ka Lahui Hawai'i Political Action Committee.

Your Committee finds that this measure works within the current process, which is appreciated by the Department of Land and Natural Resources (DLNR). DLNR has often felt frustrated by its inability to protect clearly significant historic properties on private lands or to pursue penalties when historic properties were destroyed because no agency permitting action was required or those requirements were ignored.

DLNR offered amendments to bring the language into conformance with the enforcement, civil and administrative penalties, and injunctive relief provisions of S.B. No. 1213, S.D. 1. Accordingly, your Committee has amended the measure to effectuate the suggested amendments by adding new sections to the Historic Preservation Chapter of the Hawaii Revised Statutes. These new sections describe the process by which DLNR shall serve notice upon the alleged violator, impose penalties, provide for a hearing, and institute civil actions if penalties are not paid. The amendments also enable DLNR to impose civil or administrative penalties in addition to the existing criminal penalties.

Your Committee has also changed the language of proposed section 6E-43.6(g) to read "treatment" instead of "removal" when referring to a burial discovered inadvertently in the course of land altering activities to encompass any outcome of such a find.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1285, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1285, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

**SCRep. 1127 Water, Land, and Agriculture on H.B. No. 1613**

The purpose of this measure is to authorize the Department of Land and Natural Resources to condemn the land adjacent to the Kohala Historical Sites State Monument and to allow the Mo`okini Luakini Corporation to protect and care for the Mo`okini Heiau.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Kamehameha Schools, Ka Lahui Hawai`i Political Action Committee, and Mo`okini Luakini. Testimony in support of the intent of the measure was submitted by the Board of Land and Natural Resources.

Your Committee finds that purchasing land to provide public access and buffers for the Kohala Historic Monument, which includes the Kamehameha birth site, Kukuipahu heiau, and Mo`okini Luakini, would ensure the protection of three very significant sites in Kohala. The Kamehameha birth site is currently surrounded by private land, which presents the possibility of building around it. The Kukuipahu heiau is so old that not much is known about it, and the Mo`okini Luakini may be the only luakini in Hawaii where the kahu have never been separated from the care of their heiau.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1613, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

**SCRep. 1128 Health on H.B. No. 1217**

The purpose of this measure is to amend Hawaii's Uniform Controlled Substances Act, Chapter 329, Hawaii Revised Statutes, to conform to federal law.

The Department of Public Safety and the City and County of Honolulu Police Department submitted testimony supporting this measure.

Your Committee finds that conformance of Hawaii's Uniform Controlled Substances Act with federal law is necessary for more effective drug enforcement and clarity in dispensing of prescriptive drugs.

Your Committee has amended this measure by:

- (1) Amending section 329-14, Hawaii Revised Statutes, by adding to the list of hallucinogenic substances of Schedule I;
- (2) Amending section 329-61, Hawaii Revised Statutes, by adding chemicals to List 1, deleting chemicals from List 2, and adding a provision allowing the Department of Health to make corresponding additions or deletions by rule when changes to List 1 or 2 are made under federal law;
- (3) Adding a definition of "unlawfully manufacture" for the purposes of determining penalties under the Uniform Controlled Substances Act; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1217, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1217, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

**SCRep. 1129 Labor on H.B. No. 385**

The purpose of this measure is to allow an employer, whose employee has been subjected to harassment at the worksite, to petition the district court for a temporary restraining order and an injunction from further harassment at the worksite.

The Department of Labor and Industrial Relations, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Chamber of Commerce of Hawaii, the Hawaii State Coalition Against Domestic Violence, the Domestic Violence Clearinghouse Legal Hotline, the Hawaii Government Employees Association, the Society for Human Resource Management, the Retail Merchants of Hawaii, the Hawaii State Teachers Association, and the Hawaii Hotel Association submitted testimony in support of this measure.

The Department of Human Resources Development submitted testimony in support of the intent of this measure with reservations. The Department of Education submitted testimony in support of the intent of this measure with recommendations for amendments. The Office of the Public Defender and the ILWU Local 142 submitted testimony in opposition to this measure.

Existing law allows victims to petition the court for an order to temporarily restrain harassment that occurs anywhere. This measure allows employers to similarly petition the court for an order to temporarily restrain harassment of an employee at the worksite to promote and preserve workplace safety. Your Committee finds that incidents of harassment at the worksite directed against a worker are not uncommon. Sometimes, the harassment can involve violence, placing other employees at risk of injury. This measure provides employers a measure of protection in the workplace.

Your Committee has amended this measure by replacing its contents with the contents of S.B. No. 921 S.D. 2, which are substantively similar, except for the changes as follows:

- (1) Amending an existing statute (section 604-10.5, Hawaii Revised Statutes) instead of creating a new section for the issuance of worksite temporary restraining orders;
- (2) Deleting the reference to the specific factors to be considered by the district court in exercising its discretion with regard to the scope of the temporary restraining order, which includes the need to extend protections to the employee's residence and family or household members;
- (3) Deleting the requirement in subsection (c) that an affidavit or statement accompanying a petition for an ex parte temporary restraining order include facts relating to the respondent's employment status, actions taken by the employer to resolve disputes between co-employees or with the employer prior to seeking the restraining order, and the employer's inability to reasonably prevent further acts or threats of violence or harassment from occurring without a restraining order;
- (4) Deleting the contents of subsection (l) which clarified the scope of the effect of the section;
- (5) Deleting the contents of subsection (m) which clarified the limitation on an employer's liability under the section;
- (6) Deleting the contents of subsection (n) which clarified the limitation on an employee's or witness' liability under the section; and
- (7) Deleting the definitions for "credible threat of violence", "employment", "family or household members", "petitioner", "respondent", "served", "violence", and "workplace".

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 385, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 385, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kawamoto, Sakamoto).

**SCRep. 1130 (Joint) Labor and Education on H.B. No. 317**

The purpose of this measure is to allow University of Hawaii faculty members or lecturers with multiple part-time appointments to meet eligibility requirements for membership in the Employees' Retirement System (ERS).

The ERS, the University of Hawaii (UH), and the University of Hawaii Professional Assembly submitted testimony in support of this measure. The Hawaii Government Employees Association submitted testimony in support of the intent of this measure with recommendations for amendments.

Your Committees find that UH currently employs faculty members, lecturers, and administrative, professional, and technical employees in multiple appointments, depending upon current programmatic needs, in an effort minimize costs and maximize efficiency

of staff utilization. The employment of full-time faculty or staff positions is only contemplated when long-term need has been adequately justified.

Your Committees determine that it is necessary to safeguard the retirement benefits of present and future UH faculty, lecturers, and administrative, professional, and technical employees by making them eligible for ERS membership based upon the aggregation of multiple part-time positions. This solution allows the University to continue its efforts to achieve the maximum utilization of its resources while providing for the retirement of UH employees.

Your Committees have amended the measure as follows:

- (1) By allowing present and future administrative, professional, and technical UH employees to qualify for membership in the Employees' Retirement System on the basis of aggregated multiple part-time appointments or positions;
- (2) By allowing past and present administrative, professional, and technical UH employees to retain the membership benefits for which the University reported them to be eligible prior to the effective date of this Act;
- (3) By exempting administrative, professional, and technical UH employees who hold multiple part-time appointments or positions which together aggregate to at least one-half of a full-time equivalent position from provisions allowing the ERS board of trustees to deny membership to part-time or temporary employees;
- (4) By changing the effective date of the Act to be upon approval; and
- (5) By making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Labor and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 317, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 317, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (Taniguchi, Tsutsui, Slom).

**SCRep. 1131 (Joint) Human Services and Education on H.B. No. 129**

The purpose of this measure is to appropriate funds to support the Bridge to Hope program at the University of Hawaii, which assists low income students receiving financial assistance through the Temporary Assistance to Needy Families (TANF) program to attend post-secondary education and achieve economic self-sufficiency.

Testimony in support of this measure was submitted by: the University of Hawaii; Hawaii State Commission on the Status of Women; National Association of Social Workers, Hawaii Chapter; Kokua Council; Community Alliance on Prisons; Planned Parenthood of Hawaii; the Bridge to Hope coordinator; and eight concerned citizens. The Department of Human Services submitted testimony in support of the intent of this measure.

Your Committees find that the Bridge to Hope program has been extremely beneficial to participants. Similar programs in Maine and California have demonstrated that Bridge to Hope participants have been able to achieve significantly higher earnings than non-participants, allowing many to achieve economic self-sufficiency and leave the welfare system. The Department of Human Services and the University of Hawaii are currently conducting a similar evaluation of the Bridge to Hope program and anticipate similar results.

Your Committees find that a \$300,000 appropriation in each year of fiscal years 2003-2004 and 2004-2005 would allow Bridge to Hope program to maintain current service levels and expand services to all currently waitlisted TANF recipients. In addition, an appropriation at that level would allow expansion of the program to two-parent families who receive financial assistance through the state-funded Temporary Assistance to Other Needy Families (TAONF) program.

As affirmed by the records of votes of the members of your Committees on Human Services and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 129, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, none. Excused, 6 (Fukunaga, Inouye, Kawamoto, Menor, Hogue, Trimble).

**SCRep. 1132 Human Services on H.B. No. 133**

The purpose of this measure is to:

- (1) Provide immunity from prosecution for leaving an unharmed newborn at a hospital within thirty days of birth; and
- (2) Provide immunity from liability for the hospital and any health care provider working at the hospital for receiving a newborn.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women; the Honolulu Police Department; and two concerned citizens. Testimony in support of the intent of this measure was submitted by the Department of

Human Services; the Department of the Prosecuting Attorney of the City and County of Honolulu; and the Healthy Mothers, Healthy Babies Coalition of Hawaii.

Your Committee finds that a 1998 study conducted by the U.S. Department of Health and Human Services found that 105 babies were abandoned in public places nationwide; of those, thirty-three babies were found deceased. The Healthy Mothers, Healthy Babies Coalition of Hawaii testified that it had conducted an unofficial check with hospitals, all of which were unable to report any documented cases of child abandonment. Although reported cases of child abandonment have been rare in Hawaii, your Committee believes that this measure is an attempt to be proactive in addressing an issue that has become a problem on the national level.

Your Committee further finds that a thirty-day period is too long a period of time to allow an infant to be left in a safe place without fear of prosecution. Your Committee heard concerns relating to the potential complications that could arise due to mother-infant bonding or abuse or neglect of the infant which could occur during that time.

Accordingly, your Committee has amended this measure by changing the time period within which an infant may be left in a safe place without fear of prosecution from thirty days to seventy-two hours to facilitate further discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 133, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 133, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Tsutsui).

**SCRep. 1133 (Joint) Health and Human Services on H.B. No. 1430**

The purpose of this measure is to appropriate funds for the Department of Health to employ or contract licensed dental hygienists to offer comprehensive oral health services to underserved children.

Testimony supporting this measure was received from Luhi Wahine `Ia. The Department of Health supported the intent of this measure but opposed the measure citing the possible adverse impact on the state budget.

Your Committees find that children in underserved areas are enduring severe dental hygiene problems that can lead to further health and medical complications in the future. The Legislature recognized this health crisis in 2002 and appropriated funds to hire licensed hygienists to provide oral health services to underserved children. However, the appropriation was not utilized. One year later, this oral health issue remained largely unaddressed due to the lack of funds, exacerbating the problem further. Undoubtedly, these underserved children have yet to receive the dental services that they most desperately need. Your Committees find that providing oral health services to underserved children is essential to securing the public health and welfare. In addition, it is urgent that these services be commenced immediately to prevent further public health problems. Your Committees understand that utilizing general appropriations from the state treasury for these essential services will not be possible in light of the State's current fiscal situation.

Therefore, recognizing that the public health and welfare are in jeopardy and that this matter is urgent in nature, your Committees have amended this measure by:

- (1) Detailing the critical nature of this oral health issue;
- (2) Changing its funding source from the general fund to the emergency and budget reserve fund; and
- (3) Specifying \$500,000 as the amount of the appropriation for fiscal year 2003-2004, and the same sum for fiscal year 2004-2005.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1430, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1430, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Ige, Tsutsui, Hogue).

**SCRep. 1134 Education on H.B. No. 292**

The purpose of this measure is to appropriate funds to public schools to purchase educational supplies, equipment, and books.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that our public schools continue to struggle when trying to provide sufficient educational supplies, such as textbooks and instructional equipment, within limited discretionary resources. Your Committee further finds that this problem is exacerbated because the schools receive allocations for specific instructional programs, which impedes their ability to leverage their limited resources. Your Committee agrees that schools need more discretionary resources to address the particular needs of their individual schools.

Your Committee has amended this measure by:

- (1) Clarifying in Section 1 of the measure that the appropriation is to be used for the purchase of supplies, textbooks, and equipment under the school priority program established pursuant to section 302A-1306; and
- (2) Clarifying in Section 1 and Section 2 of the measure that funds may be provided to schools and school complexes.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 292, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 292, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 1135 Education on H.B. No. 314**

The purpose of this measure is to ensure public safety on campus by appropriating funds for the establishment of a mandatory basic training program for secondary school security guards.

The Department of Education and two private citizens submitted testimony in support of this measure. The Hawaii Government Employees Association submitted testimony in support of the intent of this measure with recommendations for amendments.

Your Committee finds that although voluntary training programs exist for school security guards, no certification or prior experience is required in order to become a school security guard. Your Committee determines that the safety and welfare of our students is of the utmost importance and campus security should be equipped with the skills and knowledge to handle all situations, including those volatile or violent. Therefore, it is necessary to establish and fund a mandatory training program for school security guards to promote and improve school safety. Additionally, your Committee finds that the Department of Education should determine the nature and the scope of such training.

Your Committee believes that the scope of the measure should be expanded to protect our elementary school students as well and has amended the measure by removing any references to secondary school security guards.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 314, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 314, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 1136 Education on H.B. No. 316**

The purpose of this measure is to empower the Board of Regents of the University of Hawaii to authorize the issuance of revenue bonds for university capital improvement projects.

Testimony in support of this measure was submitted by the Department of Budget and Finance and the University of Hawaii.

Your Committee finds that over the last decade, the Legislature has approved measures providing increased financial flexibility to the university system, beginning with the authority to raise and expend tuition fees and more recently through a constitutional amendment granting the Board of Regents exclusive authority over the internal operations of the university system. Your Committee further finds that based upon this enhanced authority, the university should be provided some flexibility in the management of its funds, particularly where it will be committing its own revenues to pay for university projects.

Your Committee has amended this measure by:

- (1) Deleting the language in section -2, that places a \$20,000,000 cap on the amount of revenue bonds the University is authorized to issue, without further authorization but with the approval of the Governor;
- (2) Inserting language in section -3 that requires prior legislative authorization for the issuance of bond financing for such projects; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 316, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 316, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Menor, Tsutsui).

**SCRep. 1137 Education on H.B. No. 339**



The purpose of this measure is to provide a tax credit for contributions to a college savings program.

Hawaii State Teachers Association submitted testimony supporting this measure. The University of Hawaii submitted testimony in support of the intent of this measure. The Department of Taxation and Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that an array of savings opportunities and direct financial assistance to students are needed to enable students and families to have the financial means to attend college. Education and training are essential to meaningful careers for our citizens who will, in turn, contribute to the community as responsible taxpayers. The establishment of a college savings tax credit encourages and supports college attendance.

Your Committee notes that it considered the suggestion to make the college savings an adjustment to gross income, much like an IRA, rather than as a tax credit. However, the title of the measure is too restrictive.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 339, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 1138 Education on H.B. No. 1175**

The purpose of this measure is to make statutory changes to reflect a school complex-based administrative structure within the Department of Education.

Testimony in support of this measure was submitted by the Department of Education.

Your Committee finds that the Superintendent of Education has the legal authority to de-centralize the administrative structure of the public school system. Your Committee further finds that the current Superintendent has been exercising that authority by establishing a school complex-based administrative structure to allow for more school and complex-based management within a school complex. Your Committee agrees that the changes proposed in this measure reflect a positive direction and supports de-centralizing certain authorities and responsibilities within the public school system.

Your Committee has amended this measure by:

- (1) Redesignating the "district" superintendents as "administrative" superintendents and inserting a definition therefor;
- (2) Inserting a cap on the salaries of the deputy superintendent, and the assistant and administrative superintendents, at eighty percent of the superintendent's salary;
- (3) Inserting a defective effective date of July 1, 3333; and
- (4) Making a technical, nonsubstantive change for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1175, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1175, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 1139 Education on H.B. No. 1176**

The purpose of this measure is to authorize the issuance of general obligation bonds to finance statewide Department of Education projects under the Qualified Zone Academy Bond (QZAB) program.

The Department of Education testified in support of this measure.

The Taxpayers' Relief Act of 1997 authorized state governments to issue qualified zone academy bonds to establish qualified zone academies in areas designated as empowerment zones, enterprise communities, or areas serving low income and moderate income students under the National School Lunch Act. Under the QZAB program, funds may be used for renovation and repair, equipment, instructional materials, and professional development.

Your Committee believes that supporting the QZAB program will result in the renovation of state and school district properties which will in turn, support educational initiatives that will ensure that Hawaii's students will be prepared to compete in the global economy.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1176, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

**SCRep. 1140 Energy and Environment on H.B. No. 1492**

The purpose of this measure is to expand the State's net metering program by removing all restrictions on allowable net-metered system size, and incrementally increasing the allowable percentage of net-metered generation to five per cent by 2020.

Sierra Club Hawaii Chapter, Hawaii Renewable Energy Alliance, PowerLight, and an individual submitted testimony supporting this measure. The Department of Business, Economic Development, and Tourism and the Consumer Advocate submitted testimony supporting the intent of this measure. Hawaiian Electric Company, Inc. submitted comments on this measure.

Your Committee finds that this measure is the fastest way to open the distributed generation market to all segments of our society. Additionally, the proposed staged growth of the market share is predictable and a stabilizing force for market development. Suppliers will be willing to develop this market based on the percentage of utility capacity as a guide to market potential.

Your Committee has amended this measure by changing the effective date to July 1, 3050, for the purpose of furthering discussion on this measure in conference committee.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1492, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1492, H.D. 2, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 1141 Energy and Environment on H.B. No. 1405**

The purpose of this measure is to establish a preference in public contracts for the use of biofuels.

The Hawaii Sierra Student Coalition, Pacific Biodiesel, Inc., and Hawaii Renewable Energy Alliance submitted testimony supporting this measure.

Your Committee finds that this measure creates a viable market for biofuels by creating a preference of contracts for the purchase of fuel awarded to the lowest responsible and responsive bidders using or selling biofuel. Increased use of biofuels will help the State meet its goals of reducing its dependence on imported fossil energy.

Your Committee has amended this measure by replacing the term "pure biofuel" with "B20 or higher biofuel" for the purpose of clarity.

Your Committee notes that it considered testifiers' suggestions as to inserting a dollar amount for the biofuel preference, however, the amount has been left blank for further discussion by your Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1405, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1405, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Hooser, Kanno).

**SCRep. 1142 Energy and Environment on H.B. No. 193**

The purpose of this measure is to encourage landowners to allow land and water access to personnel and volunteers of invasive species control and eradication programs by limiting landowners' liability for persons entering their property for these control and eradication purposes.

Testimony supporting this measure was submitted by the Board of Land and Natural Resources, Sierra Club Hawaii Chapter, Consumer Lawyers of Hawaii, The Nature Conservancy of Hawaii, and Maui Invasive Species Committee. The Board of Agriculture submitted comments on this measure.

Your Committee finds that the ability of Invasive Species Committees throughout the islands to implement effective control and eradication programs against pests such as salvinia molesta, miconia, the coqui frog, or the new veiled chameleon, are often hindered by a landowner's reluctance to allow access onto their property because of the landowner's fear of liability for injuries sustained on his or her property.

Your Committee has amended this measure by:

- (1) Designating the new chapter as 520A, Hawaii Revised Statutes, and adding the title "Landowner Liability; Invasive Species Control; Eradication Programs";

- (2) Adding a definition of "owner" to mean the possessor of a fee interest, a tenant, lessee, occupant, or person in control of the premises;
- (3) Deleting the exceptions to limitations, rights, and rules sections; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 193, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 193, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 1143 (Joint) Energy and Environment and Commerce, Consumer Protection and Housing on H.B. No. 288**

The purpose of this measure is to promote energy conservation through a variety of initiatives, including general obligation bonds to finance the incorporation of renewable energy efficient technologies in state facilities, funding for hydrogen research, and a statewide energy audit.

Additionally, this measure requires the energy resources coordinator (the Director of Business, Economic Development, and Tourism) to review and evaluate the renewable technologies tax credit and extends the current energy conservation income tax credit for certain energy conservation devices to July 1, 2007.

Testimony supporting this measure was submitted by Building Industry Association Hawaii; Sierra Club Hawaii Chapter; Plumbers and Fitters Local 675 United Association; Scheibert Energy Company; R&R Services, Inc.; Subcontractors Association of Hawaii; Life of the Land; American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc.; Plumbing & Mechanical Contractors Association of Hawaii; Honolulu Painting Co., Ltd.; Acutron Co. Inc.; Hawaii Solar Energy Association; Iolani School; Inter-Island Solar Supply; The Chamber of Commerce of Hawaii; and three individuals. The Department of Business, Economic Development, and Tourism and the Public Utilities Commission submitted testimony supporting the intent of this measure. The Department of Accounting and General Services, PowerLight, and one individual submitted testimony opposing this measure. Comments on this measure were submitted by the Department of Taxation, Board of Land and Natural Resources, Kona Blue Water Farms, Tax Foundation of Hawaii, Hawaiian Electric Company, Inc., Energy Efficiency Policy Task Force, HTH Corporation, and an individual.

Your Committees find that substantial improvement of Hawaii's environment and its efficient use of energy resources requires a variety of innovative strategies. This measure provides several diverse provisions to encourage and promote energy conservation and technologies with general obligation bonds, research, a task force, and auditing.

Your Committees have amended this measure by:

- (1) Inserting \$100,000,000 as the general obligation bond amount for renewable energy efficient technologies in state facilities;
- (2) Deleting the requirement that the State identify, evaluate, and prioritize qualifying projects that should be improved with renewable energy and energy efficient technologies;
- (3) Specifying and listing the energy efficiency projects in state facilities for issuance of general obligation bonds;
- (4) Inserting \$50,000 in to the appropriation for a statewide energy audit;
- (5) Deleting the establishment of a temporary renewable energy technologies tax credit;
- (6) Deleting the requirement that the resources coordinator review and evaluate the renewable technologies tax credit;
- (7) Deleting the extension of the current energy conservation income tax credit;
- (8) Establishing an emissions task force to measure the State's power plant and motor vehicle emissions and to develop appropriate strategies for emissions reductions;
- (9) Authorizing the Kahoolawe Island Reserve Commission to develop and implement a strategy for the use of alternative energy resources to address the current and future energy needs of the island of Kahoolawe; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 288, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 288, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Hooser, Ige, Kanno, Sakamoto).

**SCRep. 1144 (Joint) Energy and Environment and Commerce, Consumer Protection and Housing on H.B. No. 1456**

The purpose of this measure is to amend Act 176, Session Laws of Hawaii 2002 (Act 176), the deposit beverage container law, to make the program less costly and more efficient.

The Department of Health and Hawaii Food Industry Association submitted testimony supporting this measure. The Retail Merchants of Hawaii, Coca-Cola Bottling Company of Hawaii, and The Pepsi Bottling Group submitted testimony supporting the intent of this measure. Paradise Beverages submitted comments on this measure.

Specifically, this measure decreases reporting requirements, improves confidentiality of information submitted to the Department of Health, increases the Department's discretion in designing the redemption system, and creates faster handling fee payments to redemption centers.

Your Committees find that this measure will ease the burden on those affected by the deposit beverage container program. The amendments are the result of agreements among those affected by Act 176, including the beverage, retail, and recycling industries.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Commerce, Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1456, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Ige, Kanno, Sakamoto).

**SCRep. 1145 Health on H.B. No. 512**

The purpose of this measure is to establish the Division of Community Hospitals within the Department of Health and abolish the Hawaii Health Systems Corporation and transfer its responsibilities to the division.

Upon consideration, your Committee did not address the merits of this measure and decided to utilize it as a vehicle to address other health issues. Therefore, your Committee conducted a hearing and received testimony on a proposed draft of this measure which:

- (1) Allows a patient's next of kin access to the patient's records;
- (2) Allows the disclosure of a mental health patient's medical records for insurance reimbursement claim purposes; and
- (3) Makes appropriations from the emergency and budget reserve fund for various programs, services, and projects essential to the public health, safety, and welfare.

Your Committee received testimony supporting the proposed draft of this measure from the Hawaii Health Systems Corporation, Leahi Hospital, Kona Community Hospital, Hawaii Health Systems Corporation – Maui Region, West Kauai Medical Center, Mahelona Medical Center, Hilo Medical Center, Hawaii Early Intervention Coordinating Council, Sex Abuse Treatment Center, Hana Community Health Center, Kapiolani Medical Center for Women and Children, Hawaii Primary Care Association, St. Francis Healthcare System, Waianae Coast Comprehensive Health Center, Healthcare Association of Hawaii, Kaiser Permanente, YWCA of Hawaii Island, Wahiawa-Central Oahu Health Center, Molokai General Hospital, Hawaii Coalition Against Sexual Assault, Kapiolani Child-At-Risk Evaluation Program, Wahiawa Hospital Association, Wahiawa General Hospital, Queen's Medical Center, and fourteen individuals.

The Department of Health supported the intent of the proposed draft of this measure but opposed parts II and III.

Your Committee finds that the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) has imposed strict procedures on health care providers to ensure the privacy of patients. Health care providers throughout the State, including the Department of Health, must undergo comprehensive changes to ensure compliance with federal law and secure the privacy of patients, while also facilitating the delivery of health and medical services. Your Committee finds that this measure appropriately modifies State law to facilitate compliance with HIPAA.

With respect to the provisions relating to the disclosure of a mental health patient's medical records for insurance reimbursement claim purposes, your Committee recognizes that these provisions require further review to ensure compliance with federal law. Your Committee, believes, however, that this measure is an appropriate starting point and will work with your Committee on Ways and Means, along with the stakeholders, to formulate the final provisions.

Your Committee further finds that the appropriations provided in this measure are essential to secure the public health, safety, and welfare. These appropriations are for programs and services provided by entities that comprise the very foundation of health care in Hawaii—hospitals. Emergency medical services are also critical. Your Committee is dismayed that these entities must plead with the Legislature every year for money to fund their operations. Pursuant to section 321-1, Hawaii Revised Statutes, the Department of Health has "general charge, oversight, and care of the health and lives of the people of the State." The entities, programs, and services identified in this measure are essential to that mission. In the future, your Committee requests that the Department of Health include these essential programs and services in its budget requests.

Therefore, your Committee has amended this measure by replacing its contents with the provisions of the proposed draft as described above.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 512, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 512, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

**SCRep. 1146 Water, Land, and Agriculture on H.B. No. 155**

The purpose of this measure is to appropriate funds for pineapple research.

Testimony in support of this measure was submitted by the Mayor of Maui County, Pineapple Growers Association of Hawaii, Maui County Farm Bureau, Hawaii Agriculture Research Center, and the Hawaii Farm Bureau. Testimony in support of the intent of the measure was submitted by the Board of Agriculture and the College of Tropical Agriculture and Human Resources.

Your Committee finds that Hawaiian pineapple, which is the State's leading agricultural commodity and one of the State's largest crops, faces intense international competition from third-world producers who have lower overhead costs and few restrictions on pest control management. The future of Hawaii pineapple is in research and development to ensure competitiveness and cost efficiency. To preserve the industry's contribution to Hawaii's general fund revenue, labor, ancillary business support, rural lifestyle, preservation of green belts, and stewardship of land, the State must invest in pineapple crop research and development.

Your Committee has deleted the dollar amounts to enable determination of appropriate amounts by the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 155, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 155, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1147 (Joint) Water, Land, and Agriculture and Energy and Environment on H.B. No. 192**

The purpose of this measure is to include accreted lands in the definition of state public lands, although allowing a private property owner to file an accretion claim to regain title to the owner's eroded land that has been restored by accretion.

Testimony in support of this measure was submitted by an Hawaii County Councilmember, Life of the Land, Ka Lahui Hawai'i Political Action Committee, and three concerned citizens. The Board of Land and Natural Resources requested a deferral of the measure.

Your Committees find that this measure will stop the unlawful taking of public beach land under the guise of fulfilling a nonexistent littoral right supposedly belonging to shorefront property owners. The measure will help protect Hawaii's public lands and fragile beaches and effectuate the State's constitutional mandate in Article XI, section 1, that all public natural resources are held in trust by the State for the benefit of the people.

Your Committees have amended the measure to require that the person bringing an action to quiet title by accretion must provide public notice of the action and to require that the agency receiving the accretion application supply the Office of Environmental Quality Control with the public notice so that it may include it in its periodic bulletin.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 192, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 192, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Aduja, Baker, Kanno, Whalen).

**SCRep. 1148 Water, Land, and Agriculture on H.B. No. 293**

The purpose of this measure is to fund a feasibility study for a world-class farmers' market.

Testimony in support of the measure was submitted by the Hawaii Agriculture Research Center, Hawaii Farm Bureau, Pineapple Growers Association of Hawaii, and the Hawaii Aquaculture Association. Testimony in support of the intent of the measure was submitted by the Board of Agriculture.

Your Committee finds that a world-class farmers' market would provide the State's farmers with an outlet to showcase and sell their local produce and value-added products to residents and visitors. The Department of Agriculture (Department) produced an

exploratory study in 2001 about the possibility of a farmers' market and has conducted a follow-up survey study of ideas, concepts, designs, and locations for such a market, as well as met with the private sector and federal government officials about establishing a market. Your Committee finds that the next step is to appropriate funds to assess the economic feasibility of establishing a permanent, world-class farmers' market in Hawaii.

Your Committee has deleted the dollar amount to enable determination of an appropriate amount by the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 293, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 293, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1149 Water, Land, and Agriculture on H.B. No. 426**

The purpose of this measure is to direct the Department of Land and Natural Resources to issue new, long-term leases to certain existing lessees for specific parcels on Kauai.

Testimony in support of this measure was submitted by the Kauai Beachfront Hotel, LLC; Friends of the Forest Koke'e Leaseholders Association; and twenty-two concerned Koke'e and Waimea Canyon State Park lease holders. Testimony in opposition to the measure was submitted by the Board of Land and Natural Resources.

Your Committee finds that Kauai business owners need to reinvest in their properties to help stimulate much needed economic growth on Kauai. Leasehold property owners are having difficulties finding financing for capital improvements when their leases are for fewer than thirty years.

Your Committee has amended the measure to further clarify its purpose and to require the winner of a new lease at public auction to pay the existing lessees the greater of the fair market value or the depreciated cost of their improvements.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 426, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 426, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1150 (Joint) Water, Land, and Agriculture and Energy and Environment on H.B. No. 604**

The purpose of this measure is to authorize counties to permit solar energy facilities in State Land Use Agricultural Districts.

Testimony in support of this measure was submitted by the Land Use Commission; Hawaiian Electric Company, Inc.; and the Hawaii Renewable Energy Alliance. Testimony in support of the intent of the measure was submitted by the Department of Business, Economic Development and Tourism, and the Hawaii Association of Realtors.

Your Committees find that wind machines and wind farms that are compatible with agricultural uses and cause minimal adverse impact on agricultural land, already are permissible uses in agricultural districts. Your Committees believe that solar energy facilities meeting those criteria should be treated the same and that including such use in agricultural districts would be consistent with existing law.

Your Committees also find that solar energy facilities may hold some advantages over wind energy facilities. For example, solar facilities can be expected to have less visual impacts than wind machines and farms, and would not necessarily preclude the return of the land to agricultural uses should the need ever arise.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 604, and recommend that it pass Second Reading and be referred to the Committee on Transportation, Military Affairs, and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Hooser, Kanno, Whalen).

**SCRep. 1151 (Joint) Water, Land, and Agriculture and Energy and Environment on H.B. No. 1053**

The purpose of this measure is to amend the definition of "landowner" in the statute relating to the conservation of aquatic life, wildlife, and land plants by including the owners of lands underlying the future site of the University of Hawaii West Oahu, thereby authorizing those landowners to participate in safe harbor agreements and habitat conservation plans.

Testimony in support of this measure was submitted by the University of Hawaii, West Oahu; the Land Use Research Foundation of Hawaii; and the Estate of James Campbell. Testimony in support of the intent of the measure was submitted by the Board of Land and Natural Resources and the Department of Taxation. Testimony in opposition to the measure was submitted by the Sierra Club. The Nature Conservancy submitted comments on the measure.

Your Committees find that Chapter 195D, Hawaii Revised Statutes (HRS), excludes public agencies from participation in Habitat Conservation Plans (HCPs) and Safe Harbor Agreements (SHAs). By amending the definition of "landowner" in Chapter 195D, HRS, public agencies will be able to participate in the programs and, therefore, to relocate endangered plants and animals.

Your Committees have amended the measure by deleting its contents and inserting therefor, provisions that would allow all public agencies to participate in HCPs and SHAs, not just those specifically mentioned in the current measure. This will allow the State more flexibility to work with the Federal government to protect and enhance endangered species on both public and private lands.

Your Committees have also amended the measure by:

- (1) Requiring legislative approval before the Board of Land and Natural Resources can enter into an HCP or SHA that was rejected by the Endangered Species Recovery Committee;
- (2) Providing for citizen suits against any state or county agency or instrumentality, or the Department of Land and Natural Resources that is allegedly in violation of the terms of any HCP or SHA;
- (3) Ensuring that SHAs on public lands will last for at least fifteen years; and
- (4) Authorizing the Department of Land and Natural Resources to impose new requirements or conditions if an HCP or SHA is found to be appreciably reducing the likelihood of the survival or recovery of endangered or threatened species.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1053, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1053, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (Hooser, Kanno).

**SCRep. 1152      Water, Land, and Agriculture on H.B. No. 1434**

The purpose of this measure is to make a grant-in-aid for the Hawaii Farm Bureau Federation to pursue efforts in agricultural research and market development.

Testimony in support of this measure was submitted by the Hawaii Farm Bureau; Gay & Robinson, Inc.; Hawaii Agriculture Research Center; the Pineapple Growers Association of Hawaii; Hawaii Egg Producers Association; Jo Ann Johnston & Company; North Shore Farms; Maui County Farm Bureau; Hawaii Papaya Industry Association; and Alexander and Baldwin, Inc. Testimony in support of the intent of this measure was submitted by the Board of Agriculture and the College of Tropical Agriculture and Human Resources.

Your Committee finds that the Hawaii Farm Bureau is working to resolve problems faced by farmers, ranchers, and other agricultural producers. This funding will help the Bureau to fund the Hawaii Agriculture Research Center, which has been of great aid to the coffee, papaya, sugarcane, and forestry industries. Another part of the funding will be funneled into ongoing research on pineapple, taro, vegetables, coffee, papaya, ornamental nurseries, tropical fruits and flowers, and macadamia nut crops. The last segment of the funding will go towards agricultural market development on the local level and overseas.

Your Committee also finds that both agricultural research and market development are essential to the success of diversified agriculture in Hawaii. Research helps producers raise their yields through informed choices about which crops to plant, when and where to plant them, how to protect them from pests, and how to optimize post-harvest quality. Market development complements research by expanding the consumer base that knows and values Hawaii's agricultural products.

Your Committee has deleted the dollar amounts to enable determination of appropriate amounts by the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1434, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1434, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1153      (Joint) Water, Land, and Agriculture and Economic Development on H.B. No. 146**

The purpose of this measure is to authorize the designation of two renaissance zones in the State, establish a renaissance zone review board, and exempt a renaissance zone developer from up to one hundred percent of the developer's income and general excise taxes.

Testimony in support of the measure was submitted by MacFarms of Hawaii. Testimony in opposition to the measure was submitted by the Department of Business, Economic Development, and Tourism. The Department of Taxation and the Tax Foundation of Hawaii submitted comments on the measure.

Your Committees find that although the Enterprise Zone law already provides similar incentives for businesses in distressed areas, more must be done to create opportunities in rural areas where there are high unemployment rates and attendant social problems.

Your Committees note that it may be appropriate to include other regions in the State, such as Turtle Bay and the sugar mill areas of the Windward District, for example. Your Committees believe that this measure should continue in the legislative process to promote further discussion.

Your Committees have amended the measure by:

- (1) Removing the limitation of two renaissance zones;
- (2) Including additional areas for consideration for designation as renaissance zones;
- (3) Clarifying that the income tax and general excise tax exemptions shall be as provided in section -6 of the new chapter for consistency; and
- (4) Deleting the requirement for a governor's declaration, and specifying that the renaissance zone and the tax exemptions shall not be available after December 31, 2006.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 146, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 146, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (Ihara, Kanno, Kawamoto).

**SCRep. 1154 (Joint) Tourism and Economic Development on H.B. No. 1400**

The purpose of this measure is to extend the hotel and construction remodeling tax credit for construction and renovation costs incurred before January 1, 2008.

Your Committees received testimony in support of this measure from the Hawaii Tourism Authority, Ko Olina Resort & Marina, The Chamber of Commerce of Hawaii, Hawaii Construction Industry Association, PLA Incorporated, AIA Hawaii State Council, Hawaii Business Roundtable, Land Use Research Foundation of Hawaii, The Hawaii Hotel Association, The Pacific Resource Partnership, Waikiki Improvement Association, Building Industry Association – Hawaii, Outrigger Enterprises, Inc., Candant Corporation/Fairfield Resorts, Waikiki Neighborhood Board No. 9, and an individual. Testimony in opposition was submitted by the Department of Taxation. Comments were received from the Tax Foundation of Hawaii.

Your Committees find that the hotel construction and remodeling tax credit which applies to costs incurred before July 1, 2003, is an excellent means to boost Hawaii's tourism and construction industries. Your Committees further find that the credit should be extended if hotels that benefit from the credit assume some of the responsibility of promoting Hawaii products to tourists who comprise a captive audience in hotels.

Your Committees have amended this measure by deleting its contents and inserting S.B. No. 1174, S.D. 1, which provides:

- (1) A nonrefundable income tax credit;
- (2) An extension of the tax credit from July 1, 2003, to July 1, 2005, if the taxpayer dedicates in each taxable year ten per cent of the occupied retail space within the qualified hotel facility to the promotion and sale of Hawaii products;
- (3) A definition of "Hawaii products" and "Qualified resort area";
- (4) The inclusion of commercial buildings and facilities located within a qualified area to the definition of "qualified hotel facility"; and
- (5) Conforming amendments to Act 10, Third Special Session, Session Laws of Hawaii 2001.

By amending this measure, your Committees have taken a different approach to the tax credit. However, your Committees believe that this tax credit might in fact generate tax revenues, based upon testimony of the Waikiki Improvement Association, Outrigger Enterprises, Inc., and The Hawaii Hotel Association. Each took surveys of hotels and resorts about current and future renovation and remodeling under the tax credit. The results were calculated to derive tax revenue lost and generated. Outrigger Enterprises contracted



a professional firm for the survey and study, with a report that was published in time for the hearing on this measure. Your Committees encouraged these entities to share their findings with the Governor.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1400, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1400, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Ihara, Kanno, Kawamoto, Sakamoto).

**SCRep. 1155 Commerce, Consumer Protection and Housing on H.B. No. 43**

The purpose of this measure is to create a criminal offense for insurance fraud.

Your Committee received testimony in support of this measure from the State Farm Insurance Companies, Consumer Lawyers of Hawaii, and Hawaii Medical Service Association. Testimony in opposition was received from Davis Levin Livingston Grande and Price Okamoto Himeno & Lum. Comments were submitted by the Insurance Division and Hawaii Medical Association.

Insurance fraud is on the rise both locally and nationally. Insurance fraud has also increasingly affected costs within the health insurance industry. In Hawaii, based on the conservative estimate that insurance fraud amounts to three per cent of annual Hawaii health care costs, insurance fraud causes losses that exceed \$60,000,000 annually.

Your Committee notes that the new statutory section under this measure is verbatim to section 431:10C-307.7, Hawaii Revised Statutes, relating to the offense of insurance fraud under the motor vehicle insurance laws. Your Committee further notes that the measure has been changed from its original version as introduced in the House, which provided for immunity to persons who report health insurance fraud. Your Committee is concerned whether the present measure is appropriate to reduce health insurance fraud and has therefore retained the defective effective date of July 1, 2050, to facilitate further discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 43, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 1156 Commerce, Consumer Protection and Housing on H.B. No. 78**

The purpose of this measure is to authorize the Housing and Development Corporation of Hawaii (HCDCH) to manage federal funds it receives to administer various federal housing programs outside of the state treasury.

HCDCH testified in support of this measure.

Prior to the establishment of HCDCH, the State's public housing program was administered by the Hawaii Housing Authority (HHA), which had statutory authority to manage federal funds outside of the state treasury. When HHA was merged with other agencies in 1998 to create HCDCH, that authority was inadvertently omitted from the law. This measure corrects that omission and codifies existing practice.

HCDCH receives federal funds to administer various federal housing programs, including low rent public housing, Section 8 housing choice vouchers, public housing drug elimination, housing for persons with AIDS, and emergency shelters. The authority to maintain and utilize these funds outside of the state treasury will facilitate the effective administration of the federal programs by enabling the disbursement of the funds in a timely manner.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 78, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Sakamoto, Whalen).

**SCRep. 1157 Commerce, Consumer Protection and Housing on H.B. No. 135**

The purpose of this measure is to enable persons recruited from foreign countries as prospective spouses by international matchmaking organizations to obtain criminal record and marital history information about their prospective partners who are Hawaii residents.

Testimony in support of this measure was received from the Hawaii State Commission on the Status of Women, the Washington State Representative from the Eleventh District, and two individuals.

Your Committee finds that many foreign women who utilize international matchmaking services come from the poorest regions of Asia. In order to escape their impoverished conditions, they make themselves available as potential mates for men who subscribe to

international matchmaking services. With little information provided about their future partners, these women are at risk for abuse if they unknowingly enter into a relationship with someone who has a history of violence or domestic abuse. This measure will facilitate a more open matchmaking process by providing access to criminal and marital history information to matchmaking recruits and by requiring that matchmaking organizations inform recruits of the availability of this information.

Your Committee has amended this measure by replacing its contents with the language of a similar measure, S.B. No. 875, S.D. 1. As amended, this measure:

- (1) Excludes from the definition of "international matchmaking organization", a traditional matchmaking organization of a religious nature that operates in compliance with the laws of the countries of its recruits and the laws of the United States and any organization, or that does not charge a fee to any party for services provided;
- (2) Requires notices provided to matchmaking recruits informing them of the availability of criminal and marital history information to be displayed in a highly noticeable, rather than a conspicuous manner; and
- (3) Requires the Hawaii Criminal Justice Data Center to disseminate to an international matchmaking organization designated by an applicant the applicant's criminal conviction record or a statement verifying the absence thereof.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 135, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 135, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 1158 Commerce, Consumer Protection and Housing on H.B. No. 640**

The purpose of this measure is to appropriate funds for the loss mitigation grant program.

Testimony in support of this measure was received from the Hurricane Mitigation Task Force, Hawaii Security Shutters, LLC, and five individuals. The Hawaii Association of Realtors offered comments on the measure.

Act 179, Session Laws of Hawaii 2002, established the loss mitigation grant program to provide partial reimbursement to homeowners who install wind resistive devices in their homes. Although the Act also authorized funding for the program, the \$2,000,000 appropriation was line item vetoed by the Governor. This measure restores funding to the program to allow the award of grants to homeowners, retroactive to January 1, 2003.

Your Committee has amended this measure by replacing its contents with the language of a substantially similar measure, S.B. No. 913. As amended, this measure appropriates \$3,500,000 and \$2,500,000 for fiscal years 2003-2004 and 2004-2005, respectively, from the loss mitigation grant fund for the development and implementation of the grant program.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 640, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 640, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 1159 Commerce, Consumer Protection and Housing on H.B. No. 736**

The purpose of this measure is to require that before a person is denied an occupational license or sanctions are imposed against an existing licensee for defaulting on a student loan, that the default and other pertinent circumstances be certified by the loan administering entity pursuant to a court order.

The Hawaii State Bar Association testified in support of this measure. The Department of Commerce and Consumer Affairs (DCCA), Attorney General, and University of Hawaii submitted comments on the measure.

In order to address the problem of student loan defaults, the Legislature last year passed a law authorizing the State's licensing entities to deny, suspend, or revoke an occupational license, or to take other action against a license if a license applicant or licensee had defaulted on a student loan undertaken to finance the applicant's or licensee's education. However, concerns arose regarding the law's lack of due process protections and its failure to allow the consideration of mitigating circumstances affecting the default.

This measure addresses the above concerns by requiring that a licensing entity, before taking action against an application or existing license because of a student loan default, obtain certification of the default from the loan administering entity. The certification must be based upon a court judgment that specifies the default amount, finds the borrower to have the ability to cure the default, and includes proof of service of notice to the borrower that the judgment is being reported to the licensing authority to request summary suspension of the license, denial of the license, or denial of renewal of the license.

Your Committee was advised by DCCA that the reference to “summary suspension” in this measure, at least as it applies to licensees under the jurisdiction of DCCA, would unintentionally impose more stringent license sanction requirements upon the department than intended by the measure.

Under chapter 436B, Hawaii Revised Statutes (chapter 436B), the general law governing DCCA’s regulatory authority, the term “summary suspension” specifically refers to a twenty-day suspension imposed only in limited circumstances involving consumer fraud or an immediate threat to consumer safety, and only after a hearing has been held by the licensing authority. By providing that a license may be subject to “summary suspension”, this measure incorporates by reference the hearing requirement of chapter 436B, in contravention of the law’s intent to allow a licensing authority to proceed summarily after obtaining certification of a student loan default, and in conflict with other language in the measure that authorizes suspension “without further review or hearing”.

Therefore, your Committee has amended this measure by replacing the term “summary suspension” with the term “suspension” in those provisions affecting licenses under DCCA jurisdiction. Additionally, your Committee made technical and formatting amendments for purposes of clarity, consistency, and style, and to correctly reflect the existing language of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 736, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 736, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 1160 Commerce, Consumer Protection and Housing on H.B. No. 1163**

The purpose of this measure is to extend for another year the Insurance Commissioner’s authority to examine, supervise, rehabilitate, and liquidate insolvent dental insurers.

The Department of Commerce and Consumer Affairs testified in support of this measure.

Act 132, Session Laws of Hawaii 2001, Regular Session (Act 132) made dental service corporations and dental service organizations subject to the Insurance Commissioner’s enforcement, examination, supervision, rehabilitation, and liquidation powers. Prior to Act 132, not all dental plans were subject to regulation by the Insurance Commissioner (Commissioner), and the granting of such authority was necessary to allow the Commissioner to protect consumers from the imminent failure of one particular dental insurer.

Under Act 132, the Commissioner’s authority was established temporarily for a one-year period to allow the Commissioner to respond to the dental insurer’s insolvency, and was scheduled to sunset on July 1, 2002. The Act was extended an additional year under Act 219, Session Laws of Hawaii 2002, to allow the Commissioner, who served as liquidator in the insurer’s liquidation proceedings, to see the proceedings through to their conclusion. This measure extends the Commissioner’s oversight for another year, until July 1, 2004.

Your Committee has amended this measure to exempt dental insurers from triennial examinations by the Commissioner, and to, instead, authorize discretionary examinations. Your Committee finds that problems with dental insurers are infrequent and that the funds required to conduct triennial examinations of all dental insurers would be better spent to examine specific insurers whose operations warrant an examination.

Your Committee also made a technical amendment to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1163, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1163, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 1161 Education on H.B. No. 638**

The purpose of this measure is to allow taxpayers to designate \$2 of their income tax refund to support the Hawaii state public library system.

Testimony in support of this measure was submitted by the State Board of Education and the Department of Taxation. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that the Hawaii State Public Library System is a critical component of our statewide education network. Your Committee further finds that allowing taxpayers to make a donation to the state library system is both an innovative and efficient method of fundraising that can assist with the rising costs of maintaining an updated collection for library customers. However, your Committee believes that the State Librarian should be able to leverage taxpayer donations with state funding to support providing expanded library services, provided that the donors are aware that their funds will be used to support library operations.

Thus, your Committee has amended this measure by allowing the State Librarian to use privately donated moneys to support library operations, including staff salaries and facilities costs, provided that donors are advised that their funds may be used for this purpose.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 638, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 638, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kawamoto, Tsutsui).

**SCRep. 1162 (Joint) Education and Judiciary and Hawaiian Affairs on H.B. No. 1021**

The purpose of this measure, as received by your Committees, is to allow the University of Hawaii Board of Regents to establish new century charter schools using the Hawaiian language as their primary instructional mode through the University of Hawaii at Hilo College of Hawaiian Language.

Testimony in support of this measure was submitted by Ke Kula `o Samuel M. Kamakau Laboratory Public Charter School, the President of the Faculty Senate of the University of Hawaii at Hilo College of Hawaiian Language, the Director of the University of Hawaii at Hilo College of Hawaiian Language, and Ka Lahui Hawaii. Testimony in opposition to this measure was submitted by the Board of Education and the Department of Education. The Hawaii Government Employees Association Local 152 submitted comments.

Your Committees find that the Legislature authorized the creation of public charter schools to provide students and parents with a choice of educational philosophies and learning environments within the public school system. Your Committees further find that this measure will expand the charter school concept in Hawaii by providing another means to engage in the study of the Hawaiian language, and the College of Hawaiian Language would serve as a good incubator for a laboratory school program using Hawaiian as its primary medium of education.

Your Committees further note that while many charter schools have been established, the method of determining funding for the schools has been an ongoing challenge, to the extent that it threatens the continuing existence of the public charter schools. Additionally, placing the responsibility for administrative support and oversight of the charters with the Department of Education has only provided an increased burden on the department at a time when it is faced with looming budget cuts and special education requirements that are taxing its infrastructure. Thus, your Committees agree that in order for the charter schools to succeed, adequate resources and support must be provided to assure that the legislative intent of school choice for Hawaii's students and families is fulfilled.

Your Committees have amended this measure by inserting the provisions of S.B. No. 1700, S.D. 1, as it was transmitted to the House of Representatives to ensure that any conflicts of law that would occur if the provisions contained in both H.B. No. 1021, H.D. 1, and S.B. No. 1700, S.D. 1, were adopted, can be resolved during the conference period.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1021, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1021, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (Menor, Tsutsui, Hogue).

**SCRep. 1163 Education on H.B. No. 281**

The purpose of this measure is to provide the Department of Education with control over the prioritization of school repair and maintenance projects that are to be implemented by the Department of Accounting and General Services.

Testimony in support of this measure was submitted by the Department of Education, the Department of Accounting and General Services, and the Hawaii State Teachers Association.

Your Committee finds that the repair and maintenance of school facilities program is currently operated under a memorandum of agreement between the Department of Education (DOE) and the Department of Accounting and General Services (DAGS), under which DAGS serves as the expending agency and overall project manager and controls the implementation of all school-related repair and maintenance activities. Your Committee finds that, to maximize the use of scarce taxpayer dollars, the DOE should be provided with the authority to oversee repair and maintenance moneys and to hold DAGS accountable for effectively and responsibly performing these duties.

Your Committee has amended this measure by deleting its contents and inserting new language. As amended, this measure requires DOE and DAGS to compile specified data and submit reports regarding school repair and maintenance projects.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 281, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 281, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 1164 (Joint) Economic Development and Labor on H.B. No. 291**

The purpose of this measure is to establish a temporary job creation income tax credit equal to \$5,000 per employee, provided that certain economic conditions are met, the Governor declares that the tax credit is operative, and that two-thirds of this credit is used for workforce training.

Specifically, the measure also:

- (1) Promotes the creation of more stable, higher paying jobs by allowing the tax credit to be applied only to full-time employees whose annual wages are \$25,000 or higher and who remain employed by the taxpayer for at least two years;
- (2) Allows the tax credit to be claimed only upon declaration by the Governor, required when the general fund revenue collections exceed 7.5 per cent of the general fund revenues at the end of two successive fiscal years; and
- (3) Requires the Department of Taxation to submit a yearly report to the Legislature outlining the use and effect of the tax credit.

The Chamber of Commerce of Hawaii and the Building Industry Association of Hawaii submitted testimony in support of this measure. Enterprise Honolulu submitted testimony in support of the intent of this measure with recommendations for amendments.

The Department of Taxation submitted testimony in opposition to this measure. The Tax Foundation of Hawaii submitted comments on the measure.

Your Committees find that our economy has suffered greatly in the wake of the events of September 11, 2001. Although some recovery has occurred, the effects of the present war make the future of our economy extremely uncertain. Your Committees determine that action must be taken to promote job growth in Hawaii, which should include the offering of incentives such as tax credits for job creation.

Your Committees also find that for Hawaii to be competitive in the global economy, there must be a transition to a knowledge-based and idea-based economy where innovative ideas and technologies are embedded in services, products, and manufacturing processes. Your Committees further find that in order to compete in this new economy, public policies and legislative incentives must be established to provide a foundation to ensure that entrepreneurs, investors, and businesses are equipped with the necessary tools to prosper. The provision of incentives for small business entrepreneurs of all industries, as well as businesses of all sizes in the industry of high-technology, will encourage businesses in Hawaii to continue to invest in our workers, and the resulting increase in disposable income will further spur growth in our economy.

Your Committees have amended this measure by replacing its contents with the contents of S.B. No. 836, S.D. 1 (modified only by renaming the credit), which provides as follows:

- (1) Creates a job creation tax credit for taxpayers that create and maintain high paying jobs in Hawaii;
- (2) Confines this tax credit to qualified high technology businesses, and small businesses with twenty-five employees or less and a gross annual income of \$5,000,000 or less;
- (3) Requires qualified taxpayers to employ at least three full-time employees and hire an additional full-time employee, earning at least thirty per cent above the state average wage, during the taxable year prior to that in which the credit is sought, and requires the taxpayer to maintain the same number of full-time employees for at least twelve consecutive months thereafter;
- (4) Allows a tax credit of ten per cent of the taxpayer's net income tax liability for the taxable year, after credits and deductions; and
- (5) Requires this measure to apply to taxable years beginning after December 31, 2002, and apply to full-time employees hired after June 30, 2003, and before July 1, 2008.

As affirmed by the records of votes of the members of your Committees on Economic Development and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 291, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 291, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Aduja, Ihara, Sakamoto).

**SCRep. 1165 Economic Development on H.B. No. 1394**

The purpose of this measure is to establish a tax credit for a percentage of the qualified construction project costs incurred after June 30, 2003, and before January 1, 2006.

Testimony supporting this measure was received from the Waikiki Neighborhood Board No. 9, Chamber of Commerce of Hawaii, Hawaii Business Roundtable, Hawaii Construction Industry Association, Waikiki Improvement Association, Pacific Resource

Partnership, Retail Merchants of Hawaii, Hawaii Hotel Association, Hyatt Regency Waikiki Resort & Spa, Outrigger Hotels & Resorts, Land Use Research Foundation of Hawaii, AIA Hawaii State Council, American Institute of Architects, Hawaii State Council, Marc Resorts Hawaii, Waikiki Beach Activities, Ltd., HawaiiFun.org Inc., Cendant Corporation/Fairfield Resorts, and one individual.

The Department of Taxation opposed this measure citing possible adverse impacts on the State Budget. Comments were received from the Tax Foundation of Hawaii.

Your Committee finds that the State is enduring challenging economic times. Local, national, and international political and other events have created economic uncertainty throughout the world. Hawaii is particularly vulnerable due to its deep reliance on the travel and tourism industries. Your Committee finds that encouraging redevelopment of the State's assets and infrastructure may be part of an overall strategy to stimulate the economy. The tax incentive for increased construction and development provided in this measure is a starting point.

Therefore, your Committee has amended this measure by defecting its effective date to continue discussion on its merits and provisions.

Your Committee believes that the concept embodied in this measure is worthy of further deliberation. As this measure proceeds through the legislative process, your Committee encourages the Departments of Taxation and Business, Economic Development, and Tourism, and other stakeholders to reach consensus on the scope and probable economic effects of this tax incentive.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1394, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1394, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kanno, Kawamoto).

**SCRep. 1166 (Majority) Economic Development on H.B. No. 1628**

The purpose of this measure is to exclude from taxable gross income, the interest on educational loans paid by individuals who establish a new practice as a primary health care provider in underserved areas.

Testimony supporting this measure was received from the Hawaii Dental Association. Opposing testimony was received from the Department of Taxation. Comments on this measure were received from the Tax Foundation of Hawaii.

Your Committee finds that the primary health and medical needs of residents of Hawaii, Kauai, and Maui counties, the north shore of Oahu, Koolauloa, and the leeward coast of Oahu in Makaha, Waianae, Maili, and Nanakuli are largely underserved. This deficit in health care directly threatens the public health and welfare. One possible solution is to encourage primary health care providers, including physicians, optometrists, psychologists, and physical therapists, to open practices in these underserved areas. Your Committee finds that the tax incentive provided in this measure could stimulate the influx of health care providers to those areas.

Your Committee recognizes, however, that certain issues remain relating to the scope and applicability of this tax incentive. Therefore, your Committee has amended this measure by defecting its effective date to ensure continued discussion on its merits and provisions.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1628, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1628, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Trimble). Excused, 3 (Ihara, Kanno, Kawamoto).

**SCRep. 1167 (Majority) Commerce, Consumer Protection and Housing on H.B. No. 1465**

The purpose of this measure is to (1) change the maximum number of cases of wine that a holder of a license to manufacture wine in another state having a reciprocal shipping privilege, may ship per year to any resident age twenty-one or older for personal use and not for resale; and (2) clarify that an unlicensed adult person is not required to obtain an individual permit to receive shipments of liquor to receive those cases.

Your Committee received testimony in support of this measure from the Wine Institute. Testimony in opposition was received from Foodland Super Market, Ltd., Okimoto Corp, R. Field Wine Company, and Hawaii Food Industry Association.

The intent of this measure is to facilitate the shipping of liquor and wine between states with a reciprocal shipping privilege, which permits the interstate shipping of wine for personal consumption and not for resale. According to testimony of the Wine Institute, the Honolulu Liquor Commission requires Honolulu residents to obtain a permit prior to receiving shipments under the reciprocal shipping law. This makes it difficult for consumers to receive wine by shipment, because shippers can require that recipients have a valid permit. This effectively defeats the intent of the reciprocal shipping law.

Your Committee finds that the limit of two shipped cases per year is artificially low, particularly for wine connoisseurs. A reasonable increase in the number of cases would not detract from local sales.

Your Committee has amended this measure by increasing the number of cases of wine permitted to be shipped to five, and making technical amendments.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1465, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1465, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Kim). Excused, 2 (Ige, Sakamoto).

**SCRep. 1168 (Joint) Economic Development and Transportation, Military Affairs, and Government Operations on H.B. No. 21**

The purpose of this measure is to require:

- (1) The Department of Taxation to report on tax benefits for development assistance programs;
- (2) Counties to disclose real property tax reductions and abatements;
- (3) Disclosure of development assistance by granting bodies; and
- (4) The recapture of assistance from recipients who fail to achieve job, wage, and benefit goals.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO. Testimony in opposition to this measure was submitted by the Department of Taxation. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committees find that government assistance to businesses has increased dramatically over the past twenty years. However, many companies that have received the benefits of development assistance from the State have not fulfilled their promises. Your Committees find that there is no mechanism to monitor the cost-effectiveness of tax credits and other forms of development assistance. This measure would require disclosure of the amount of government development assistance, in tax breaks, grants, or borrowed funds through a state entity, provided to businesses, thus ensuring that scarce taxpayer dollars will be used fairly and efficiently.

Your Committees have amended this measure by:

- (1) Deleting the requirement that the counties disclose real property tax reductions and abatements;
- (2) Making the provision by the Department of Taxation of a detailed tax expenditure budget to the Legislature discretionary rather than mandatory;
- (3) Appropriating funds to the Department of Taxation for the purposes of this Act; and
- (4) Changing the effective date to July 1, 2010, to facilitate further discussion of this issue.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 21, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 21, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Baker, Ihara, Menor, Whalen).

**SCRep. 1169 (Joint) Economic Development and Transportation, Military Affairs, and Government Operations on H.B. No. 685**

The purpose of this measure is to direct the Governor to work with the City and County of Honolulu to designate additional enterprise zones in areas where commercial real estate have a vacancy rate of fifteen per cent or more. The designations shall last for two years beginning July 1, 2003, and ending on June 30, 2005.

Testimony supporting this measure was received from Enterprise Honolulu, Hawaii Venture Capital Association, and China-Hawaii Chamber of Commerce. The Department of Taxation submitted comments. The Department of Business, Economic Development, and Tourism submitted oral testimony commenting on this measure.

Your Committees find that Hawaii's economy is enduring challenging times. Recent local, national, and international political and social events have created uncertainty in the economy. In addition, there are certain areas in the State that are experiencing particularly severe economic downturns. These areas are readily identifiable and the State should make every effort to stimulate the economy in those areas.

Over the years, enterprise zone tax incentives have proven to be less successful in reviving commerce and the overall economy of depressed areas than originally intended. One major concern is the requirement that struggling businesses must meet the ten per cent growth requirements in order to take advantage of enterprise zone tax incentives. Although the amendments being adopted by your

Committees for "tier two" enterprise zones do include allowing retail establishments to become eligible for enterprise zone tax incentives, your Committees believe that further discussion on the hiring requirements of section 209E-9(a)(3) and (4) is needed.

Therefore, your Committees have amended this measure by:

- (1) Allowing the counties to nominate and the Governor to designate up to six "tier two" enterprise zones for a period ending June 30, 2008;
- (2) Requiring that the area designated as a tier two enterprise zone be within the bounds of United States census tracts where:
  - (a) A certain percentage of the population has income below eighty per cent of the median family income of the county; or
  - (b) The unemployment rate is a certain multiple of the state average;
- (3) Providing that qualified businesses shall include retail establishments, other than food service, in tier two enterprise zones;
- (4) Providing that the qualified businesses in tier two enterprise zones be subject to the hiring requirements of Section 209E-9(a)(3) and (4); and
- (5) Changing its effective date to July 1, 2003.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 685, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 685, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Baker, Ihara, Menor, Whalen).

**SCRep. 1170 (Joint) Economic Development and Transportation, Military Affairs, and Government Operations on H.B. No. 1579**

The purpose of this measure is to establish the Economic Diversification Authority within the Department of Business, Economic Development, and Tourism for administrative purposes, to identify ways to diversify Hawaii's economy by:

- (1) Developing and implementing an economic diversification plan;
- (2) Increasing government efficiency and cost savings; and
- (3) Annually proposing legislation relating to economic diversification.

Testimony in support of this measure was submitted by the County of Hawaii. The High Technology Development Corporation submitted testimony in support of the intent of this measure.

Your Committees find that the Department of Business, Economic Development, and Tourism (DBEDT) is tasked with supporting businesses, creating jobs, and improving Hawaii's standard of living through diversifying the economy, expanding existing business, and attracting new economic activity. Your Committees believe that, rather than expending scarce resources in creating another layer of bureaucracy, it is more fiscally prudent to clarify the authority and responsibilities of DBEDT to diversify the State's economy.

Accordingly, your Committees have amended this measure by deleting its contents and inserting new language clarifying the authority and duties of the Department of Business, Economic Development, and Tourism to diversify the State's economy. As amended, this measure:

- (1) Requires DBEDT to develop and implement plans, programs, and initiatives to facilitate the diversification of the State's economy in order to stimulate and encourage economic development in the State;
- (2) Enumerates specific duties to be undertaken by DBEDT;
- (3) Provides that DBEDT may actively consult and collaborate with the various agencies attached to DBEDT, other state agencies, the University of Hawaii, representatives of the various services of the United States Armed Forces, and private sector industry representatives and potential partners; and
- (4) Requires DBEDT to include a summary of activities pursued to diversify the State's economy in its annual report to the Legislature.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1579, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1579, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.



Ayes, 7. Noes, none. Excused, 4 (Baker, Ihara, Menor, Whalen).

**SCRep. 1171 (Joint) Economic Development and Transportation, Military Affairs, and Government Operations on H.B. No. 529**

The purpose of this measure is to permit entry into caves that are a part of state or county parks if entry signs are posted.

This measure also expands the covered purposes for entering the caves to include recreational use, and protects the State and counties from liability where open entry is granted by entry signs.

The Department of Land and Natural Resources submitted testimony in support of this measure.

The Office of the Corporation Counsel for the County of Hawaii, the Consumer Lawyers of Hawaii, and a private citizen submitted testimony in opposition to this measure.

Your Committees find that the exploration of caves found in state and county parks provide a unique and valuable educational, recreational, and cultural experience that is not without its hazards. Therefore, the State and the counties must take necessary actions to ensure public safety and to protect themselves against tort liability. However, your Committees believe that the public should be allowed access, without written consent, to caves that are part of a state or county park where permission has effectively been granted by the posting of entry signs.

Therefore, your Committees have amended the measure by deleting Section 3, which would have limited the State's and counties' duties and liabilities to recreational users of caves.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 529, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 529, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Ige, Ihara, Kanno).

**SCRep. 1172 Labor on H.B. No. 50**

The purpose of this measure is to mandate the provision of specific health benefits for public sector retirees under the Public Employees Health Fund (Fund).

The Retirees Unit of the Hawaii Government Employees Association and the Hawaii State Teachers Association submitted testimony in support of this measure. The Department of Budget and Finance submitted testimony in opposition to this measure. The Senator from the 12<sup>th</sup> District presented oral testimony in support of the intent of the measure with request for amendments.

Your Committee finds that, prior to the enactment of Chapter 87A, Hawaii Revised Statutes (HRS), which changed the way health benefits are to be provided for public employees and retirees from a defined benefit model to a defined contribution model, state employees were promised specific health benefits at the onset and throughout the duration of their employment in return for their years of dedicated public service. Your Committee believes that it is the State's obligation to continue to provide the health benefits required by statute as the benefits existed when the retirees were active employees.

Your Committee also finds that the Fund's contribution to reimburse retirees for Medicare Part B premiums is capped at the lesser amount of \$50 per month, or the Medicare Part B plan premium for retirees. However, your Committee finds that the cost of the Medicare Part B medical insurance plan has continually increased and has already exceeded this \$50 amount. Additionally, your Committee finds that a six-month lag exists in the reimbursement of retirees for any cost differential resulting from an increase in the Medicare Part B medical insurance plan premium. Therefore, in order to adequately compensate retirees, your Committee believes that the Fund should reimburse retirees for at least the full amount of the Medicare Part B premium and ensure that any differential due to a rate increase is also reimbursed in a timely manner.

Your Committee also finds that it is necessary to require the Employer-Union Health Benefits Trust Fund (EUTF) to reimburse retirees for the full amount of the Medicare Part B premium and timely pay any differential.

Additionally, your Committee has determined that the cost for health benefits has already increased, if not exceeded the amounts specified in section 87A-33(b), HRS. Although the employer's monthly contribution for health benefits plans for retirees is scheduled to be adjusted annually, beginning July 1, 2004, the situation mandates more timely review.

Your Committee has amended this measure by replacing its contents with the contents of S.B. No. 312, S.D. 1, S.B. 763, S.D. 1 and S.B. 762, S.D. 1, which provide as follows:

- (1) Requires the Public Employees Health Fund Board of Trustees to reimburse retirees for any cost differential due to a rate increase in their Medicare Part B plan within thirty days of the rate change;
- (2) Requires the EUTF to pay a contribution equal to an amount of not less than the Medical Part B premium for voluntary medical insurance under Medicare for retirees;

- (3) Requires the EUTF to reimburse the retiree for any cost differential due to a rate increase in the Medicare Part B medical insurance plan within thirty days of the rate change;
- (4) Requires the monthly employer contribution for health benefits plans for retirees under the EUTF to be adjusted annually, beginning retroactively from July 1, 2002;
- (5) Requires the percentage increase or decrease in Medicare part B premium rate to be calculated by dividing the Medicare part B premium in effect at the beginning of the new plan year by the rate in effect at the beginning of the previous plan year; and
- (6) Changes the effective date to make the Act effective upon approval.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 50, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 50, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 1173 Labor on H.B. No. 130**

The purpose of this measure is to require spousal or reciprocal beneficiary consent to any retirement benefit option selected by a member of the Employees' Retirement System (ERS).

This measure also selects Option 2 for spouses or reciprocal beneficiaries of contributory members, or Option B for spouses or reciprocal beneficiaries of noncontributory members, when a spouse or reciprocal beneficiary refuses to consent to a member's election of a benefit option, thereby entitling the spouse or reciprocal beneficiary to an annuity of an unspecified percentage of the allowance received by the member prior to death.

The Hawaii Civil Rights Commission and the Hawaii State Commission on the Status of Women submitted testimony in support of this measure.

The ERS submitted comments on this measure.

Your Committee finds that members of the ERS are presented with various options with respect to the manner in which they may receive their retirement benefits. These options range from the receipt of a lump-sum payment with no survivor benefits to the receipt of reduced payments to provide for survivor benefits. Your Committee further finds that the method of benefits payment is currently solely at the discretion of the member. Your Committee determines that the lack of spousal or reciprocal beneficiary notification or consent often results in such spouses or reciprocal beneficiaries being unaware and thus unable to protect themselves against financial hardship in the future.

However, first and foremost, your Committee is concerned with protecting the rights of the ERS members, the public employees. Your Committee is also concerned that the consent requirement may prove unduly burdensome not only for the members, but also for the ERS. In order to more appropriately balance the interests involved, your Committee believes that a notification requirement will provide spouses or reciprocal beneficiaries with ample notice, thereby allowing them to plan for their futures accordingly, as well as provide members with a requirement that is less restrictive and more easily accomplished.

Additionally, Act 128, Hawaii Session Laws of 2002, amended the law governing when a retiree's retirement becomes effective to require all members to retire on the first day of the month, or on the last day of the year, in order to facilitate the expeditious processing of pension benefits.

Your Committee finds that nine-, ten-, and eleven-month employees, elective officers, and appointees of the governor, due to their unique situations, should be allowed to specify their own date of retirement to coincide with their work obligations in order to preserve their benefits. This measure accommodates these unique employees by exempting them from the timeframe requirements, thus enabling them to select their own retirement date.

Your Committee has amended this measure as follows:

- (1) By removing the requirement that a member obtain the consent of a spouse or reciprocal beneficiary when selecting a retirement benefit option, and any consequences associated with the failure to obtain consent;
- (2) By including the requirement that a member provide notice to a spouse or reciprocal beneficiary when selecting a retirement benefit option;
- (3) By including language that indicates that the ERS board of trustees will determine what constitutes adequate notice to a spouse or reciprocal beneficiary of the election of a retirement benefit option; and
- (4) By including an amendment to section 88-73, Hawaii Revised Statutes, which allows nine-, ten-, and eleven-month employees, elective officers, and appointees of the governor to specify the effective date of their retirement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 130, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 130, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 1174 (Majority) Labor on H.B. No. 391**

The purpose of this measure is to require the employer's base monthly contribution for health benefits provided to retirees under the Employer-Union Health Benefits Trust Fund to take effect retroactive to July 1, 2001, and to be adjusted annually, beginning retroactively from July 1, 2002.

The measure also requires the percentage increase or decrease in Medicare Part B premium rate to be calculated by dividing the Medicare Part B premium in effect at the beginning of the new plan year by the rate in effect at the beginning of the previous plan year. This measure further postpones the sunset date of the Hawaii Public Employees Health Fund until July 1, 2004, and accordingly extends the authority of the Health Fund to contract for health and life insurance plans. Finally, this measure also delays the implementation date of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) until July 1, 2004.

The Hawaii State Teachers Association submitted testimony in support of this measure. The Department of Budget and Finance, the Department of Labor and Industrial Relations, the Department of Human Resources Development, and the Department of Human Resources for the City and County of Honolulu submitted testimony in opposition to this measure.

The EUTF administrator presented oral testimony indicating that the EUTF Board of Trustees has taken action towards the July 1, 2003, implementation of the EUTF.

Your Committee finds that although under existing law, the employer's monthly contribution for health benefits plans for retirees is scheduled to be adjusted annually, beginning July 1, 2004, the cost for health benefits has already increased, if not exceeded the amounts specified in section 87A-33(b), Hawaii Revised Statutes. Your Committee determines that in order to avoid the imposition of a financial burden upon the retirees and to fulfill an obligation to the retirees in recognition of their years of dedicated public service, timely action must be taken to ensure that retirees maintain similar health benefits, to that which were provided to them prior to the establishment of the Employer-Union Health Benefits Trust Fund.

Your Committee also finds that the ability of the Hawaii EUTF to be implemented on July 1, 2003, although optimistic, is still unclear. Your Committee determines that it is the intention and belief of the EUTF board that the EUTF will be operational as of that date. However, despite the concerted efforts and intentions of the EUTF board, this measure should continue, as a precautionary measure, should it become clear that the EUTF will not be operational on that date.

Your Committee has amended this measure as follows:

- (1) By including an amendment to section 87A-24, Hawaii Revised Statutes, to exclude EUTF administrative costs from health plan and long-term care benefits plans rates, which shall be repealed on July 1, 2007; and
- (2) By delaying the effective date of the measure to July 1, 2050, to permit further discussion as necessary.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 391, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 391, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Taniguchi).

**SCRep. 1175 (Joint) Labor and Education on H.B. No. 509**

The purpose of this measure is to establish a separate collective bargaining unit for substitute teachers employed by the Department of Education (DOE).

The Laborers' International Union of North America, Local 368, submitted testimony in support of this measure.

The DOE and the Office of Collective Bargaining submitted testimony in opposition to this measure.

Your Committees find that substitute teachers fulfill an important role in bridging the gaps between shortages that arise from the absence of full-time, permanent teaching staff and any additional interim teaching staff needs within the DOE. Under existing law, substitute teachers lack the necessary representation to protect, preserve, and promote their rights. Your Committees believe that substitute teachers should be afforded representation equal to that of their Unit 5 equivalents.

Your Committees are concerned that the perception of mandatory membership in a union will act as a deterrent for qualified individuals interested in infrequently serving as substitute teachers within the public school system.

Your Committees have amended the measure as follows:

- (1) By amending the composition of bargaining unit 14 by excluding substitute teachers who work less than an unspecified number of days per calendar month; and
- (2) By changing the effective date of the Act to July 1, 2050, to facilitate further discussion on the matter.

As affirmed by the records of votes of the members of your Committees on Labor and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 509, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 509, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (Ihara, Menor, Taniguchi).

**SCRep. 1176 (Majority) Labor on H.B. No. 1013**

The purpose of this measure is to require employer-requested medical examinations in workers' compensation cases for the determination of permanent impairment to be performed by a physician mutually agreed upon by the parties.

This measure also provides that if the parties cannot agree on a physician, the examination shall be conducted by a physician appointed by the Director of Labor and Industrial Relations.

Three attorneys submitted testimony in support of the measure. The Department of Labor and Industrial Relations, the Chamber of Commerce of Hawaii, the Hawaii Medical Association, the Hawaii Insurers Council, the Consumer Lawyers of Hawaii, the Hawaii Employers' Mutual Insurance Company, the Society for Human Resource Management, the ILWU Local 142, and a physician submitted testimony in opposition to this measure.

Your Committee finds that currently there is no statutory provision that addresses the selection of a physician to conduct a permanent impairment examination. The practice has been for the parties to work towards agreement on an examiner in an effort to thwart any unnecessary delay in the process due to subsequent objections. Your Committee believes that the codification of this practice of requiring the parties to mutually agree on an examiner will ensure the utilization of a fair and competent physician, as well as reduce delay and costs and promote efficiency within the system.

Your Committee has amended this measure by removing the requirement that the list of qualified examiners be categorized by the examiner's specialty of practice and by making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1013, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1013, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

**SCRep. 1177 Labor on H.B. No. 1510**

The purpose of this measure is to update the definition of chiropractic and the scope of the practice of chiropractic.

This measure also restricts reimbursement for chiropractic treatment under workers' compensation law to only chiropractic treatment of the human spinal column and clarifies that only a licensed chiropractor is allowed to use the term "doctor of chiropractic" or "chiropractic physician."

The Board of Chiropractic Examiners and the Hawaii State Chiropractic Association submitted testimony in support of this measure.

The Chamber of Commerce of Hawaii, ILWU Local 142, the Hawaii Insurers Council, State Farm Insurance Companies, and the Hawaii Medical Association submitted testimony in opposition to this measure.

The Department of Commerce and Consumer Affairs submitted comments on the measure.

Your Committee finds that the definition of the practice of chiropractic was drafted in 1925. Over the past 77 years, the practice of chiropractic has advanced and has surpassed the current written law. This measure provides a definition encompassing the current educational curriculum taught in accredited chiropractic colleges throughout the country. The current chiropractic law is antiquated and does not recognize the current skills or practice of licensed doctors of chiropractic.

Your Committee has considered the concerns that this measure expands the scope of chiropractic practice, allows chiropractors to prescribe physical therapy and massage therapy, and effectively raises the thirty-visit limitation on chiropractic treatments in the motor vehicle insurance law, and in turn, the cost of insurance.

Your Committee determines that although the definition of "chiropractic" must be updated, the scope of practice should not; therefore, the effect of this measure should not be construed so as to increase the costs of providing workers' compensation insurance or motor vehicle insurance.

Your Committee has, therefore, amended the measure to clarify the intent by including language that expressly disclaims any intent to expand the scope of chiropractic practice in order to preclude applications of the law that may result in increased utilization, such as the recoding of chiropractic visits based on the amended definition of "chiropractic".

Your Committee has retained the delayed effective date of July 1, 2050, to facilitate further discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1510, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1510, H.D. 1, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 1178      Judiciary and Hawaiian Affairs on H.B. No. 500**

The purpose of this measure is to allow Family Court to commit a minor to a youth correctional facility if the minor is alleged to have sold or distributed, or attempted to sell or distribute drugs. The measure also requires the Family Court to order substance abuse education and counseling for the minor and the minor's parents, guardians, or legal custodians.

Testimony in support of this measure was received from the Honolulu Police Department, the Hawaii County Police Department, the Maui County Department of the Prosecuting Attorney, The North Hawaii Drug-Free Coalition, Five Mountains Hawaii, Family Support Services of West Hawaii, and a concerned citizen. The Office of the Public Defender opposed the measure. The Judiciary offered comments.

Your Committee finds that drug use is a community problem because users often commit drug-related crimes. Users also often require health, human services, and unemployment assistance. Additionally, drug abuse also affects family systems. Your Committee recognizes that for drug treatment of a minor to be effective, the entire family must be involved for the support of the minor, and if necessary, to address the drug use of other family members.

Based on testimony received from the Judiciary, and because certain provisions of the bill may be deemed to be unconstitutional, your Committee amended the bill by:

- (1) Changing the word "alleged" on page 3, line 7 to "adjudicated";
- (2) Deleting the words "or attempted violation" on page 3, lines 8 and 9;
- (3) Deleting the words "or attempted violation" on page 3, line 12;
- (4) Appropriating an unspecified amount to the Judiciary to carry out the purposes of this Act; and
- (5) Changing the effective date from February 28, 2050 to July 1, 2003.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 500, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 500, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Ihara).

**SCRep. 1179      Judiciary and Hawaiian Affairs on H.B. No. 808**

The purpose of this measure is to provide appropriations for the operation of and capital improvements for the Judiciary for fiscal biennium 2003-2005.

Your Committee received testimony from the Hawaii State Judiciary, the Estate of James Campbell, seven court interpreters, and the Hawaii Newspaper Guild requesting restoration of various funds.

Taking into consideration the State's lowered revenue projections and the probability that conflict in the Middle East will further affect Hawaii's economy, your Committee has had to take a hard stand on budget reductions.

Your Committee recognizes however, that certain programs within the Judiciary will allow the Judiciary to operate and meet the needs of the public in a more efficient manner. Therefore, your Committee amended the bill by deleting the contents of parts II and III relating to program appropriations and program provisions respectively, and replacing those parts with the provisions of parts II and III from Senate Bill No. 1140, S.D. 1.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 808, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 808, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Ihara).

**SCRep. 1180      Judiciary and Hawaiian Affairs on H.B. No. 1300**

The purpose of this measure is to provide for the biennium budget of the Office of Hawaiian Affairs (OHA).

Testimony in support of this measure was received from OHA and one individual. Testimony in opposition was received from Ka Lahui Hawaii.

Your Committee finds that while use of funds from the public land trust for the betterment of native Hawaiians remains a paramount concern to the people of Hawaii, the beneficiaries of those public land trust revenues represent less than a majority of Hawaiians. The betterment of the conditions of Hawaiians, as generally defined in section 10-2, Hawaii Revised Statutes, is also a vital public purpose and for the Office of Hawaiian Affairs to carry out its mandated purpose, an appropriation of general funds is necessary.

Your Committee further finds that it is consistent with the constitutional and statutory mandate given to the Office of Hawaiian Affairs that the Legislature provide funding for programs and the cost of administering such programs to the Office of Hawaiian Affairs. The general fund appropriations called for herein is intended to be supplemented with trust funds administered by the Office of Hawaiian Affairs.

Your Committee notes the testimony of OHA that the ceded land revenues of 20 per cent from the public lands trust to benefit "native Hawaiians" are not sufficient to accomplish the objectives set out for OHA by the State Constitution and chapter 10, Hawaii Revised Statutes, to provide services to "Hawaiians". The reasons for this are twofold: (1) the ongoing dispute with the State concerning the revenues to be transferred to OHA, and (2) the restriction on the use of the pro rata share of ceded land revenues mandated by the Admissions Act that created the public lands trust to programs that benefit "native Hawaiians".

Your Committee has amended this measure on recommendation of OHA by deleting its contents and inserting the contents of the Senate companion measure S.B. No. 1150, which differs as follows:

- (1) Contains a purpose section;
- (2) Does not contain a section that establishes a title for the Appropriations Act;
- (3) Restores OHA's program appropriation amounts that were contained in OHA's original budget request; and
- (4) Adds a proviso that the State shall fund the costs of wages and fringe benefits for employees.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1300, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1300, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Ihara).

**SCRep. 1181      Transportation, Military Affairs, and Government Operations on H.B. No. 52**

The purpose of this measure is to require that all children under eight years of age who weigh less than eighty pounds be placed in a booster seat when riding in a motor vehicle.

Your Committee received testimony in support of this measure from the Department of Transportation, the Honolulu Police Department, Good Beginnings Alliance, Mothers Against Drunk Driving, Waianae Coast Comprehensive Health Center, Keiki Injury Prevention Coalition, State Farm Insurance, and a concerned citizen. The Hawaii Association of Independent Schools submitted comments on this measure.

Your Committee finds that motor vehicle crashes are the leading cause of death for American youth between the ages of four and fourteen. Among children ages four to eight, ninety per cent of those seriously injured in a crash were not restrained in a booster seat.

Your Committee finds these statistics unacceptable. The safety of our children must be a priority, and the State should do everything possible to ensure that children are properly restrained when riding in a motor vehicle. Therefore, your Committee supports this measure, which requires that all children under eight years old be restrained in a booster seat if they weigh less than eighty pounds.

Unlike similar measures over the past two legislative sessions (which were stalled in various committees or voted down on the floor of the Legislature), this measure contains several exceptions to lessen the impact on parents who fear that they will be unable to transport their children if this measure becomes law.

First, if a child under eight years old weighs over forty pounds or is over four feet nine inches tall, that child can ride while wearing only a seat belt if the automobile is equipped with only lap belts in the rear seat.

Also, if the number of safety devices required cannot physically fit in the automobile, then the oldest children can ride while wearing only a seat belt. For example, if the rear seat contains three seat belts but three safety seats or booster seats cannot be properly installed, then only two seats must be set up, and the youngest children must ride in the seats. The oldest child passenger may ride while wearing the third seat belt.

Your Committee made several amendments to this measure to clarify the terminology, so that it is clear that child safety seats are primarily for children under four years old, and booster seats are designed for children older than four years old.

Your Committee also removed the exemption for children who will turn nine years old by July 1, 2004. This measure takes effect on January 1, 2004, and will affect only children under eight years old as of that date. Therefore, the proposed exemption would have applied to a class of persons that could not exist.

With these amendments, your Committee believes that this measure is reasonable and necessary to protect the children in the State.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 52, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 52, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1182      Transportation, Military Affairs, and Government Operations on H.B. No. 73**

The purpose of this measure, as introduced, was to extend the sunset date of the law creating the Core Government Functions Advisory Commission by one year, until June 30, 2004.

Prior to the public hearing of this measure, your Committee prepared a proposed S.D. 1 version that replaced the measure's contents with provisions to provide law enforcement officers with immunity from liability while engaging in civil defense functions.

Your Committee received testimony in support of the proposed S.D. 1 version of this measure from the Department of Public Safety and the Department of Defense. A member of the Core Government Functions Advisory Commission provided comments on the original measure.

Your Committee finds that law enforcement officers are a vital component of the State's civil defense team. Currently, members of the national guard and armed forces have statutory immunity from civil liability while engaging in civil defense functions.

Since law enforcement officers perform the same civil defense functions, and are often the first responders, your Committee agrees that civil immunity should extend to law enforcement officers as well.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 73, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 73, S.D. 1, and be referred to the Committees on Judiciary and Hawaiian Affairs and Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1183      (Joint/Majority) Transportation, Military Affairs, and Government Operations and Labor on H.B. No. 510**

The purpose of this measure is to encourage the process of managed competition as a means of improving the efficiency of government operations in accordance with existing statutory and constitutional requirements.

Your Committees received testimony in support of this measure from the Hawaii Boaters Political Action Association.

Testimony in opposition to this measure was submitted by the Department of Human Resources Development, the Office of Collective Bargaining, the City and County of Honolulu Department of Human Resources, the Hawaii Government Employees Association, and United Public Workers.

In Act 230, Session Laws of Hawaii (SLH) 1998, section 6, "managed competition" was adopted as a public policy to enable state and county governments to implement public-private competition for government services through a process which "determines whether a particular service can be provided more efficiently, effectively, and economically by a public agency or a private enterprise." A committee which was created to examine the appropriate means of implementation submitted its report and recommendations to the Governor and Legislature in 1999 and 2000.

In Act 253, SLH 2000, section 104, the Office of Collective Bargaining was redesignated the "Office of Collective Bargaining and Managed Competition" and delegated authority to implement the managed competition process through the established process of collective bargaining under chapter 89, Hawaii Revised Statutes (HRS). In Act 90, SLH 2001, section 3, each of the counties were granted comparable authority and powers to "coordinate and negotiate the terms and conditions of the managed competition process" on behalf of the counties with exclusive representatives of affected public employees.

Since the 2001 regular session, the people of Hawaii have elected a new Governor who promised not to lay off public employees and who reaffirmed a commitment to a process of joint decision making to determine their wages, hours, and terms and conditions of employment. In testimony on this measure, the chief negotiator from the Office of Collective Bargaining and Managed Competition has stated that the Governor has directed him to implement policies and procedure for managed competition "in accordance with the Legislature's original intent." That intent was succinctly stated in relevant portions of Act 230, SLH 1998, as follows:

The managed process shall consider all relevant costs, identify the types of contracts which may be exempt from the managed process, and ensure that the civil service laws, merit principles, and collective bargaining laws are not violated.

In accordance with the foregoing, your Committees have amended this measure to replace its contents with a provision to repeal Part II, Act 90, SLH 2001. Part II of Act 90, SLH 2001, which preempts chapters 46, 76, 77, 78, 89 and 89A, HRS, is inconsistent with and contradictory to public policies favoring the managed competition process as originally enacted in Act 230, SLH 1998, and implemented in both Act 253, SLH 2000, and the remaining provisions of Act 90, SLH 2001. Your Committees further believe that Part II of Act 90, SLH 2001, is an unconstitutional infringement of the right of public employees to engage in collective bargaining as recently interpreted by the Hawaii Supreme Court. AFSCME Local 646, AFL-CIO v. Yogi, 101 Hawaii 46, 62 P.3d 189 (2003).

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 510, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 510, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, 1 (Slom). Excused, 5 (Baker, Ihara, Menor, Sakamoto, Whalen).

**SCRep. 1184      Transportation, Military Affairs, and Government Operations on H.B. No. 704**

The purpose of this measure is to require a pre-job conference prior to work on any public construction project.

Your Committee received testimony in support of the intent of this measure from the Department of Transportation and the Department of Accounting and General Services (DAGS). The Honolulu Department of Design and Construction submitted testimony in opposition to this measure.

Your Committee supports the requirement of a pre-job conference for public construction projects as a means of reducing the amount of confusion over bid requirements, and time-consuming protests.

Your Committee amended this measure by replacing its contents with the contents of Senate Bill No. 1262, S.D. 1, which addressed the following aspects of the procurement code:

PROCUREMENT PREFERENCE FOR CERTAIN ENTITIES

As amended by your Committee, this measure amends section 103D-310, Hawaii Revised Statutes (HRS), based on language previously recommended by DAGS, in order to provide local contractors an equal shot at state contracts. As amended, all offerors on state contracts must demonstrate compliance with all state employment laws, including the general excise tax law, the disability compensation law, the employment security law, the temporary disability insurance law, and the prepaid health care law.

Apparently, in the past, out-of-state contractors were not required by DAGS to demonstrate compliance with these laws, and as a result, their bids were often lower than in-state contractors, who are required to comply with all Hawaii laws. Your Committee is hopeful that this new requirement will enable local contractors to win more contract awards.

Your Committee also included a requirement that the contractor be incorporated or organized under the laws of the State of Hawaii. Your Committee believes that the State has an important interest in ensuring that corporations, partnerships, and sole proprietors working on state projects are organized in the State, so that they can be better monitored, be more accountable, and always have on file a current agent in the State.

STATE PROCUREMENT INSTITUTE

This measure also contains provisions to establish a Hawaii Procurement Institute at the University of Hawaii (UH), in conjunction with the William S. Richardson School of Law, to conduct procurement education, training, and research.

DAGS previously testified that the Institute will work within existing funds at the UH, and will also be supported by contributions from user groups such as contractors. Your Committee generally supports the concept of the Institute, but reserves final judgment until it becomes clear exactly what the Institute's duties will be, and whether it will, in fact, be self sustaining.

PROCUREMENT OF PROFESSIONAL SERVICES

This measure also amends section 103D-304, HRS, relating to procurement of professional services. Specifically, this measure amends the composition of the review committee required under section 103D-304, HRS, and specifies that the review committee members' names shall be public information placed in the contract file.



This measure also amends section 103D-304, HRS, to require that an independent selection committee rank professional service providers according to specified criteria, and that the head of the purchasing agency negotiate with providers according to their ranking. Your Committee agrees that professional services contracts must be awarded based on professional qualifications only.

Your Committee further amended section 103D-304, HRS, to provide that design professional services, such as architect services, shall only be procured under section 103D-304, HRS, or emergency procurement procedures. Your Committee believes that the unique nature of design professional services justifies this amendment.

Your Committee also amended section 103D-304, HRS, further to require an equal distribution of work among providers that have the same qualifications. This amendment will help to ensure that all qualified professional service providers are granted state contracts.

#### PRE-BID CONFERENCE

This measure also includes a provision requiring a pre-bid conference to be held for every construction or design-build project with an estimated contract value of \$100,000 or more.

Your Committee finds that many state projects are held up in order to resolve a protest by one of the unsuccessful offerors. Moreover, the number of protests has increased in recent years, which has stifled the efficiency of the procurement process. Many of these protests are difficult to resolve, because they are based on the uncertainty and ambiguity of bid requirements.

Your Committee believes that requiring a pre-bid conference for every large construction project and design-build project will enable potential bidders to have their questions answered prior to bidding, and will enable protests to be resolved quickly.

#### REPEAL OF STATE TAXPAYER PREFERENCE

Your Committee also amended this measure to repeal section 103D-1007, HRS, the so-called state taxpayer preference. With the addition of the provisions in this measure to require all offerors to be organized under the laws of Hawaii and to comply with all applicable employment laws, your Committee finds the state taxpayer preference unnecessary.

Moreover, your Committee finds that the state taxpayer preference did not serve its purpose to assist local contractors to win construction project awards. Instead, many mainland contractors were easily able to qualify for the preference. Therefore, your Committee supports the more stringent requirements contained in this measure.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 704, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 704, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

#### **SCRep. 1185      Transportation, Military Affairs, and Government Operations on H.B. No. 807**

The purpose of this measure is to establish the offense of habitually operating a vehicle while under the influence of an intoxicant, and to include offenses committed by minors as prior offenses for purposes of enhanced sentencing.

Your Committee received testimony in support of this measure from the Department of Transportation, the Department of the Attorney General, the Honolulu Prosecuting Attorney, the Honolulu Police Department, and Mothers Against Drunk Driving. The Office of the Public Defender submitted testimony in opposition to this measure.

Your Committee finds that drunk driving continues to be a major problem in the State. Therefore, your Committee supports every measure that seeks to impose tougher criminal penalties on scofflaws who drink and drive.

Your Committee supports the establishment of a separate offense for a habitual drunk driver. Such persons should be subject to the strictest penalties possible, not only for the protection of the public, but for their own good as well.

Your Committee also supports the inclusion of offenses committed as a minor as prior offenses for purposes of enhanced sentencing. Your Committee believes that if a minor has not shown any indication toward reform, the minor should not be given a clean slate at age eighteen and should be held accountable for the minor's actions.

Your Committee amended this measure in several ways to incorporate the recommendations of the Honolulu Prosecuting Attorney. First, your Committee amended the provisions of the habitual drunk driver offense so that it is clearly a status offense.

Your Committee also included various amendments to repeal the requirement that law enforcement officers inform suspects of the sanctions for refusal to take a blood alcohol content test, and to provide for vehicle forfeiture following a third or fourth offense.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 807, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 807, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aduja, Kanno).

**SCRep. 1186      Transportation, Military Affairs, and Government Operations on H.B. No. 1064**

The purpose of this measure is to appropriate funds to establish a permanent intra-island water ferry through the collaborative efforts of the Department of Transportation (DOT), the counties, the federal government, and interested public and private parties.

Your Committee received testimony in opposition to this measure from the DOT.

The traffic congestion in Hawaii has been discussed ad nauseum in recent years, as State and local officials have debated alternative methods of transportation. Within an island, nearly every person travels solely by means of automobile. To travel between islands, air transportation is the only choice.

Your Committee knows of no other archipelago of this size where the only option to travel between islands is by airplane. Your Committee believes that a viable intra-island ferry system will get people out of their cars on Oahu, and if successful, will lead to the creation of a permanent inter-island ferry system as well. Therefore, your Committee supports this measure as a sound first step in creating a marine highway throughout the State.

Your Committee made several technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1064, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1064, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1187      (Joint/Majority) Transportation, Military Affairs, and Government Operations and Tourism on H.B. No. 1554**

The purpose of this measure as received by your Committees was to repeal the limitations on the county general excise and use tax (GETU) surcharge, to authorize the City and County of Honolulu to establish a GETU surcharge in an unspecified percentage, and to alter the distribution of transient accommodations tax (TAT) revenues if the City and County of Honolulu established a GETU surcharge.

Your Committees received testimony in support of this measure from the Honolulu City Council Chair, the Honolulu Department of Budget and Fiscal Services, the Kauai County Council Vice Chair, the Maui County Mayor, the Maui County Budget Director, the Chair and Finance Committee Chair of the Hawaii County Council, and the Hawaii County Finance Director.

Testimony in opposition to this measure was submitted by the Chamber of Commerce of Hawaii, the Honolulu City Council member from District IV, and the Hawaii Association of Realtors.

The Department of Taxation, the Hawaii Tourism Authority, and the Tax Foundation of Hawaii submitted comments.

Your Committees find that the City and County of Honolulu, like all jurisdictions in the State, is struggling to find the revenue resources necessary to maintain basic health and safety services, as well as preserving and enhancing the quality of life for our residents.

Currently, the counties are dependent on receiving state funds, as the counties' only consistent independent source of revenue is the real property tax. Your Committees find that the real property tax, while a solid source of revenue, unduly burdens real property owners. Your Committees believe that in addition to the real property tax, it would be more equitable to authorize a county-level tax that applies more broadly. Therefore, your Committees support the general intent of this measure.

Your Committees amended this measure to replace the GETU surcharge with provisions to authorize the City and County of Honolulu to assess and collect a retail sales tax of up to one per cent on the amount of tangible personal property sold in the county.

As provided for in the original measure, if the City and County of Honolulu assesses a retail sales tax, the City and County will forfeit its portion of the TAT revenue, which will be redistributed so that the other counties and the tourism special fund receive a higher percentage of the TAT. Your Committees believe that your Committee on Ways and Means and the Legislature should carefully review the distribution of TAT revenues in light of anticipated budgetary shortfalls.

As amended by your Committees, this measure requires that the state Department of Taxation (DoTAX) assess and collect the retail sales tax revenue from retail sellers on behalf of the City and County of Honolulu. DoTAX may retain five per cent of the amount collected as reimbursement for the costs of assessment and collection.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1554,

H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1554, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, 2 (Slom, Whalen). Excused, 2 (Kanno, Sakamoto).

**SCRep. 1188 (Joint) Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs on H.B. No. 754**

The purpose of this measure is to allow any federal, state, or county election held other than on the date of a regularly scheduled primary or general election to be held by mail.

Testimony in support of this measure was received from the Office of Elections, the Disability and Communications Access Board, the League of Women Voters of Hawaii, and Hawaii Pro Democracy Initiative.

This measure is intended to reduce confusion, costs, and the inconvenience of holding a non-regularly-scheduled election. An example is the recent special election to fill the seat of the U.S. Representative from Hawaii's Second District. This election could have been conducted by mail, had this option been available, resulting in the saving of public funds.

Your Committees find that holding elections by mail will likely increase voter turnout, by giving voters more flexibility in submitting their ballots and by enabling persons with mobility difficulties to vote from their homes.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 754, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 4 (Baker, Ihara, Kanno, Menor).

**SCRep. 1189 (Joint) Transportation, Military Affairs, and Government Operations and Health on H.B. No. 1572**

The purpose of this measure is to improve and strengthen the enforcement of various provisions governing access to parking by the disabled. Among other things, this measure:

- (1) Authorizes a law enforcement officer, and, under certain conditions, a commissioned volunteer enforcement officer, to access the property of a private entity to enforce disabled parking laws;
- (2) Prohibits parking in access aisles adjacent to disabled parking stalls;
- (3) Defines "removable windshield placard" to mean a two-sided, hanger-style placard issued to a person with a disability who presents a certificate of disability that verifies that the applicant's disability is expected to last for at least four years;
- (4) Defines "temporary removable windshield placard" to mean a two-sided hanger-style placard issued to a person with a disability who presents a certificate of disability that verifies the person's disability in monthly increments, which shall not exceed six months;
- (5) Repeals certain restrictions and requirements relating to the issuance of removable windshield placards, temporary removable windshield placards, and identification cards;
- (6) Repeals the provision allowing a county to charge a replacement fee to be paid to the issuing agency when a placard is lost;
- (7) Increases the penalty for fraudulent manufacture, alteration, or use of a placard or identification card from a petty misdemeanor to a misdemeanor.
- (8) Repeals references to the international symbol of access in the section allowing vehicles displaying this symbol or special license plates, a removable windshield placard, or a temporary removable windshield placard to park in any metered parking space for a specified time without paying meter fees;
- (9) Expands the list of parking infractions involving the use or failure to use removable windshield placards, temporary removable windshield placards, or special license plates; and
- (10) Allows any citation refused by the violator to be mailed to the violator pursuant to summons or citation provisions under the Traffic Code.

Your Committees received testimony in support of this measure from the Honolulu Police Department, the Disability and Communication Access Board, and a concerned citizen.

Your Committees support full and vigorous enforcement of the State's laws regarding parking for persons with disabilities, and therefore support this measure, which will strengthen and improve Hawaii law in that area.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1572, H.D. 3, and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Kokubun, Menor, Whalen).

**SCRep. 1190 (Joint) Commerce, Consumer Protection and Housing and Human Services on H.B. No. 1652**

The purpose of this measure is to make an appropriation to the Medicaid prescription drug rebate special fund.

Your Committees received testimony in support of this measure from the Department of Human Services (DHS), Policy Advisory Board for Elderly Affairs, ILWU Local 142, and AARP Hawaii.

According to testimony of the DHS, if Hawaii's application for a Medicaid prescription drug expansion program is approved by the federal government, the appropriation provided by this will be required.

In spite of the difficult budgetary constraints, this measure represents the dedication of your Committees to make prescription drugs more affordable for those eligible individuals who would otherwise go without their medication or otherwise sacrifice buying food, or paying for rent and utilities.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1652, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 4 (Fukunaga, Inouye, Kim, Sakamoto).

**SCRep. 1191 Education on H.B. No. 277**

The purpose of this measure is to, as received by your Committee, is to establish an administrative process and sanctions for truancy.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association and four public school educators. Testimony in opposition to this measure was submitted by a concerned citizen who works with truant youth. The Office of the Public Defender and Waianae school administrators submitted comments on the measure.

Your Committee finds that truancy by a student who is compelled by law to attend school may not always be the result of a student not wanting to attend school, but may reflect a parent's negligence or lack of parenting skills. Your Committee further finds that if parents are brought before an administrative hearings officer or a family court judge to explain their child's truancy, they may become more attentive to and responsible for their child's educational needs. However, your Committee is concerned that there is neither statewide data nor any research about the extent of this problem to warrant establishment of a new state policy and program that will require the Judiciary to stretch limited resources at a time of fiscal austerity.

Thus, your Committee has amended this measure by deleting its contents and substituting therefor provisions to request the Board of Education to:

- (1) Gather statewide data to ascertain the extent of truancy within the State, identify trends in absenteeism by school district, and causal factors identified by parents and students that contribute to truancy;
- (2) Identify existing Hawaii laws or administrative rules, which may preclude the schools from addressing the problem of truancy within the school system;
- (3) Based upon the findings of the study, adopt a statewide policy regarding truancy and attendance, to include a system of rewards and sanctions that can be provided within the school system; and
- (4) Submit a report, including research findings and the status on the adoption of a policy, to the Legislature not less than twenty days prior to the convening of the 2004 regular session.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 277, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 277, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1192 Education on H.B. No. 289**

The purpose of this measure, as received by your Committee, is to require the Superintendent of Education to organize the Department of Education into school complex areas and to establish complex area school councils with the authority to administer and manage certain functions at the school complex level.

Testimony in support of this measure was submitted by the Board of Education, the Superintendent of Education, three public school principals within the Farrington school complex, the Hawaii Business Roundtable, and the Ko'olau News. Testimony in opposition to the measure was submitted by the Governor, America's Promise Hawaii, the League of Women Voters of Hawaii, and ten citizens. The Hawaii State Teachers Association, the Hawaii Government Employees Association, and a citizen submitted comments.

Your Committee finds that Article X, section 3 of the Hawaii State Constitution presently delineates the powers of the state Board of Education as the formulation of statewide policy, as provided by law, and the appointment of the Superintendent of Education as the chief executive officer of the public school system. Your Committee further finds that the Board's powers and the Superintendent's authorities and responsibilities are further defined in statutes enacted by the Legislature. Your Committee agrees that the Legislature should proceed to consider and reach consensus regarding the decentralization of the public school system as soon as possible. However, your Committee believes that the task of decentralization must be clarified with regard to the authorities and responsibilities of the Superintendent vis-à-vis any district administration that is created. Thus, your Committee has amended this measure by adopting in concept the decentralization of the public school system, and inserting provisions that:

- (1) Delineate that the Superintendent of Education is responsible for ensuring implementation of statewide policy as adopted by the Board of Education, compliance with state and federal laws, and preparation and execution of a systemwide budget and financial management system;
- (2) Establish regional education agencies and regional superintendents to serve as the chief administrative officers within the regional education agencies;
- (3) Establish regional governing boards of directors for the regional education agencies to be composed of members appointed by the Governor, legislative leadership, and community education organizations and to represent the various community stakeholders within each region; and
- (4) Assign responsibilities to the regional boards to solicit and engage in community processes, appoint and evaluate the regional superintendents, develop and prioritize school facility needs and projects, manage discretionary funds awarded to the region, and adopt common school calendars and schedules within the region;
- (5) Assign to the regional superintendent the responsibility for the daily operations of the schools within the region, including the allocation of personnel, procurement of goods and services, and management of state and federal resources allocated to the region;
- (6) Establish a principal advisory council within each school complex to serve as advisors to the regional governing board and the regional superintendents;
- (7) Establish authority of the regional education agencies vis-à-vis the State Superintendent, regarding the development of regional educational plans, staff development, and implementation of statewide educational standards;
- (8) Provide for school complex-based management to reflect the new administrative structure of the public school system;
- (9) Set a defective effective date of April 20, 2037; and
- (10) Make technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 289, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 289, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1193      Human Services on H.B. No. 1272**

The purpose of this measure is to require the Department of Human Services to conduct a two-year pilot project to maximize federal Medicare collections and cost avoidance, to be funded on a contingency basis.

Testimony in support of this measure was submitted by the Legal Aid Society of Hawaii and one concerned citizen. The Office of Hawaiian Affairs submitted testimony in support of the intent of this measure. Testimony in opposition to this measure was submitted by the Department of Human Services and the Hawaii Disability Rights Center.

Your Committee finds that there are about 18,000 individuals in the State who are eligible for both Medicare and Medicaid coverage. Medicaid is a partnership between the State and the federal government, with the State paying for 46% of program costs. In contrast, Medicare costs are paid for by the federal government alone. Your Committee further finds that Hawaii's federal reimbursement rate for Medicare is low, as compared to that of other states with similar populations. Your Committee finds that maximizing federal Medicare benefits would not only ensure that dually-eligible individuals continue to receive appropriate medical care, but could also result in substantial cost savings to the State.

Your Committee has amended this measure by:

- (1) Requiring that the contractor be a “qualified nonprofit organization,” rather than a “statewide nonprofit legal service provider”;
- (2) Combining Sections 2 and 3 for clarity; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1272, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1272, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Hooser, Tsutsui).

**SCRep. 1194 (Joint/Majority) Health and Human Services on H.B. No. 1616**

The purpose of this measure is to establish a long-term care income tax to implement the long-term care financing program established under chapter 346C, Hawaii Revised Statutes.

Your Committee reviewed the contents of this and similar measures and decided on preparing a proposed draft largely based on this measure, which was distributed to the public prior to the hearing. Therefore, the hearing and testimony received was on the proposed draft of this measure.

Testimony in support of the proposed draft was received from the Hawaii State Commission on the Status of Women, Hawaii Long Term Care Association, Kokua Council, AARP Hawaii, ILWU Local 142, Policy Advisory Board of Elder Affairs, Hawaii Alliance for Retired Americans, Healthcare Association of Hawaii, Coalition for Affordable Long Term Care, National Association of Social Workers, Faith Action for Community Equity, Hawaii State Teachers Association, Hawaii State Teachers Association – Retired, Child & Family Service, Temporary Board of Trustees, Long Term Care Financing Act, and eight individuals. Testimony opposing the proposed draft of this measure was received from the Hawaii Medical Association, Hawaii Association of Realtors, Hawaii Bankers Association, Health Insurance Association of America, Chamber of Commerce of Hawaii, Association of Insurance and Financial Advisors, and one individual.

The Department of Taxation, Office of Information Practices, and Tax Foundation of Hawaii submitted comments on the proposed draft of this measure.

Act 245, Session Laws of Hawaii 2002 (Act 245), enacted chapter 346C, Hawaii Revised Statutes (HRS), which established the long-term care financing program to provide a universal and affordable system of providing long-term care. Act 245 also provided for the appointment of a temporary board of trustees to formulate a tax structure to implement the program and to report accordingly to the Legislature. Pursuant thereto, the temporary board of trustees filed a report with the Legislature in November 2002, entitled “The Hawaii Long-Term Care Financing Program.” This measure, as introduced, is based on the recommendations of that report.

Your Committees find that the issues surrounding long-term care will continue to challenge our State. The Executive Office on Aging estimates that only six per cent of Hawaii residents have long-term care insurance. According to the University of Hawaii’s Department of Political Science, as reported in The Honolulu Advertiser (March 10, 2003), nearly a quarter of Hawaii residents will be 65 years of age or older by 2020, with the first wave of so-called baby boomers turning 65 in 2011. Medicaid pays for long-term care for about three quarters of Hawaii residents. The University of Hawaii concludes that if nothing is done to shift the burden away from government support, the Medicaid program (funded by about half from state funds) will drain money from other worthy programs. According to the National Association of Insurance Commissioners, Hawaii had 28,160 people covered by private long-term care insurance policies in 2001, at an average cost of \$3,236 per year.

This measure is intended to supplement, not supplant, the coverage provided by long-term care insurance. Coverage under this measure is very basic and would meet seventy-five per cent of people’s needs. Furthermore, the tax would hold down the cost of long-term care, making the tax plan cost-effective over a period of time.

Your Committees believe that the tax in this measure is a necessary solution to a problem that has been growing over time with no end in sight. Although your Committees are concerned that the tax may be regressive, your Committees believe that the tax is extremely modest and is in the best interest of the State.

Your Committees find that the alternatives to a tax to finance a long-term care program include Medicaid, Medicare, long-term care insurance, and personal funds. However, none of these alternatives are feasible for the vast majority of people. The Legislature has grappled with this issue since 1990, and the conclusions all point to an income tax.

The Department of Taxation commented on the necessity of obtaining a ruling from the Internal Revenue Service to ensure that payments of the long-term care income tax is deductible under Internal Revenue Code section 213. The Department of Taxation expressed that such a ruling will be pursued upon enactment of the long-term care income tax. Your Committees request that the Committee on Ways and Means continue to work with the Department of Taxation in ensuring that the long-term care income tax complies with relevant federal laws.

Your Committees have amended this measure by:

- (1) Adding a purpose section to the new part in chapter 235, HRS;
- (2) Clarifying that the tax is in addition to the regular withholding of income taxes;
- (3) Providing that the tax shall not be imposed on a low-income taxpayer who is taxed pursuant to section 235-51(c) or (d), HRS, if the taxpayer's gross income is less than \$10,000, or a low-income taxpayer who is taxed pursuant to section 235-51(a) or (b), HRS, if the taxpayer's gross income is less than \$16,000;
- (4) Deleting the provision requiring the filing of a long-term care premium tax form by a resident age sixty-five or older who is not required to file a return, because existing tax law covers the situation;
- (5) Deleting provisions regarding tax payment delinquencies as those matters are appropriately handled by the Department of Taxation;
- (6) Deleting provisions relating to restatements of prior federal adjusted gross income;
- (7) Adding new sections relating to portability, vesting, and defined benefit;
- (8) Transferring language relating to the actuarial report from a new section in chapter 235, HRS, to a new section in chapter 346C, HRS, where it more properly belongs, and correcting internal references to this section;
- (9) Adding to chapter 235, HRS, two new sections relating to income tax exclusions for the receipt of defined benefits and to a long-term care tax credit;
- (10) Providing that the long-term care tax credit may be claimed in taxable years beginning after December 31, 2005, rather than December 31, 2003, and ending before January 1, 2009;
- (11) Adding provisions to exempt the long-term care benefits fund from transfers for central service and administrative expenses;
- (12) Clarifying in section 346C-2, HRS, that this measure implements chapter 346C, HRS;
- (13) Deleting the requirement in section 346C-5, HRS, that the entity selected to administer the program be a licensed insurer, because the program funded by the income tax is not an insurance product;
- (14) Requiring payment of the long-term care income tax until the individual begins receiving benefits, if the individual is vested;
- (15) Requiring the board of trustees to establish a plan for voluntary contributions for persons who do not file state income tax returns because they only receive pension income, and making a conforming amendment;
- (16) Making appropriations to the Department of Taxation and the Department of Budget and Finance for start-up costs;
- (17) Requiring that the long-term care benefits fund reimburse the general fund for start-up costs; and
- (18) Changing the effective date to July 1, 2005, along with other appropriate technical enactment language.

Your Committees also amended the measure by inserting modified contents of S.B. No. 1399, S.D. 2, relating to a long-term care tax credit, which has crossed over to the House for consideration. Your Committees have modified the credit by providing for a \$10-per-month credit up to \$120 per year for five years, and a \$15-per-month credit up to \$180 per year for the next five years, for persons who both pay the tax and purchase a long-term care insurance policy. However, your Committees remain open to modification of this proposal and ultimately defer to the Committee on Ways and Means on this issue.

Your Committees further amended this measure by extending the duration of service by the temporary board of trustees of the Hawaii long-term care financing program from June 30, 2003, to the time when the permanent board is appointed pursuant to section 346C-3, HRS.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1616, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1616, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, 1 (Hogue). Excused, 2 (Fukunaga, Ige).

**SCRep. 1195      Education on H.B. No. 32**

The purpose of this measure, as received by your Committee, is to require the Board of Education to conduct a community meeting at each school complex at least two times per year.

Your Committee has included this provision for community meetings in another measure, H.B. 289, and thus has deleted the contents of this measure and scheduled for public hearing a proposed S.D. 1 to:

- (1) Change the minimum age requirement for entering public kindergarten beginning in the 2005-2006 school year, to age five before October 16 of the school year, and in the 2006-2007 school year and thereafter, to age five before August 1 of the school year; to require the department to establish procedures and screening mechanisms to determine readiness for kindergarten, and beginning with the 2005-2006 school year, to require the Department of Education to provide pre-kindergarten for those children who are no longer eligible to attend kindergarten; and
- (2) Provide for a systemwide textbook selection and purchasing policy within the public school system to align textbook purchases with the Hawaii content and performance standards; to require school complexes to select not more than six textbooks to be used within the school complex for each approved course of study; to allow for cost savings through bulk purchasing and cooperative purchasing agreements; and to allow the department to assess and collect a \$20 per year textbook fee and an undetermined one time deposit fee which shall be returned when the student leaves the school.

Testimony in support of Part I of this measure which pertains to changing the kindergarten age was submitted by the Department of Human Services, the Hawaii Parent Teacher Student Association, Good Beginnings Alliance, Hawaii Association for Education of Young Children, and a private marriage and family therapist. Testimony in opposition to Part I of this measure was submitted by the Education Chair of the Waianae Neighborhood Board. Comments on this measure were submitted by a professor of early childhood education from the University of Hawaii at Manoa and the Department of Budget and Finance.

No testimony was submitted on Part II of this measure which pertains to adopting a systemwide textbook selection and purchasing policy.

Your Committee finds that the skills and abilities of children within the age five cohort can vary greatly and thus "early born" kindergarten students tend to enter kindergarten more developmentally ready to learn than "late born" students. Your Committee further finds that kindergarten students who fall behind at this point in their education tend to be labeled as needing remediation in order to catch-up with their older classmates. Your Committee believes that providing for kindergarten cohorts in which students are more similar in their development will assist both the students and the teachers in achieving positive student outcomes.

Your Committee finds that the issue of lack of adequate and appropriate textbooks continues to plague our public school system, despite additional funds being provided over the past several years. Your Committee further believes that in order to assure an adequate and appropriate supply of textbooks, there needs to be some systemwide policy directing the types and numbers of textbooks that should be used and purchased, in order to be able to adequately budget for and manage these educational resources.

Thus, your Committee, after hearing the proposed S.D. 1, has agreed to incorporate these proposals for further consideration by your Committee on Ways and Means, and has amended the proposed S.D. 1 by:

- (1) Including junior kindergarten programs in the definition of "kindergarten";
- (2) Clarifying that a student must attain the age of five years "on or before" the statutory cut-off dates; and
- (3) Providing that the provisions of the collective bargaining agreement between the State and the exclusive representatives for bargaining unit 5 should prevail with respect to teachers who may be displaced pursuant to this measure.

Your Committee further requests that the Department of Education estimate the potential cost to families of children who are not eligible to attend kindergarten due to the new age requirements, and who may need to provide transportation of their children to another school within the district in which they reside in order for them to be able to attend pre-kindergarten as provided under this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 32, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 32, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1196      Education on H.B. No. 714**

The purpose of this measure, as received by your Committee, is to propose various amendments to state law to allow the Department of Education to act as an autonomous political subdivision, and to establish an Educational Restructuring and Transition Advisory Committee (ERTAC).

Testimony in support of the intent of the measure was submitted by the Board of Education and the Hawaii State Teachers Association. Comments on this measure were submitted by the Hawaii Government Employees Association Local 152 and the Tax Foundation of Hawaii.

Your Committee finds that many proposals have been discussed by this and prior Legislatures regarding how to effectuate positive reform within our public school system with the ultimate goal of improving student achievement. Your Committee further finds that while there still appears to be differing views about how to accomplish systemic reform, there does appear to be a growing consensus that most administrative functions and control over resources need to be managed closer to the school-level. Your Committee acknowledges that while this conceptual agreement is an important first step, providing the proper alignment of legal authorities and responsibilities prior to the execution of decentralization is critical to its success. Therefore, your Committee believes that the Legislature must continue to move forward with proposals to make statutory changes to support decentralization of administrative



functions to the extent practicable while remaining committed to seeking solutions to issues such as how to adequately fund and fairly allocate resources to our public schools as well as how to configure local governance structures that will work in concert with decentralization proposals under discussion by this Legislature.

Thus, your Committee has amended this measure by:

- (1) Deleting all the amendments in Sections 1 to 5 of this measure, that would propose to make the Department of Education an autonomous political subdivision;
- (2) Inserting a proposed constitutional amendment to authorize the Legislature to establish regional boards of education with powers as provided by law to formulate regional education policy and to appoint regional superintendents of education;
- (3) Inserting a proposed ballot question to reflect the proposed constitutional amendment;
- (4) Reconfiguring the composition of the ERTAC and administratively attaching the ERTAC to the Legislature;
- (5) Requiring the ERTAC to request the Department of Education and the State Library System to identify state and federal mandates establishing public school structure and programs and current funding levels therefor, and make recommendations on reorganizing and consolidating such under a regional administrative structure;
- (6) Requiring the ERTAC to request the Department of Education and the State Library System to project future resource needs to meet increased demand for services and to comply with state and federal mandates;
- (7) Requiring the ERTAC to request the Governor to identify state mandates establishing programs to support the public school system, and make recommendations on reorganizing and consolidating such under a regional administrative structure;
- (8) Requiring the ERTAC to evaluate and make recommendations on the effectiveness of school/community-based management and school complex-based management within a regional structure
- (9) Requiring the ERTAC to evaluate and make recommendations on how to ensure an adequate source of state funds and an equitable allocation mechanism of funds within a regional structure;
- (10) Requiring the ERTAC to evaluate and make recommendations on how to support community partnerships and community resources within a regional structure;
- (11) Requiring the ERTAC to evaluate and make recommendations concerning the need for regional school boards and regional superintendents;
- (12) Requiring the ERTAC to submit three reports, the first prior to the regular session of 2004, the second prior to the regular session of 2005, and the final report, including a summary of the two prior reports, prior to the regular session of 2006;
- (13) Requiring the Legislative Reference Bureau to prepare legislation to reflect the recommendations of the ERTAC;
- (14) Changing the effective date to include the consideration of the ratification of the constitutional amendment in this measure; and
- (15) Making technical nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 714, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 714, H.D. 1, S.D. 1, and be referred to the Committees on Judiciary and Hawaiian Affairs and Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1197      Transportation, Military Affairs, and Government Operations on H.B. No. 91**

The purposes of this measure are to exempt sales of goods and services to the State from the general excise tax, to change the central service assessment for special funds to five per cent of all costs rather than five per cent of all revenues, and to repeal all special fund exemptions from the central service assessment.

Your Committee received testimony in support of this measure from the Subcontractors Association of Hawaii.

Testimony in opposition to this measure was submitted by the Department of Taxation, the Department of Budget and Finance, the Board of Land and Natural Resources, the Judiciary, the Public Utilities Commission, the Housing and Community Development Corporation of Hawaii, the University of Hawaii, the Hawaii Tourism Authority, the Hawaii Community Development Authority, the High Technology Development Corporation, the President and two Board members of the Hawaii Health Systems Corporation, Hilo Medical Center, the Kauai Regional CEO of the Hawaii Health Systems Corporation, Leahi Hospital, Kona Community Hospital, and Maui Memorial Hospital.

The Department of the Attorney General submitted comments.

Your Committee is concerned about the potentially adverse economic impacts this measure would have on various public agencies in the State. Nonetheless, your Committee understands that your Committee on Ways and Means would like to review this measure further, and therefore is passing this measure with reservations.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 91, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Menor, Whalen).

**SCRep. 1198      Transportation, Military Affairs, and Government Operations on H.B. No. 1230**

The purpose of this measure as received by your Committee was to authorize the Department of Transportation (DOT) to collect passenger facility charges (PFC) and to establish the PFC special fund.

Prior to the hearing on this measure, your Committee prepared a proposed S.D. 1 version to replace the measure's original contents with provisions to appropriate emergency funds for the DOT to institute more stringent security measures at harbors and airports throughout the State in light of the Iraq war.

Your Committee received testimony in support of the proposed S.D. 1 version of this measure from the DOT and a Maui County Council member.

Your Committee finds that with war breaking out in the Middle East and the terror threat designation raised to orange, it is vital to provide our state agencies with the funds necessary to protect the citizens of the State.

In addition, your Committee further amended this measure to appropriate funds for fiscal year 2003-2004 for various capital improvement projects for harbor and airport facilities, as reflected in the measure. The DOT requested the specific items and position counts for funding, and your Committee agrees that those items require funding.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1230, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1230, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Menor, Whalen).

**SCRep. 1199      Commerce, Consumer Protection and Housing on H.B. No. 1438**

The purpose of this measure is to prohibit predatory lending practices.

Testimony in support of this measure was submitted by the Hawaii Coalition for Responsible Lending, Legal Aid Society of Hawaii, and Kokua Council. Opposing testimony was submitted by the Mortgage Bankers Association of Hawaii, Chamber of Commerce of Hawaii, Hawaii Financial Services Association, American Financial Services Association, Hawaii Association of Realtors, Hawaii Credit Union League, Hawaii Bankers Association, Hawaii Association of Mortgage Brokers, ILWU Local 142, and an individual. The Department of Commerce and Consumer Affairs submitted comments on the measure.

This measure establishes the Hawaii Home Loan Protection Act to prohibit predatory lending practices by mortgage brokers in the brokering of home loans. These practices include the brokering of a home loan without regard to the borrower's repayment ability or receipt of loan counseling, loan flipping, and brokering loans that include provisions for default interest rates, the financing of credit insurance premiums, mandatory arbitration, and certain prepayment and late fees.

This measure establishes a range of prohibited mortgage brokering practices and applies to any entity that brokers a loan for a fee. The measure also requires disclosure to borrowers, establishes a fiduciary duty from the broker to the borrower, and deems a violation of the Home Loan Protection Act an unfair and deceptive trade practice under section 480-2, Hawaii Revised Statutes (HRS).

Your Committee has amended this measure by replacing its contents with language that establishes the prohibition against predatory lending practices within the law regulating mortgage brokers and solicitors, chapter 454, HRS. As amended, the measure:

- (1) Does not apply to banks, credit unions, financial services loan companies, real estate brokers, and other entities exempt from the requirements of chapter 454, HRS;
- (2) Provides that the majority of the lending prohibitions apply to high cost home loans, rather than to all home loans;
- (3) Does not require borrower disclosure;
- (4) Does not establish a fiduciary duty from the broker to the borrower;

- (5) Does not establish additional remedies or expressly provide that a violation of the brokering prohibitions constitutes a violation of section 480-2, HRS; and
- (6) Takes effect on July 1, 2003, rather than on July 1, 2009.

Your Committee believes that this measure, as amended, balances consumer protection interests against the interests of maintaining a viable subprime lending market. Your Committee further believes that this measure is a work-in-progress and that continued discussion is necessary to address several unresolved issues, including the matter of federal preemption in this area.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1438, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1438, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1200 (Joint) Commerce, Consumer Protection and Housing and Human Services on H.B. No. 1361**

The purpose of this measure is to (1) expand the Medicaid prescription drug expansion program (program) to include any maximum income limit set by the federal government; (2) to allow pharmacies, rather than pharmacists, to be paid by the program; and (3) sunset Act 75, Session Laws of Hawaii 2002 (Act 75), on July 1, 2006.

Your Committees received testimony in support of this measure from the Department of Human Services (DHS), Policy Advisory Board for Elder Affairs, ILWU Local 142, and AARP Hawaii.

Your Committee finds that Act 75 provides for discounted prescription drug coverage for individuals with incomes at or below three hundred per cent of the federal poverty level. However, the Centers for Medicare and Medicaid Services (Centers) currently may limit Medicaid expansions to those with incomes up to two hundred per cent of the federal poverty level. This measure allows the DHS flexibility in dealing with the Centers' requirements to obtain federal approval of Hawaii's application for a Medicaid prescription drug expansion program as established by Act 75.

This measure also clarifies that a participating pharmacy instead of a participating pharmacist is to be paid the one dollar rebate for each prescription written under the program. The pharmacy and not the pharmacist is technically the Medicaid provider.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1361, H.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 4 (Fukunaga, Inouye, Kim, Sakamoto).

**SCRep. 1201 (Majority) Commerce, Consumer Protection and Housing on H.B. No. 1412**

The purpose of this measure is to establish a professional counselor licensure program.

Testimony in support of this measure was received from Kaiser Permanente, National Association of Social Workers, Hawaii School Counselors Association, Hawaii Youth Services Network, Hawaii Vocational Services, Hawaii Counseling Association, Hale Opiu Kauai, Waikoloa Community Based Substance Abuse Rehabilitation and Recovery Program, Alliance for Professional Counselor Licensure, American Counseling Association, Child and Family Service, Hawaii Rehabilitation Counseling Association, Sestak Rehabilitation Services, Christian Science Committee on Publication for Hawaii, and twelve individuals. The Department of Commerce and Consumer Affairs opposed the measure. Comments on the measure were submitted by an individual.

There are several hundred counselors in the State who provide mental health, rehabilitation, career, and school counseling, yet Hawaii remains among a handful of states that have yet to establish a licensing program for counselors. Forty-six states, the District of Columbia, Guam, and Puerto Rico all regulate professional counselors within their jurisdictions. Further, the State's failure to regulate professional counselors is inconsistent with its regulation of the other core helping professions, including psychologists, social workers, and marriage and family therapists.

Currently, there is no single authority responsible for the oversight of the hundreds of professionals who hold themselves out to the public as counselors. While the Department of Labor and Industrial Relations (DLIR) monitors rehabilitation counselors who provide services to workers' compensation claimants, it has experienced a drastic reduction in its oversight staff from twelve persons to one person, and is therefore unable to maintain the same level of oversight as prior to the reduction.

Licensure, as established in this measure, would require persons holding themselves out as licensed professional counselors to have a master's or doctoral degree in counseling and supervised counseling experience, and to have passed a national examination. Without these safeguards, the public has no assurance that individuals using the title "licensed professional counselor" have met minimum standards for professional education and experience.

Your Committee finds that this measure will enhance consumer protection. Your Committee further finds that, as federal programs increasingly require services to be provided by licensed professionals, adopting a licensure program will broaden the pool of qualified professionals available to provide needed services.

Your Committee has amended this measure to address some of the concerns raised by DCCA about the proposed regulation. As amended, this measure:

- (1) Deletes the definitions "professional counseling" and "rehabilitation counseling";
- (2) Deletes the new section entitled "Practice of professional counseling", but sets forth the activities that constitute professional counseling by adding the definition "practice of professional counseling";
- (3) Clarifies the exemption from licensure as it applies to social work students by deleting the requirement that a student be a clinical social work student;
- (4) Aligns the coursework and educational requirements and standards for licensure with national requirements as established by the National Board for Certified Counselors;
- (5) Requires that a person who seeks to be "grandfathered in" under the licensing program, in addition to applying and paying the appropriate fee within the requisite time period, hold current national certification and pass one of the specified national examinations within a year of the start of the licensing program;
- (6) Establishes the first license renewal deadline as June 30, 2008, rather than June 30, 2007;
- (7) Replaces the provisions relating to a professional counselors licensing start up trust fund with language that authorizes a temporary \$75 surcharge against licensees to reimburse the general fund for appropriations made to implement the licensing program;
- (8) Appropriates \$43,000 in general revenues for fiscal year 2004-2005 to implement the licensing program;
- (9) Changes the effective date from July 1, 2050, to July 1, 2004; provided that no licenses are issued until July 1, 2005; and
- (10) Makes technical, nonsubstantive amendments for clarity and style, and to correctly reflect the language of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1412, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1412, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Whalen). Excused, 2 (Ige, Sakamoto).

**SCRep. 1202 Commerce, Consumer Protection and Housing on H.B. No. 1471**

The purpose of this measure is to provide for a system of deregistration of title to registered land that is subject to a time share interest.

Your Committee received testimony in support of this measure from Pahio Resorts, American Resort Development Association (ARDA), ARDA Hawaii, Starwood Vacation Ownership, Inc., Title Guarantee Escrow Services, Inc., SVO Pacific, Inc., Embassy Vacation Resort, and Pacific Management Consultants, Inc. Island Title presented oral testimony in support. Testimony in opposition was received from eleven individuals. The Judiciary submitted comments.

Your Committee notes that the Land Court Act adopted in 1903 provided landowners a means to establish clear title to land through a court proceeding. The judicially determined owner is issued a certificate of title to the land that cannot be encumbered unless the encumbrance is filed in the land court and noted on the certificate of title. This system has worked well with land parcels having one or just a few owners on each parcel. With the advent of horizontal property regimes (HPR) and multiple owners on a single parcel or combined parcels of land, the land court system, though initially faced with difficulty adapted well and continues to issue a certificate of title to each fee simple condominium apartment owner.

With fee simple time-share, the number of owners of a parcel of land increases from a few hundred owners under an HPR to literally thousands of owners, each having a small undivided percentage interest in the HPR land. For these thousands of owners of the parcel of land, the issuance of a certificate of title for each one, and whenever there is a change in ownership, is cumbersome, costly, and time consuming.

This measure is designed to deregister or take lands that are subject to an HPR fee time-share project out of the land court system to eliminate the need to issue a certificate of title for each fee time-share unit for each owner and whenever a change in ownership occurs. The measure retains title rights that were secured by the original registration of the land, establishes a new chain of record title from the date of deregistration, and provides a means of recording fee time-share units in the bureau of conveyances, eliminating the need to issue a certificate of title for each fee time-share unit. Your Committee is aware of a similar process for leasehold time-share units, but understands that from a land court perspective the difference between a fee time-share unit and leasehold time-share unit is substantial.

Your Committee believes that a process for deregistering lands by law is in the public's interest for HPR fee time-share projects, but acknowledges that the deregistration may have unanticipated legal and practical consequences for land court properties and the land court system that was long ago designed to insure clear title.

Your Committee has amended this measure by:

- (1) Establishing procedures for voluntary deregistration of new fee simple time share plan, voluntary deregistration of undivided interest (UDI) time share plan, and voluntary deregistration of existing condominiums;
- (2) Providing for transfers pending deregistration;
- (3) Clarifying legal incidents of deregistered land;
- (4) Vesting jurisdiction in the land court to hear and determine any petition to correct errors, omissions, and mistakes in the certificate of title listed in a recorded order of deregistration;
- (5) Clarifying the jurisdiction of the circuit court over matters relating to instruments under the new enactment;
- (6) Clarifying the definitions of "deregistered land" and "fee time share interest";
- (7) Adding definitions for "UDI time share plan", "condominium time share plan", and "fee time share plan";
- (8) Making gender neutral references;
- (9) Clarifying that deregistration does not alter or revoke the conclusive nature or effect of a decree of registration which continues to quiet title to the deregistered land as to all claims arising prior to the recording of the certificate of title under the new enactments;
- (10) Making conforming amendments to other statutes;
- (11) Changing the effective date to upon approval; and
- (12) Making technical amendments.

Your Committee believes that the amended measure, a recommendation of the time share interests, provides greater protections and recourse to the courts than the original version. However, your Committee notes the testimony of the Judiciary that the concept of the land court is sound management, control, and thorough examination of factual evidence, resulting in accurate and complete records of title to the property. The land court systems provides a safety valve that protects the registered title holder. Never in the last 100 years since the Torrens system was established in Hawaii has interests in land been deregistered in land court.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1471, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1471, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

#### **SCRep. 1203      Judiciary and Hawaiian Affairs on H.B. No. 401**

The purpose of this measure is to permit the Elections Appointment and Review Panel to remove the Chief Election Officer from office only for good cause.

Your Committee received testimony from the Office of the Lieutenant Governor requesting that the contents of this measure be replaced with that of Senate Bill No. 472 which confers the duties of the Chief Election Officer onto the Lieutenant Governor. The Department of the Attorney General (AG) provided comments.

Your Committee finds that article V, section 6 of the Hawaii State Constitution provides that all executive and administrative offices shall be allocated among not more than twenty principal departments. Only agencies that are both temporary and for a special purpose may be administratively attached to the Office of the Lieutenant Governor, which is not a principal department.

In 1995, the powers and duties of the Chief Election Officer were transferred from the Lieutenant Governor to an appointed Chief Election Officer. The Office of Elections was then administratively attached to the Lieutenant Governor's Office. This placement was intended to be temporary, and was to sunset on June 30, 1999. During the regular session of 1999, House Bill No. 1471 was introduced which proposed to attach the Office of Elections to the Department of Accounting and General Services. The bill was amended in conference to remove the sunset provision and to continue the attachment of the Office of Elections to the Lieutenant Governor's Office. Had the Governor vetoed the measure, the powers and duties of the Chief Election Officer would have reverted to the Lieutenant Governor on July 1, 1999.

The AG proposed three methods of addressing this constitutional violation:

- (1) Dissolve the Office of Elections and by statute confer the powers and duties of the Chief Election Officer onto the Lieutenant Governor;
- (2) Place the Office of Elections, along with the Elections Appointment and Review Panel into a principal department; or
- (3) Add a sunset date to §11-1.5, Hawaii Revised Statutes (HRS), making the Office of Elections a temporary office, allowing the Office of Elections to continue to be administratively attached to the Office of the Lieutenant Governor.

The AG discourages using option three. Article IV, section 3 of the State Constitution specifically provides for a Chief Election Officer. In accordance with the constitution, the position of Chief Election Officer should retain a more permanent status.

Upon further discussion with deputies from the Department of the Attorney General, your Committee discovered that the Campaign Spending Commission (Commission) is also administratively attached, although temporarily, to the Office of the Lieutenant Governor. Your Committee was surprised to find that the attachment sunsets on June 30, 2003. Finding no other measure extending the Commission's temporary attachment, your Committee decided to use this measure to permanently attach the Commission to DAGS as well. Your Committee considered placing the Commission within the AG because the purpose of the Commission is not quite consistent with the purposes of DAGS as described in §26-6, HRS. After consultation with the AG, however, your Committee decided that placement of the Commission within DAGS is appropriate because the placement is only for administrative purposes.

Based on the above, your Committee amended the bill by:

- (1) Creating three parts within the bill;
- (2) Amending §11-1.5, HRS, in part II by repealing the Office of Election's attachment to the Office of the Lieutenant Governor, and placing the Office of Elections within DAGS for administrative purposes;
- (3) Amending §11-2.5, HRS, in part II by repealing the Elections Appointment and Review Panel's attachment to the Office of the Lieutenant Governor, and placing the Elections Appointment and Review Panel within DAGS for administrative purposes;
- (4) Transferring all rights, powers, functions, appropriations, equipment, records, and contracts of the Office of Elections and the Elections Appointment and Review Panel to DAGS;
- (5) Transferring all tenured and untenured officers and employees of the Office of Elections and the Elections Appointment and Review Panel whose functions are transferred, and providing that if a tenured employee's position is abolished, that employee will be transferred to other State employment without loss of pay;
- (6) Amending §11-192, HRS, in part III by repealing the Commission's temporary attachment to the Office of the Lieutenant Governor for special purposes, and placing the Commission within DAGS for administrative purposes;
- (7) Transferring all rights, powers, functions, appropriations, equipment, records, and contracts of the Commission to DAGS;
- (8) Transferring all tenured and untenured officers and employees of the Commission whose functions are transferred, and providing that if a tenured employee's position is abolished, that employee will be transferred to other State employment without loss of pay; and
- (9) Making technical, nonsubstantive changes.

Your Committee notes, that this session, as well as during the past four legislative sessions, the Chair of your Committee introduced bills conferring the powers and duties of the Chief Election Officer on the Lieutenant Governor. The Office of the Lieutenant Governor as well as a majority of the public testimony received opposed the bills. Your Committee recommends that the Office of the Lieutenant Governor develop a public relations campaign aimed at gaining public support for conferring the responsibilities of the Office of Elections onto the Office of the Lieutenant Governor, and submit a bill to that effect next legislative session.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 401, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 401, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1204      Judiciary and Hawaiian Affairs on H.B. No. 562**

The purpose of this measure is to remove the sunset provision from Act 1, Second Special Session Laws of Hawaii 2001, making permanent the age of consent for sexual contact in §§707-730 and 707-732, Hawaii Revised Statutes (HRS).

Your Committee was informed by the Department of the Attorney General (AG) that Hawaii is in danger of losing ten percent, or \$300,000 each year from the Edward Byrne Memorial State and Local Law Enforcement Assistance Formula Grant for being non-compliant with the Jacob Wetterling Crimes Against Children and Sexually Violent Offender Registration Act as Amended (Jacob Wetterling Act). Based on this information, your Committee amended this measure by inserting language similar to Senate Bill No.

1265, and scheduled a hearing on the proposed amended version of this measure after more than seventy-two hours of public notification.

Testimony in support of the measure was received from the AG and the Department of the Prosecuting Attorney. The Hawaii Family Forum and the Roman Catholic Church in the State of Hawaii supported part I of the measure.

Your Committee finds that subsequent to passage of Hawaii's sex offender registration laws, Congress enacted the Campus Sex Crimes Prevention Act. This Act requires offenders to notify authorities whenever the offender's employment, vocation, or enrollment status at an institution of higher education is changed. Hawaii's current statute only requires notification when an offender changes his name, employment, vehicle, or residence address. Additionally, the Jacob Wetterling Act requires a sex offender who travels to a new state to notify officials in the new state that he has arrived, within the time frame set by the laws of the new state. Hawaii's current statute requires the offender to notify the new state within ten days of arrival.

Moreover, Hawaii may not be compliant with Megan's law. Megan's law addresses public disclosure of a sex offender's registration information if the court finds that public release is necessary to protect the public. While Hawaii's law includes provisions for public notification, ambiguous language hinders its implementation.

The intent of this measure is to provide increased protection to minors from sexual assaults by sexual predators. Therefore, based on the above, and from discussions and testimony received during the public hearing on this bill, your Committee amended the measure by:

- (1) Creating two parts within the bill;
- (2) Amending section 5 of Act 1, Second Special Session laws of Hawaii 2001 to require the AG to collect data generated as a result of the task force's recommendations, from the Department of Education, the Department of Health, the University of Hawaii, and service providers, and report its findings to the legislature no later than twenty days before the convening of the regular session of 2004;
- (3) Amending §846D-1, HRS, by defining "registration information" to mean the information specified in §846E-2(b), HRS;
- (4) Amending §846E-2(b), HRS, by deleting the phrase "a signed statement by the sex offender containing", and adding the phrase "the following information";
- (5) Amending §846E-2(b)(6), HRS, by adding the phrase "in any way, whether or not compensated, including but not limited to affiliation";
- (6) Adding subsection (c) to §846E-2, HRS, which requires the sex offender to sign a statement verifying that all registration information is accurate and current whenever a sex offender provides registration information;
- (7) Adding subsection (d) to §846E-2, HRS, which provides that each sex offender, whether or not a resident of this state, who remains in the state for more than ten days or for an aggregate period exceeding thirty days in one calendar year, must register within three working days of arrival in the State, release from incarceration or commitment, release on furlough, placement on parole, or arrival in a county in which the offender resides or expects to be present for a period exceeding ten days, and repealing the same provision from §846E-4(e);
- (8) Adding a requirement to §846E-2, HRS, that sex offenders register in person with the county chief of police having jurisdiction of the area where the offender resides or is present, and repealing the same provision from §846E-4(e), HRS;
- (9) Clarifying in §846E-3(d), HRS, that the State will be represented in a civil proceeding by the prosecuting attorney for the county where the hearing is held, to determine whether a sex offender's registration information will be publicly released;
- (10) Amending §846E-3(d), HRS, by repealing the phrase "one or more of the factors" and inserting the word "factor", and repealing language permitting the sex offender to petition the court every ten years for reconsideration of the court's determination of lifetime public release. Also repeals the court's ability to relieve the sex offender from the lifetime public release determination upon written findings that the offender does not present a threat to the community and that public release is no longer necessary;
- (11) Inserts new language into §846E-3(d), HRS, allowing a sex offender to petition the court, and allowing the court to modify its lifetime public release order upon a showing by clear and convincing evidence that the sex offender suffers an extraordinary physical disability that prevents the offender from committing future sexual offenses;
- (12) Amending §846E-4(a), HRS, by inserting the words "at any time" in two places, repealing the words "name, employment, vehicle, or residence address", inserting the phrase "any of the sex offender's registration information,", repealing the phrase "not later than ten days after establishing residence in the new state;" and inserting the phrase "within the period of time mandated by the new state's sex offender registration laws;"
- (13) Amending §846E-6(a), HRS, repealing the words "name, employment, vehicle, or residence address", inserting the phrase "any of the sex offender's registration information", repealing the phrase "not later than ten days after the person establishes residence in that state.", and inserting the phrase "within the period of time mandated by the new state's sex offender registration laws."; and

(14) Making technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 562, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 562, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1205      Judiciary and Hawaiian Affairs on H.B. No. 980**

The purpose of this measure is to make clarifying and housekeeping amendments to §663-15.5, Hawaii Revised Statutes, to:

- (1) Require that the notice, petition, and proposed order of good-faith settlement (petition) be served on all other joint tortfeasors or co-obligors known or should have been known to the petitioning party;
- (2) Require that the petition be served as provided by the Hawaii Rules of Civil Procedure or by certified mail;
- (3) Allow written indemnity agreements to supersede the bar on other claims against the settling tortfeasor or co-obligor;
- (4) Require the settling entity and any apportionment of fault of the settling entity to be placed on the verdict or judgment form at the request of any non-settling party;
- (5) Allow non-settling parties to present evidence at trial as to the apportionment of fault of the settling entity; and
- (6) Allow a non-settling party to obtain a judgment pursuant to the Hawaii Rules of Civil Procedure as a matter of law prior to or during trial.

Testimony in support of this measure was received from the Department of the Attorney General, Hawaii Insurers Council, and a concerned citizen.

Your Committee finds that Act 300, 2001 Session Laws of Hawaii amended the Uniform Contribution Among Tortfeasors Act to include what is now §663-15.5, Hawaii Revised Statutes (HRS). This new section was added to address the issue of release of settling joint tortfeasors or co-obligors from a law suit. Certain portions of §663-15.5, HRS, are unclear, however, creating uncertainty as to the practical effect of the section.

Interested parties support the intent of the bill but are working on further language refinements. The Senate Majority Attorney (SMA) expressed concerns about certain provisions in the measure. These concerns were communicated to proponents of the measure, and your Committee was assured that the proponents shared SMA's concerns and were already addressing those provisions. Therefore, to allow the bill to proceed to a conference committee, your Committee amended the effective date of the bill from "upon its approval" to December 6, 2050.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 980, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 980, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Ihara).

**SCRep. 1206      Judiciary and Hawaiian Affairs on H.B. No. 1076**

The purpose of this measure is to amend the mortgage foreclosure by action laws to include a new section addressing foreclosure appeals.

Testimony in support of this measure was received from the Hawaii State Bar Association.

Your Committee finds that appellate jurisdiction in mortgage foreclosure by action cases are confusing to those mortgage lenders and borrowers, title and escrow companies and others involved in the process. For this reason, your Committee believes that it is in the best interest of all interested parties to amend the mortgage foreclosure by action laws to set forth the law governing appeals in mortgage foreclosure cases. Your Committee amended the bill by:

- (1) Adding the title of "Appeals" to the new section;
- (2) Adding a reference to §641-1, Hawaii Revised Statutes, relating to other orders from which appeals may be taken; and
- (3) Making technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1076, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1076, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.



Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Ihara).

**SCRep. 1207      Transportation, Military Affairs, and Government Operations on H.B. No. 324**

The purpose of this measure is to amend the driver's license application process so that persons who are ineligible for a social security number can obtain a driver's license by presenting alternative documentation.

Your Committee received testimony in support of this measure from the Department of Transportation, two administrators from the University of Hawaii at Manoa, the East-West Center, Maui Community College, the University of Hawaii – West Oahu, and two concerned citizens. The Hawaii Chapter of the American Immigration Lawyers Association and Na Loio – Immigrant Rights and Public Interest Legal Center submitted comments regarding this measure.

Your Committee finds that due to the lack of an effective broad-scale mass transit system in Hawaii, a driver's license is necessary to provide residents with freedom of movement.

Non-United States citizens, who are legally in the country but ineligible for a social security number, have experienced difficulty in obtaining the documentation necessary to obtain a driver's license.

Prior to the implementation of heightened security measures as a result of the terrorist attacks of September 11, 2001, the Social Security Administration (SSA) issued social security numbers to individuals with a letter from the Division of Motor Vehicle and Licensing for the purpose of obtaining a driver's license.

In March, 2002, the SSA discontinued that practice, and for a period non-citizens were unable to obtain a driver's license. Although the SSA has begun issuing the documentation necessary to obtain a driver's license, it may discontinue that practice again at any time. Therefore, your Committee supports codification of alternative forms of acceptable identification for persons who are unable to obtain a social security number.

Your Committee amended this measure to set forth criteria regarding the types of alternative documentation that are acceptable. As amended, a person may submit an in-state Hawaii student photo identification card or a government-issued identification document. Your Committee also listed several types of government-issued identification that are acceptable, and authorized the examiner of drivers to adopt rules to specify further acceptable documentation.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 324, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 324, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Aduja, Kanno).

**SCRep. 1208      Transportation, Military Affairs, and Government Operations on H.B. No. 993**

The purpose of this measure is to specify that the reconstructed vehicles law does not apply to counties with a population of under 500,000, if those counties have adopted ordinances regulating the inspection and certification of reconstructed vehicles.

Your Committee received testimony in support of this measure from Impact Dynamics Company and a dentist from the Big Island. The Department of Transportation and Department of Customer Services of the City and County of Honolulu testified in opposition to this measure.

Currently, the City and County of Honolulu is the only county administering the Director of Transportation's rules relating to the inspection and certification of reconstructed vehicles. Thus, a reconstructed vehicle that may be operating in the counties of Maui, Kauai, and Hawaii may not be legally operated in the City and County of Honolulu unless it is inspected and certified by the City and County of Honolulu, and a reconstructed vehicle permit is obtained.

Your Committee believes that each county should be subject to a reconstructed vehicle ordinance, as a matter of public safety.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 993, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 1209      Transportation, Military Affairs, and Government Operations on H.B. No. 1607**

The purpose of this measure is to include ocean safety vehicles within the definition of "authorized emergency vehicles", thereby exempting such vehicles from certain traffic regulations when using audible and visual signals.

Your Committee received testimony in support of this measure from the Department of Transportation, the Honolulu Emergency Services Department, the Ocean Safety and Lifeguard Services Division of the City and County of Honolulu, the Honolulu Police Department, and the Hawaiian Lifeguard Association.

Your Committee finds that, as an island state, Hawaii has a high incidence of marine emergencies, such as drownings, near drownings, rescues, search and recovery operations, and co-response cases with emergency medical services paramedics and other emergency personnel.

In most cases, time is of the essence, and therefore your Committee supports this measure, which will give ocean safety vehicles the same privileges as other authorized emergency vehicles.

Your Committee made a technical, nonsubstantive amendment for accuracy.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1607, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1607, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 1210 (Joint) Tourism and Economic Development on S.C.R. No. 38**

The purpose of this measure is to request the Hawaii Tourism Authority (HTA) to promote Hawaii filmmakers and locally made films as a means of promoting tourism.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism (DBEDT), HTA, and Fishing Tales Hawaii, Inc.

This measure is intended to promote locally made films, and in the process, spotlight Hawaii and increase tourism. Local films and local filmmakers remain largely in obscurity today, lacking resources and exposure. Yet, they have a lot to offer and are an untapped economic growth base.

Your Committees note the testimony of DBEDT that it will work more closely with the HTA in its efforts to further promote Hawaii filmmakers and locally made films as a means of promoting tourism.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 38 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 5 (Ihara, Kanno, Kawamoto, Sakamoto, Taniguchi).

**SCRep. 1211 (Joint) Tourism and Economic Development on S.R. No. 24**

The purpose of this measure is to request the Hawaii Tourism Authority (HTA) to promote Hawaii filmmakers and locally made films as a means of promoting tourism.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism (DBEDT), HTA, and Fishing Tales Hawaii, Inc.

This measure is intended to promote locally made films, and in the process, spotlight Hawaii and increase tourism. Local films and local filmmakers remain largely in obscurity today, lacking resources and exposure. Yet, they have a lot to offer and are an untapped economic growth base.

Your Committees note the testimony of DBEDT that it will work more closely with the HTA in its efforts to further promote Hawaii filmmakers and locally made films as a means of promoting tourism.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 24 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 5 (Ihara, Kanno, Kawamoto, Sakamoto, Taniguchi).

**SCRep. 1212 (Joint) Economic Development and Tourism on S.C.R. No. 63**

The purpose of this measure is to request a study on renovation and reconstruction options for Aloha Stadium.

Testimony in support of this measure was received from the Department of Accounting and General Services (DAGS) and Aloha Stadium.

Aloha Stadium, constructed around 1974, is at the crossroads of its life. With huge maintenance costs looming ahead and the tight fiscal times, the question now becomes what alternatives may exist for the use of Aloha Stadium. The issue is particularly apropos in view of recent reports of the possibility of building a new stadium.

Your Committees have amended this measure on the recommendation of DAGS and the Aloha Stadium by adding to the title and body of the measure, a request for the formulation of a master plan.

As affirmed by the records of votes of the members of your Committees on Economic Development and Tourism that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 63, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 63, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 4 (Ihara, Kanno, Kawamoto, Sakamoto).

**SCRep. 1213 (Joint) Economic Development and Tourism on S.R. No. 41**

The purpose of this measure is to request a study on renovation and reconstruction options for Aloha Stadium.

Testimony in support of this measure was received from the Department of Accounting and General Services (DAGS) and Aloha Stadium.

Aloha Stadium, constructed around 1974, is at the crossroads of its life. With huge maintenance costs looming ahead and the tight fiscal times, the question now becomes what alternatives may exist for the use of Aloha Stadium. The issue is particularly apropos in view of recent reports of the possibility of building a new stadium.

Your Committees have amended this measure on the recommendation of DAGS and the Aloha Stadium by adding to the title and body of the measure, a request for the formulation of a master plan.

As affirmed by the records of votes of the members of your Committees on Economic Development and Tourism that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 41, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 41, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 4 (Ihara, Kanno, Kawamoto, Sakamoto).

**SCRep. 1214 Ways and Means on Gov. Msg. No. 228**

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF TAXATION

KURT K. KAWAFUCHI, for a term to expire December 4, 2006,

Upon review of the background information submitted by the nominee, your Committee finds that he received his J.D. from Santa Clara University, is licensed to practice law both in Hawaii and California, holds Certified Public Accountant status in both states, and has received his L.L.M. in Taxation from Georgetown University. Additionally, he has an MBA from Santa Clara.

Mr. Kurt K. Kawafuchi has a stellar reputation and received wholehearted endorsements from the legal and accountancy community, including a judge from the United States Tax Court, the Hawaii Society of Certified Public Accountants, the former head of the Department of Taxation, the Hawaii State Bar Association, and numerous attorneys and accountants who testified to the sterling qualities that Mr. Kawafuchi brings to this office.

Your Committee finds that Mr. Kawafuchi is in every way qualified to serve as the Director of Taxation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 4 (Aduja, Hooser, Kanno, Kim).

**SCRep. 1215 Ways and Means on H.B. No. 1307**

The purpose of this measure is to appropriate funds from the general fund and certain special funds for deposit into the Office of Hawaiian Affairs' public land trust proceeds trust fund.

The appropriation of these funds represents twenty per cent of the receipts for the use of lands in the public trust that were not transferred to the Office of Hawaiian Affairs after the 2001 decision in *OHA v. State*, 96 Hawaii 388 (2001). In that case, the Hawaii Supreme Court found that the existing state statute in part violated federal law and that, by the state statute's own terms, it was repealed. During the interim between that decision and the present, no moneys from the public trust have been transferred to the Office.

Your Committee finds that the State is willing to accept its constitutional obligation regarding the use of the public land trust. Your Committee also finds that the appropriations in this bill will fulfill the State's constitutional obligation to native Hawaiians for this interim period.

Your Committee has amended this bill by:

- (1) Amending the name of the "parking control revolving fund" to the correct reference, the "state parking revolving fund";
- (2) Deleting the reference to the Na Ala Hele special fund, as its funds have been deposited into the special land and development fund;
- (3) Adjusting the appropriation from the special land and development fund from \$139,056 to \$157,322;
- (4) Adjusting the appropriation from the state parks special fund from \$456,124 to \$455,422; and
- (5) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1307, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1307, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Aduja, Kanno, Sakamoto).

**SCRep. 1216 Commerce, Consumer Protection and Housing on S.C.R. No. 33**

The purpose of this measure is to urge the State Administration to pursue litigation against ChevronTexaco for the nonpayment of taxes.

Testimony in support of this measure was received from WG & Associates and four individuals. The Attorney General and an individual provided oral testimony.

A report by Professor Jeffrey D. Gramlich and Professor James E. Wheeler of the University of Michigan and University of Hawaii has uncovered evidence that Chevron and Texaco (now ChevronTexaco) may have engaged in a complex fraudulent transfer pricing scheme for more than three decades that involved the purchase of Indonesian crude oil at inflated prices and kickbacks in the form of price rebates and free oil.

Through these transactions, the oil companies allegedly evaded the payment of billions and millions of federal taxes and state taxes, respectively, by overstating their costs of doing business and taking a credit on foreign taxes paid on overstated revenue. Further, because oil was sold to the companies' domestic subsidiaries at inflated prices, gasoline refined and manufactured therefrom was likely sold at inflated amounts.

Your Committee finds that the actions of ChevronTexaco may have hurt the State and its residents. Over the years, the transfer pricing scheme may have deprived the State of millions of dollars in tax revenue that could have been used and are still needed to fund necessary government programs and services. Today, the State continues to deal with a budget shortfall that has resulted in cuts in funding for education and for social services needed to help the most needy and vulnerable in our communities. In addition, Hawaii's motorists may have been the victims of gasoline overcharges for many years.

Your Committee believes that the State should pursue legal action with respect to the oil company to recover potentially millions of dollars owed in back taxes, in addition to interest thereon and penalties, and to immediately stop any further wrongdoing. Based on information recently reported by ChevronTexaco regarding its Indonesia operations and a decline in net oil-equivalent production, Professor Wheeler concludes that the transfer pricing scheme is ongoing and continuing to deprive the State of tax revenues.

Your Committee further believes that the State should avoid any undue delay in taking action. With the merger of Chevron and Texaco in 2001, the operations of the companies are no longer separately reported, thereby making any fraudulent or illegal activities less transparent. Further, a delay will make litigation more difficult, since over time, witnesses' memories may fade and potential witnesses may be difficult to locate. Therefore, it is critical that the State act in a timely manner.

The prominent and highly-regarded Chicago-based law firm of Winston and Strawn has expressed an interest in representing the State in a lawsuit against ChevronTexaco and is currently under a short-term retainer to the State for the purpose of investigating a possible claim against the corporation. Should the State retain Winston and Strawn to represent it in litigation, the law firm will assume all litigation costs, unless the State terminates the retainer, and will take its fee as a percentage of any judgment awarded to the State. Therefore, unlike the State's prior lawsuit against the oil companies, the financial risk to the State is minimal.

For all of the above reasons, your Committee concludes that there are compelling reasons to pursue legal action in this matter and urges the State to move forward. Finally, Your Committee requests that, as the investigation proceeds, the Attorney General keep your Committee informed of decisions pertinent thereto and of the timeframe for the proceedings therein.

Your Committee has amended this measure to reflect that:

- (1) The State's retainer agreement with Winston and Strawn has been extended for the third time and ends on April 19, 2003; and
- (2) The Attorney General has received and is in the process of reviewing some of the documents it requested from the Internal Revenue Service relating to federal tax proceedings brought against Chevron and Texaco.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 33, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 33, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1217 Commerce, Consumer Protection and Housing on S.R. No. 21**

The purpose of this measure is to urge the State Administration to pursue litigation against ChevronTexaco for the nonpayment of taxes.

Testimony in support of this measure was received from WG & Associates and four individuals. The Attorney General and an individual provided oral testimony.

A report by Professor Jeffrey D. Gramlich and Professor James E. Wheeler of the University of Michigan and University of Hawaii has uncovered evidence that Chevron and Texaco (now ChevronTexaco) may have engaged in a complex fraudulent transfer pricing scheme for more than three decades that involved the purchase of Indonesian crude oil at inflated prices and kickbacks in the form of price rebates and free oil.

Through these transactions, the oil companies allegedly evaded the payment of billions and millions of federal taxes and state taxes, respectively, by overstating their costs of doing business and taking a credit on foreign taxes paid on overstated revenue. Further, because oil was sold to the companies' domestic subsidiaries at inflated prices, gasoline refined and manufactured therefrom was likely sold at inflated amounts.

Your Committee finds that the actions of ChevronTexaco may have hurt the State and its residents. Over the years, the transfer pricing scheme may have deprived the State of millions of dollars in tax revenue that could have been used and are still needed to fund necessary government programs and services. Today, the State continues to deal with a budget shortfall that has resulted in cuts in funding for education and for social services needed to help the most needy and vulnerable in our communities. In addition, Hawaii's motorists may have been the victims of gasoline overcharges for many years.

Your Committee believes that the State should pursue legal action with respect to the oil company to recover potentially millions of dollars owed in back taxes, in addition to interest thereon and penalties, and to immediately stop any further wrongdoing. Based on information recently reported by ChevronTexaco regarding its Indonesia operations and a decline in net oil-equivalent production, Professor Wheeler concludes that the transfer pricing scheme is ongoing and continuing to deprive the State of tax revenues.

Your Committee further believes that the State should avoid any undue delay in taking action. With the merger of Chevron and Texaco in 2001, the operations of the companies are no longer separately reported, thereby making any fraudulent or illegal activities less transparent. Further, a delay will make litigation more difficult, since over time, witnesses' memories may fade and potential witnesses may be difficult to locate. Therefore, it is critical that the State act in a timely manner.

The prominent and highly-regarded Chicago-based law firm of Winston and Strawn has expressed an interest in representing the State in a lawsuit against ChevronTexaco and is currently under a short-term retainer to the State for the purpose of investigating a possible claim against the corporation. Should the State retain Winston and Strawn to represent it in litigation, the law firm will assume all litigation costs, unless the State terminates the retainer, and will take its fee as a percentage of any judgment awarded to the State. Therefore, unlike the State's prior lawsuit against the oil companies, the financial risk to the State is minimal.

For all of the above reasons, your Committee concludes that there are compelling reasons to pursue legal action in this matter and urges the State to move forward. Finally, Your Committee requests that, as the investigation proceeds, the Attorney General keep your Committee informed of decisions pertinent thereto and of the timeframe for the proceedings therein.

Your Committee has amended this measure to reflect that:

- (1) The State's retainer agreement with Winston and Strawn has been extended for the third time and ends on April 19, 2003; and
- (2) The Attorney General has received and is in the process of reviewing some of the documents it requested from the Internal Revenue Service relating to federal tax proceedings brought against Chevron and Texaco.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 21, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 21, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1218 (Joint) Tourism and Economic Development on S.C.R. No. 42**

The purpose of this measure is to request the Hawaii Tourism Authority (HTA) to design, implement, and evaluate a cultural television and film pilot project.

Testimony in support of this measure was received from the Hawaii Tourism Authority, FilmWorks Pacific & FilmWorks Press, and Hawaii's media related business community.

This measure is intended to explore the possibilities and measure the results of promoting cultural television and film, through designing, implementing, and evaluating a pilot program by the HTA. Your Committees view this measure as having the potential to establish cultural television and film as an integral and viable part of the tourism product, as well as develop a growth industry for Hawaii.

Your Committees were impressed by the testimony of film producer Edgy Lee (FilmWorks) that support from the tourism industry and the greater business community for filmmakers would result in a thriving arts and entertainment industry and generate new revenue, outside investment to the State, successful companies owned and operated by Hawaii professionals, more jobs, and increased business manufacturing and distribution for arts and entertainment. The effects of such success are tremendous for tourism and the State's economy.

Your Committees have amended this measure by adding that the pilot program is to be considered by the HTA as part of "product development", in order for the HTA to become more involved in film. Interestingly, the HTA sponsors the local film festivals which it does consider to be product development. Your Committees can discern no difference between film festivals and cultural films.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 42, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 42, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Ihara, Kanno, Kawamoto, Sakamoto, Taniguchi).

**SCRep. 1219 (Joint) Economic Development and Tourism on Gov. Msg. No. 14**

Recommending that the Senate advise and consent to the nomination of the following:

**DIRECTOR OF THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM**

TED LIU, for a term to expire December 4, 2006

Upon review of background information submitted by the nominee, your Committees find that Ted Liu is the co-founder and partner of PacifiCap Group, LLC, a Hawaii-based private equity firm focused on venture capital investment, middle market equity, debt and strategic transactions, and corporate finance advisory services. The firm is currently advising U.S. multinationals on strategic transactions in China, Taiwan, and Korea. The nominee is formerly the Managing Director of Morgan Stanley & Company, Inc., Senior Associate and head of the China Practice Group for the Wall Street law firm of Skadden Arps Slate Meagher & Flom, Chief Executive Officer of Public International Investments Ltd./First Shanghai Investments Ltd., Advisor to the New York Stock Exchange on financial markets in China, Associate with Simpson Thacher & Bartlett, and member of the founding staff of China Daily.

The nominee received a J.D. degree from the New York University School of Law with a concentration on corporate and international law, and a BGS degree in economics and political science from the University of Michigan.

Your Committees received testimony in support of the nominee from over 100 testifiers, including from the Housing and Community Development Corporation of Hawaii; University of Hawaii at Hilo; John A. Burns School of Medicine; University of Hawaii Cinematic and Digital Arts Program; The Research Corporation of the University of Hawaii; APEC Study Center University of Hawaii; East-West Center; Maui Office of Economic Development; Honolulu Office of Economic Development; Hawaii County Department of Research and Development; Hawaii Community Development Authority; AIG Hawaii Insurance Company, Inc.; The Pacific Resource Partnership; ND Solutions, Inc.; RevaComm, Inc.; First Presbyterian Church of Honolulu; Honolulu Japanese Chamber of Commerce; National Federation of Independent Business-Hawaii; JS Services, Inc.; The Chamber of Commerce of Hawaii; The Hawaii Business Roundtable; Hawaii Technology Trade Association; Hawaii Strategic Development Corporation; Enterprise Honolulu; Hawaii Venture Capital Association; Building Industry Association-Hawaii; Hawaiian Electric Industries, Inc.; Bank of Hawaii Corporation; First Hawaiian Bank; CityBank; Hawaii National Bank; Maui Economic Development Board, Inc.; Hawaii Island Economic Development Board; Waikiki Improvement Association; Pacific Basin Economic Council; Pacific International Center for High Technology Research; PacificCap Group, LLC; Hong Kong China Hawaii Chamber of Commerce; Hong Kong Business Association of Hawaii; Market City, Ltd.; Hawaiian Host; Kaneohe Ranch Company, Limited; Oshima Chan Wikoff & Combs LLC; Broadband iTV; Get2Hawaii, Inc.; TeraBiz; Morgan Stanley & Co., Inc.; Foodland Super Market, Ltd.; The Oceanic Institute; Victoria Ward, Limited; NetEnterprise Inc.; Pacific Information Exchange, Inc.; Hoakea LLC; MW Group, Ltd.; Mark Development, Inc.; Designer Built Systems, Inc.; Hawaiian Islands Ministries; Hawaii Biotech, Inc.; and Chun, Kerr, Dodd, Beaman & Wong, along with numerous individuals.

Mr. Liu comes to state government with outstanding business and professional experience. He addressed your Committees' questions and concerns regarding potential conflict of interest issues, clarification of his background experience at Morgan Stanley and PacifiCap, and his opinion on Act 221, Session Laws of Hawaii 2001, relating to tax incentives for high technology entities. Your Committees note in particular his intent to aggressively promote the local film industry, including local filmmakers looking for direction, advice, and support.

With respect to Act 221, your Committees agree with the nominee's opinion that the Act has had a definite correlation with the recent availability of venture capital for Hawaii technology start-ups, and has contributed to an increase in local confidence on the part of entrepreneurs by enhancing their ability to start companies, access capital, and succeed.

As affirmed by the records of votes of the members of your Committees on Economic Development and Tourism that are attached to this report, your Committees, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommend that the Senate advise and consent to the nomination.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Ihara, Kanno, Kawamoto, Taniguchi).

**SCRep. 1220 Commerce, Consumer Protection and Housing on S.C.R. No. 62**

The purpose of this measure is to request a sunrise review of the regulation of condominium association managers.

The Real Estate Commission (REC) and an individual testified in support of this measure.

S.B. No. 1454 (2003) proposes the certification of condominium association managers by the REC. The Hawaii Regulatory Licensing Act declares that the State's policy is to regulate professions and vocations only when reasonably necessary to protect the health, safety, or welfare of consumers. Accordingly, before regulation of a profession or vocation can be legislated, the Auditor is required to analyze the probable effects of the proposed regulation, assess whether regulation is consistent with the Act's policies, and assess alternative forms of regulation. This measure authorizes the required sunrise review.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 62 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 1221 Commerce, Consumer Protection and Housing on S.C.R. No. 106**

The purpose of this measure is to request the Department of Commerce and Consumer Affairs (DCCA) to recognize on-line courses from accredited institutions.

Your Committee received comments on this measure from the DCCA.

This measure is intended to apply to obtaining a real estate appraiser's certification and license. State administrative rules require educational courses be taken to qualify for a license. According to testimony of the DCCA, it only recognizes those courses that meet criteria established by the Appraiser Qualifications Board (AQB), a federal entity, and chapter 16-114, Hawaii Administrative Rules (HAR).

Because the DCCA currently recognizes distance continuing education courses that meet criteria of the AQB and HAR, it is considering accepting the same standards for recognizing qualified distance learning courses for certification and licensure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 106 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Sakamoto, Whalen).

**SCRep. 1222 Commerce, Consumer Protection and Housing on S.R. No. 74**

The purpose of this measure is to request the Department of Commerce and Consumer Affairs (DCCA) to recognize on-line courses from accredited institutions.

Your Committee received comments on this measure from the DCCA.

This measure is intended to apply to obtaining a real estate appraiser's certification and license. State administrative rules require educational courses be taken to qualify for a license. According to testimony of the DCCA, it only recognizes those courses that meet criteria established by the Appraiser Qualifications Board (AQB), a federal entity, and chapter 16-114, Hawaii Administrative Rules (HAR).

Because the DCCA currently recognizes distance continuing education courses that meet criteria of the AQB and HAR, it is considering accepting the same standards for recognizing qualified distance learning courses for certification and licensure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 74 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Sakamoto, Whalen).

**SCRep. 1223 Commerce, Consumer Protection and Housing on S.C.R. No. 96**

The purpose of this measure is to express the Legislature's support for the Hawaii Homeownership Center.

Testimony in support of this measure was submitted by the Housing and Community Development Corporation of Hawaii, Bank of Hawaii, Homestreet Bank, and an individual.

The Hawaii Homeownership Center (Center) is a newly established nonprofit corporation whose mission is to promote and support successful home ownership in Hawaii, particularly among low-income and moderate-income families. The Center is part of a national network of home ownership centers under the auspices of the Neighborhood Reinvestment Corporation. The Center will serve as a one-stop shop for prospective home buyers offering comprehensive education, counseling, access to affordable home products, and other professional services.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 96 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 1224 Judiciary and Hawaiian Affairs on H.B. No. 192**

The purpose of this measure is to include accreted lands in the definition of state public lands. The measure also allows a private property owner to file an accretion claim to regain title to the owner's eroded land that has been restored by accretion.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Sierra Club Hawaii Chapter, Life of the Land, and four individuals. Testimony in opposition was received from one individual. Comments were submitted by the Board of Land and Natural Resources.

Your Committee finds that this measure will stop the unlawful taking of public beach land under the guise of fulfilling a nonexistent littoral right supposedly belonging to shorefront property owners. The measure will help protect Hawaii's public lands and fragile beaches by ensuring that coastal property owners do not inappropriately claim newly deposited lands makai of their property as their own.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 192, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (English, Fukunaga).

**SCRep. 1225 Judiciary and Hawaiian Affairs on H.B. No. 285**

The purpose of this measure is to require that administrative rules conform to enabling statutes, to provide for the automatic repeal of administrative rules when the enabling statute or ordinance is repealed, and require the Small Business Regulatory Review Board to include in its report to the legislature recommendations as to whether a rule is an appropriate function of state government and whether the rule can be implemented as cost-effectively by the private sector as by state government.

Testimony in support of the measure was received from the Department of Human Resources Development, the Chamber of Commerce of Hawaii, and the Land Use Research Foundation of Hawaii. The Director of Business, Economic Development, and Tourism support the measure and requested an amendment. The Office of Information Practices provided comments.

Your Committee finds that requiring agencies to conform their administrative rules to the intent of the rule's underlying law, and conversely, automatically repealing administrative rules when the rule's underlying law is repealed will result in a more efficient state government.

Additionally, your Committee believes that expanding the scope of small business's recommendations to the legislature allows small businesses to further participate in the regulatory process.

Based on testimony received, your Committee amended the bill by making automatic repeals of administrative rules effective 180 days after the related statute or ordinance is repealed.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 285, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 285, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (English, Fukunaga).

**SCRep. 1226 Judiciary and Hawaiian Affairs on H.B. No. 373**



The purpose of this measure is to prohibit landowners from restricting renters of single-family dwellings from displaying reasonable political signs, and repealing the candidate sign posting regulation that allows posting of signs not more than forty-five days prior to an election and removal not less than ten days after an election.

The ACLU testified in support of the measure and requested an amendment.

Your Committee agrees that citizens should be able to express their political views by posting political signs as long as this right is exercised in a reasonable manner, and does not unreasonably interfere with a landowner's ability to use the property, or affect the health and safety of the public.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 373, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Fukunaga).

**SCRep. 1227      Judiciary and Hawaiian Affairs on H.B. No. 385**

The purpose of this measure is to allow an employer, whose employee is being harassed at the worksite, to petition the district court for a temporary restraining order and an injunction from further harassment at the worksite.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, the Department of the Prosecuting Attorney, the Hawaii Government Employees Association, the Hawaii State Coalition Against Domestic Violence, the Chamber of Commerce of Hawaii, the Domestic Violence Clearinghouse and Legal Hotline, and an employer. Testimony supporting the intent of the measure and requesting amendments was received from the Department of Education and the Hawaii Hotel Security Association. Testimony opposing the measure was received from the Office of the Public Defender and the ILWU. The Society for Human Resource Management-Hawaii Chapter supported the intent of the measure but opposed the measure in its current form. The Department of Human Resources Development expressed concerns.

Under §604-10.5, Hawaii Revised Statutes, individuals who are being harassed may seek a temporary restraining order or injunction. Following the tragic events in a much publicized workplace violence incident, your Committee believes Hawaii's employers should have the means of protecting their employees in the workplace.

Your Committee finds that workplace violence is now considered to be a commonplace threat to both employers and employees, involving disgruntled current or former employees, with frequent occurrences being domestic violence related.

Your Committee amended the bill by adding the phrase "person who is the target of threats or harassment" to the end of paragraph (1) on page 5, and making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 385, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 385, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 1228      Judiciary and Hawaiian Affairs on H.B. No. 651**

The purpose of this measure is to update the informational requirements health care providers must provide patients regarding a medical treatment or medical procedure prior to obtaining the patient's consent to the treatment or procedure.

Testimony in support of this measure was received from the President and CEO, the Chair of the Physician Advisory Group, and the Vice Chair of the Board of Directors of Hawaii Health Systems Corporation, the President and CEO of Healthcare Association of Hawaii, HMSA, Kaiser Permanente, the Hawaii Coalition for Health, the Hawaii Medical Association, and the Hawaii Association of Health Plans. Consumer Lawyers of Hawaii and a physician provided comments.

Your Committee finds that patients or their guardians should be given full and accurate information on medical conditions, diagnoses, or treatment that affect their health. Only by receiving full and accurate information can patients or their guardians make informed health decisions. Your Committee agrees that the patient-oriented standard of informed consent that is reflected in this bill should be maintained.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 651, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Fukunaga).

**SCRep. 1229      Judiciary and Hawaiian Affairs on H.B. No. 914**

The purpose of this measure is to codify licensing qualifications and personnel, staff, and family requirements for Type I and Type II adult residential care homes and expanded adult residential care homes. The measure also allows the Department of Health to conduct unannounced inspections of adult residential care homes during and outside of normal business hours on an annual basis.

Testimony in support of this measure was received from the Hawaii State Judiciary, the Healthcare Association of Hawaii, AARP Hawaii, the Hawaii Long Term Care Association, the State Long Term Care Ombudsman, the Long Term Care Ombudsman Volunteer Corps, Military Officers of America, the Policy Advisory Board for Elder Affairs, The National Association of Social Workers, and eleven concerned citizens. The Department of Health supported part of the measure. The Hawaii Coalition of Care Home Administrators and five care home operators opposed the measure.

Your Committee finds that adult residential care homes and expanded adult residential care homes care for frail seniors, mentally retarded, mentally ill, and developmentally disabled individuals who are not able to care for themselves. Many of these residents receive few visitors.

Your Committee recognizes that operating an adult care home is a stressful and demanding occupation. Nevertheless, the overwhelming majority of adult care homes provide a safe and caring environment for their residents. Your Committee believes unannounced inspections will allow inspectors to identify and address problems before a problem ends in disaster.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 914, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Fukunaga).

**SCRep. 1230      Judiciary and Hawaiian Affairs on H.B. No. 1198**

The purpose of this measure is to amend the child labor laws by:

- (1) Prohibiting minors from working in an occupation connected in any way with the adult entertainment industry;
- (2) Modifying work hour restrictions for fourteen and fifteen year old minors;
- (3) Clarifying exceptions to employment of minors; and
- (3) Changing the state of mind requirement for violations of child labor laws from wilfully to knowingly.

Testimony in support of this measure was received from the Department of Labor and Industrial Relations. The Office of the Public Defender had concerns over wording in the measure.

Your Committee finds that Hawaii Child Labor Laws are intended to protect minors in the workplace and ensure that they have the opportunity to complete their education. Your Committee further finds that many schools have adopted the year-round scheduling pattern making certain language in the child labor laws inapplicable to all minors. Amendments to the laws accommodate year-round school schedules.

Your Committee agrees that minors should not be employed in any capacity in a business that exposes them to the adult entertainment business. Your Committee amended the bill by excluding minors from the penalty section of the bill. Your Committee believes the legislative intent is to punish employers who violate the Child Labor Laws and not the minor for whom the laws were meant to protect.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1198, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1198, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 1231      Judiciary and Hawaiian Affairs on H.B. No. 1214**

The purpose of this measure is to afford the State and counties protection from liability by establishing a process for posting signs warning of dangerous natural conditions on improved public lands.

Testimony in support of this measure was received from the Department of the Attorney General, one member of the Maui County Council, the Department of Land and Natural Resources, and the Sierra Club. Testimony in opposition was received from the Consumer Lawyers of Hawaii and an attorney.

Your Committee finds that many of Hawaii's improved and unimproved public lands pose risk of injury to users from dangerous natural conditions. Without some protection from State liability for injuries occurring on public lands, many recreational areas would have to be closed.

Your Committee further finds that many other states have established complete immunity for liability resulting from public recreational use on state lands. This measure strikes an equitable balance between the personal responsibility of people engaged in recreational pursuits and the duty of government to take reasonable measures to protect the public from harm by providing adequate warning.

Your Committee amended the bill by:

- (1) Removing all references to “the chairperson” of the board of land and natural resources except as listed on the risk assessment working group;
- (2) Adding a requirement to §663- (f), Hawaii Revised Statutes (HRS), that the board of land and natural resources adopt rules pursuant to chapter 91, HRS, establishing standards to guide the department of land and natural resources and the risk assessment working group in the general design and placement of warning signs;
- (3) Clarifying in §663- (f), HRS that chapter 91 only applies to the rule making process;
- (4) Changing the effective date from July 1, 2050 to July 1, 2003; and
- (5) Making technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1214, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1214, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 1232      Judiciary and Hawaiian Affairs on H.B. No. 1217**

The purpose of this measure is to amend the controlled substances schedule by adding and deleting items, and clarifying provisions relating to dispensing prescriptive drugs.

Testimony in support of this measure was received from the Department of Public Safety and the Honolulu Police Department.

Your Committee finds that this measure conforms Hawaii’s Uniform Controlled Substance Act to federal law, and is necessary to protect the health and safety of the State.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1217, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Fukunaga).

**SCRep. 1233      Commerce, Consumer Protection and Housing on H.B. No. 1161**

The purpose of this measure is to clarify the licensing requirements for engaging in the practice of psychology.

Your Committee received testimony in support of this measure from the Hawaii Psychological Association. Comments were submitted by the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

This measure would:

- (1) Allow the Board of Psychology to accept the Certificate of Professional Qualification in Psychology (CPQ) or the credential issued by the National Register of Health Service Providers in Psychology as evidence of meeting the minimum qualifications for psychologist licensure;
- (2) Delete overly burdensome education and experience requirements for senior psychologist licensure;
- (3) Delete the open-book jurisprudence examination; and
- (4) Make housekeeping amendments relating to licensure of state employed clinical psychologists.

Your Committee’s utmost concern is for the health, safety, and protection of the general public. Your Committee is satisfied from the testimony that the proposed changes, intended to conform Hawaii law to the current trend in other state laws, would streamline and expedite the licensing process for applicants holding credentials. The effect is to bring the practice of psychology in step with other professions by removing cumbersome licensing barriers between states.

By removing the requirement for a “written” examination, it is not the intent of your Committee to authorize oral examinations, but to allow the use of computer-based exams.

Although this measure would likely increase the number of licensed psychologists in the State, your Committee finds that the changes in licensure requirements present no harm to the public.

Your Committee has amended this measure by changing the effective date from July 1, 2050, to upon approval.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1161, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1161, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1234 Commerce, Consumer Protection and Housing on H.B. No. 1172**

The purpose of this measure is to exclude banks, savings institutions, and trust companies from Hawaii's securities dealer's registration requirements and thus conforming state law to the federal Uniform Securities Act.

Your Committee received testimony in support of this measure from the Business Registration Division of the Department of Commerce and Consumer Affairs and Hawaii Bankers Association.

Your Committee finds that providing alignment of state law with federal law promotes uniform understanding and enforcement of such provisions within the industry. Your Committee further finds that Hawaii is amongst only three states that have yet to adopt this alignment of regulatory structures.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1172, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1235 Commerce, Consumer Protection and Housing on S.C.R. No. 95**

The purpose of this measure is to request the Auditor to compare professional and vocational regulation in Hawaii with regulation in other states and to recommend whether Hawaii's regulatory requirements are necessary to protect the health, safety, or welfare of consumers.

The Department of Commerce and Consumer Affairs (DCCA) and Hawaii Association of Realtors testified in support of this measure.

Your Committee finds that some of the professional and vocational regulatory programs administered by DCCA have come under criticism as unnecessary, counterproductive, or favoring the interests of regulated businesses over the interests of consumers. This measure will help to assess the validity of these criticisms and assist DCCA in determining whether regulation of a particular profession or industry should be implemented, maintained, or terminated based on the criteria set forth in the Hawaii Regulatory Licensing Reform Act.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 95 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 1236 Commerce, Consumer Protection and Housing on S.C.R. No. 81**

The purpose of this measure is to request the Auditor to conduct a sunrise review of the regulation of hypnotherapists.

Your Committee received testimony in support of this measure from Capstone Counseling & Training Center and an individual.

According to the testimony, hypnotherapy can be a very powerful therapeutic tool and in most cases is a very helpful treatment modality for a multitude of problems, such as smoking cessation, motivation, performance enhancement, weight control, and phobias. However, it is not without risks. Bad experiences in hypnotherapy may be caused by a lack of professional training.

The sunrise review by the Auditor is required under section 26H-6, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 81 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Sakamoto, Whalen).

**SCRep. 1237 Commerce, Consumer Protection and Housing on S.R. No. 57**

The purpose of this measure is to request the Auditor to conduct a sunrise review of the regulation of hypnotherapists.

Your Committee received testimony in support of this measure from Capstone Counseling & Training Center and an individual.

According to the testimony, hypnotherapy can be a very powerful therapeutic tool and in most cases is a very helpful treatment modality for a multitude of problems, such as smoking cessation, motivation, performance enhancement, weight control, and phobias. However, it is not without risks. Bad experiences in hypnotherapy may be caused by a lack of professional training.

The sunrise review by the Auditor is required under section 26H-6, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 57 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Sakamoto, Whalen).

**SCRep. 1238 Commerce, Consumer Protection and Housing on S.C.R. No. 61**

The purpose of this measure is to request the Auditor to conduct a study of proposed mandatory health insurance coverage for hearing aid devices and services.

Your Committee received testimony in support of this measure from the Department of Health, Disability and Communication Access Board, Hawaii Early Intervention Coordinating Council, Hawaii Medical Service Association, Hawaii Speech-Language-Hearing Association, and an individual.

According to testimony, hearing loss is one of the most common congenital birth defects. Without appropriate intervention, children with hearing loss may not develop and maintain language and communication skills that are appropriate for their age and essential for success in school and later in life.

Section 23-51, Hawaii Revised Statutes, requires the Auditor to prepare and submit to the Legislature a report that assesses the social and financial effects of the proposed mandated coverage, before any legislative measure that mandates health insurance coverage can be considered.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 61 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Sakamoto, Whalen).

**SCRep. 1239 Commerce, Consumer Protection and Housing on S.C.R. No. 84**

The purpose of this measure is to request a comparative study of Hawaii's health insurance market conditions with the rest of the nation.

The Insurance Commissioner, Hawaii State Teachers Association, Hawaii Medical Service Association, and Kaiser Permanente submitted testimony supporting the intent of this measure.

Your Committee finds that in 1999 the State Auditor conducted a study comparing the Hawaii Public Employees Health Trust Fund with sixteen states. This study, however, did not include an assessment of the health insurance market conditions in Hawaii.

Your Committee further finds that a comparative study of Hawaii's health insurance market conditions may assist the State in reducing health insurance costs while maintaining a high level of health benefits coverage.

Your Committee has amended this measure by adding to the requirements of the Auditor's analysis a determination of the barriers faced by insurers seeking to enter the Hawaii health insurance market.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 84, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 84, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Sakamoto, Whalen).

**SCRep. 1240 Transportation, Military Affairs, and Government Operations on S.C.R. No. 5**

The purpose of this measure is to express support for specific measures instituted by the Military Affairs Council (Council) of the Chamber of Commerce of Hawaii (Chamber) to improve the quality of life for military personnel stationed in the islands.

Your Committee received testimony in support of this measure from the Chamber and the Honolulu Japanese Chamber of Commerce.

Your Committee finds that this measure recognizes the significant contributions of the military to various communities in the islands. Your Committee also finds that our military personnel should be honored and respected, and that military personnel and their families should live and work as comfortably as possible when stationed in Hawaii.

Therefore, your Committee fully supports this measure, including the specific measures listed therein, in an effort to improve the quality of life for our hardworking military personnel.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 5 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 1241      Transportation, Military Affairs, and Government Operations on S.C.R. No. 27**

The purpose of this measure is to request Hawaii's Congressional Delegation to look into expanding the antitrust exemption to enable Hawaiian Airlines and Aloha Airlines to coordinate individual route schedules.

Your Committee received testimony in support of this measure from Hawaiian Airlines. The Attorney General (AG) submitted testimony in opposition to this measure. Aloha Airlines provided comments.

Your Committee finds that Hawaiian Airlines and Aloha Airlines provide necessary inter-island air service. Since there is no ferry system in Hawaii, air transportation routes serve as the State's highways. Therefore, your Committee supports this measure in an effort to expand the temporary federal antitrust exemption so that our local air carriers can provide better and more frequent service.

Based on concerns raised by the AG, your Committee amended this measure by replacing its contents with contents supplied by the AG. As amended, this measure requests Hawaii's Congressional Delegation to ask the Department of Justice to review whether Hawaiian Airlines and Aloha Airlines can discuss flight scheduling to better accommodate passengers without running afoul of federal antitrust laws.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 27, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 27, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1242      Transportation, Military Affairs, and Government Operations on S.R. No. 16**

The purpose of this measure is to request Hawaii's Congressional Delegation to look into expanding the antitrust exemption to enable Hawaiian Airlines and Aloha Airlines to coordinate individual route schedules.

Your Committee received testimony in support of this measure from Hawaiian Airlines. The Attorney General (AG) submitted testimony in opposition to this measure. Aloha Airlines provided comments.

Your Committee finds that Hawaiian Airlines and Aloha Airlines provide necessary inter-island air service. Since there is no ferry system in Hawaii, air transportation routes serve as the State's highways. Therefore, your Committee supports this measure in an effort to expand the temporary federal antitrust exemption so that our local air carriers can provide better and more frequent service.

Based on concerns raised by the AG, your Committee amended this measure by replacing its contents with contents supplied by the AG. As amended, this measure requests Hawaii's Congressional Delegation to ask the Department of Justice to review whether Hawaiian Airlines and Aloha Airlines can discuss flight scheduling to better accommodate passengers without running afoul of federal antitrust laws.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 16, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 16, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1243      Transportation, Military Affairs, and Government Operations on S.C.R. No. 29**

The purpose of this measure is to urge all participating public and private entities to collaborate in the development of an officially recognized Urban Search and Rescue (US&R) team in Hawaii.

Your Committee received testimony in support of this measure from the Department of Defense. The Honolulu Fire Department testified orally in support of this measure.

Your Committee finds that following a major disaster in the State, it may take twelve hours or more for a US&R team to reach Hawaii to support search and rescue efforts. Since time is critical in any search and rescue effort, your Committee agrees that establishing a properly trained US&R team in Hawaii is extremely important.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 29 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 1244      Transportation, Military Affairs, and Government Operations on S.R. No. 17**

The purpose of this measure is to urge all participating public and private entities to collaborate in the development of an officially recognized Urban Search and Rescue (US&R) team in Hawaii.

Your Committee received testimony in support of this measure from the Department of Defense. The Honolulu Fire Department testified orally in support of this measure.

Your Committee finds that following a major disaster in the State, it may take twelve hours or more for a US&R team to reach Hawaii to support search and rescue efforts. Since time is critical in any search and rescue effort, your Committee agrees that establishing a properly trained US&R team in Hawaii is extremely important.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 17 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 1245      (Joint) Human Services and Labor on S.C.R. No. 130**

The purpose of this measure is to establish an awards program to recognize businesses with parent-friendly policies.

Testimony in support of this measure was submitted by the Good Beginnings Alliance; Hawaii Coalition for Dads; Parents and Children Together; and the Healthy Mothers, Healthy Babies Coalition of Hawaii. Two students offered comments on this measure.

Your Committees find that workers in the United States have the longest annual average hours of work in the industrialized world. At the same time, the number of workers with children under six and single fathers raising children are increasing dramatically. Not surprisingly, a 2001 Families and Work Institute study found that employees who felt they did not have sufficient flexibility in their work time to manage personal and family responsibilities were the most stressed and unhappy.

Your Committees find that many parents – fathers as well as mothers – find it increasingly difficult to balance their roles as provider and nurturing parent. In today's difficult economic climate, parents are often hesitant to ask for leave from work to attend a parent-teacher conference or other important events in their child's life, fearing that such actions may be seen as "unprofessional" and adversely impact their employer's formal or informal evaluation of their competence. Yet, numerous studies show that parent-friendly policies make bottom line sense.

Your Committees find that parent-friendly policies help create a work environment that is supportive of parental responsibilities while recognizing business needs. Businesses with parent-friendly policies have discovered that employees are more committed and productive, with lower absenteeism and reduced turnover, which can result in significant cost savings in human resources recruitment and training expenses, promote competitiveness, and increase the profitability of the company. Your Committees further find that, by strengthening parent-friendly policies, Hawaii's business leaders strengthen the quality of their employees, now and in the future, and increase the competitiveness and profitability of their business.

Your Committees believe that it is important for the State to take the lead in encouraging parent-friendly workplace policies by establishing an awards program to recognize businesses with parent-friendly policies. Your Committees further find that such a program would demonstrate the State's commitment to supporting parents, critical partners in achieving the State's goal that "all of Hawaii's children will be safe, healthy, and ready to succeed." Students agreed that a legislative awards program would have a significant positive impact.

Your Committees have amended this measure by:

- (1) Adding "offering breastfeeding support policies in the workplace" as an example of a parent-friendly business policy; and

(2) Making other technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 130, as amended herein, recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 130, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Fukunaga, Ihara, Kawamoto, Trimble).

**SCRep. 1246 Human Services on S.C.R. No. 94**

The purpose of this measure is to declare April 9 as "Safe Return Day" for individuals with Alzheimer's disease in Hawaii.

Testimony in support of this measure was submitted by the Alzheimer's Association, Aloha Chapter, a member of its Board of Directors, and one concerned citizen. The President of the Alzheimer's Association, Aloha Chapter, spoke in support of this measure.

Your Committee finds that there are about 20,000 people in Hawaii who have been diagnosed with Alzheimer's disease, a degenerative brain disease that affects memory and mental abilities. Because the leading risk factor in Alzheimer's disease is age, Hawaii, with the fastest graying population in the nation, will have to deal with the increasing numbers of individuals with Alzheimer's disease and associated impacts on public health and welfare.

Your Committee further finds that the Safe Return Program offered by the Alzheimer's Association facilitates the safe and timely return of individuals with Alzheimer's disease or other related conditions who become disoriented and wander away from their home or community.

Your Committee finds that declaring April 9 as "Safe Return Day" will help to raise public awareness about Alzheimer's disease and the Safe Return program. Your Committee encourages law enforcement, public safety, emergency medical, and public transit personnel, and other interested individuals to incorporate the free specialized training offered by the Alzheimer's Association, Aloha Chapter, to help front-line personnel recognize and appropriately deal with individuals with Alzheimer's disease in the community, into existing training programs.

Your Committee has amended this measure by requiring that certified copies of this Concurrent Resolution be sent to senior centers in each county (through the Area Agencies on Aging) and the Hawaii Primary Care Association.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 94, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 94, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

**SCRep. 1247 Commerce, Consumer Protection and Housing on S.C.R. No. 31**

The purpose of this measure is to ask the Housing and Community Development Corporation of Hawaii to investigate the alleged economic disparity between families in federal public housing with earned income and those on public assistance.

Testimony in support of the intent of the measure was submitted by the Housing and Community Development Corporation of Hawaii.

Your Committee finds that it is the policy of the State to foster and encourage economic self-sufficiency for families living in federal low-income housing. The State should determine how best to do so. It may be that those families on public assistance have a greater percentage of cash flow than those families with earned income.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 31 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 1248 Commerce, Consumer Protection and Housing on S.R. No. 19**

The purpose of this measure is to ask the Housing and Community Development Corporation of Hawaii to investigate the alleged economic disparity between families in federal public housing with earned income and those on public assistance.

Testimony in support of the intent of the measure was submitted by the Housing and Community Development Corporation of Hawaii.

Your Committee finds that it is the policy of the State to foster and encourage economic self-sufficiency for families living in federal low-income housing. The State should determine how best to do so. It may be that those families on public assistance have a greater percentage of cash flow than those families with earned income.



As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 19 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 1249 Human Services on S.C.R. No. 154**

The purpose of this measure is to request the Department of Human Services, in consultation with the Department of Business, Economic Development and Tourism, to report to the Legislature on its findings and recommendations to increase the public assistance allowance formula under the Temporary Assistance to Needy Families (TANF) program.

Testimony in support of this measure was submitted by: the Hawaii State Commission on the Status of Women; National Association of Social Workers, Hawaii Chapter; Welfare Employment Rights Coalition; Honolulu Community Action Program; and three concerned citizens. The Department of Human Services submitted comments on this measure.

Your Committee finds that current financial assistance payments to Department of Human Services program recipients are inadequate to meet families' day-to-day needs. The public assistance allowance formula (used to calculate the amount of financial assistance payments) was set by the 1993 Legislature at 62.5 per cent of the 1993 Federal Poverty Level, and has not been adjusted since that time, despite regular increases in the cost of living during that ten-year period. Moreover, financial assistance benefits are further reduced by 20 per cent after the first three months to encourage recipients to work, and are limited to a total of five years. This means that a single parent with two children would receive \$712 each month for the first three months, and \$570 per month thereafter up to five years, to pay for necessities such as electricity, gas, water, sewer, telephone, transportation, and other essentials, such as clothing and school supplies for children.

For comparison, your Committee finds that in 2000, Hawaii's self-sufficiency standard, that is the amount of money families need to meet their basic needs (i.e., food, housing, child care, health care, transportation, taxes, and other miscellaneous expenses), for a single parent with two children living in the Palolo/Kaimuki area was \$38,519 a year (about \$3210/month, or \$18.58/hour). The Hawaii State Commission on the Status of Women has just completed a more extensive study, to be released in early April 2003, that updates the data on Hawaii's self-sufficiency standard. Your Committee believes that these studies and other relevant data about the actual amount needed for a family to be self-sufficient in Hawaii will help inform the discussion and development of policy options for revising cash assistance allowance levels.

Your Committee finds that there is clearly a need to revisit the public assistance allowance formulas to bring financial assistance payments closer to the actual cost of living in Hawaii. Your Committee believes that it would be more efficient for the Department of Human Services and others to examine current cash assistance benefit levels for all of the Department's cash assistance programs at the same time. Accordingly, it is the intent of the Legislature that the Department of Human Services include findings, cost implications, and recommendations, including proposed legislation, if any, for General Assistance, Aged, Blind, and Disabled, and Temporary Assistance to Other Needy Families (TAONF), as well as Temporary Assistance to Needy Families (TANF).

Your Committee has amended this measure by:

- (1) Broadening the scope of this measure to include a review of all financial assistance programs administered by the Department of Human Services: General Assistance; Aged, Blind, and Disabled; and Temporary Assistance to Other Needy Families (TAONF), in addition to Temporary Assistance to Needy Families (TANF);
- (2) Changing the title to correspond with the broadened scope of the measure;
- (3) Requiring the Department of Human Services to also work with its Financial Assistance Advisory Committee and the Department of Labor and Industrial Relations in preparing the report;
- (4) Clarifying that the report should include cost implications, as well as findings and recommendations, and proposed legislation, if any, for "appropriate public policies for cash assistance programs for needy individuals and families";
- (5) Transmitting certified copies to the Department of Labor and Industrial Relations, the Hawaii State Commission on the Status of Women, and the Financial Assistance Advisory Committee under the Department of Human Services; and
- (6) Making other technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 154, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 154, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

**SCRep. 1250 Human Services on S.R. No. 102**

The purpose of this measure is to request the Department of Human Services, in consultation with the Department of Business, Economic Development and Tourism, to report to the Legislature on its findings and recommendations to increase the public assistance allowance formula under the Temporary Assistance to Needy Families (TANF) program.

Testimony in support of this measure was submitted by: the Hawaii State Commission on the Status of Women; National Association of Social Workers, Hawaii Chapter; Welfare Employment Rights Coalition; Honolulu Community Action Program; and three concerned citizens. The Department of Human Services submitted comments on this measure.

Your Committee finds that current financial assistance payments to Department of Human Services program recipients are inadequate to meet families' day-to-day needs. The public assistance allowance formula (used to calculate the amount of financial assistance payments) was set by the 1993 Legislature at 62.5 per cent of the 1993 Federal Poverty Level, and has not been adjusted since that time, despite regular increases in the cost of living during that ten-year period. Moreover, financial assistance benefits are further reduced by 20 per cent after the first three months to encourage recipients to work, and are limited to a total of five years. This means that a single parent with two children would receive \$712 each month for the first three months, and \$570 per month thereafter up to five years, to pay for necessities such as electricity, gas, water, sewer, telephone, transportation, and other essentials, such as clothing and school supplies for children.

For comparison, your Committee finds that in 2000, Hawaii's self-sufficiency standard, that is the amount of money families need to meet their basic needs (i.e., food, housing, child care, health care, transportation, taxes, and other miscellaneous expenses), for a single parent with two children living in the Palolo/Kaimuki area was \$38,519 a year (about \$3210/month, or \$18.58/hour). The Hawaii State Commission on the Status of Women has just completed a more extensive study, to be released in early April 2003, that updates the data on Hawaii's self-sufficiency standard. Your Committee believes that these studies and other relevant data about the actual amount needed for a family to be self-sufficient in Hawaii will help inform the discussion and development of policy options for revising cash assistance allowance levels.

Your Committee finds that there is clearly a need to revisit the public assistance allowance formulas to bring financial assistance payments closer to the actual cost of living in Hawaii. Your Committee believes that it would be more efficient for the Department of Human Services and others to examine current cash assistance benefit levels for all of the Department's cash assistance programs at the same time. Accordingly, it is the intent of the Legislature that the Department of Human Services include findings, cost implications, and recommendations, including proposed legislation, if any, for General Assistance, Aged, Blind, and Disabled, and Temporary Assistance to Other Needy Families (TAONF), as well as Temporary Assistance to Needy Families (TANF).

Your Committee has amended this measure by:

- (1) Broadening the scope of this measure to include a review of all financial assistance programs administered by the Department of Human Services: General Assistance; Aged, Blind, and Disabled; and Temporary Assistance to Other Needy Families (TAONF), in addition to Temporary Assistance to Needy Families (TANF);
- (2) Changing the title to correspond with the broadened scope of the measure;
- (3) Requiring the Department of Human Services to also work with its Financial Assistance Advisory Committee and the Department of Labor and Industrial Relations in preparing the report;
- (4) Clarifying that the report should include cost implications, as well as findings and recommendations, and proposed legislation, if any, for "appropriate public policies for cash assistance programs for needy individuals and families";
- (5) Transmitting certified copies to the Department of Labor and Industrial Relations, the Hawaii State Commission on the Status of Women, and the Financial Assistance Advisory Committee under the Department of Human Services; and
- (6) Making other technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 102, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 102, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

**SCRep. 1251 Commerce, Consumer Protection and Housing on H.B. No. 731**

The purpose of this measure is to amend the definition of "medical care", "medical services", or "medical supplies" under the workers' compensation law by (1) including services provided by occupational therapists and occupational therapy assistants; and (2) replacing the term "masseur" with the term "licensed massage therapist".

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Kaiser Permanente, Straub Clinic & Hospital, Hawaii Chapter American Physical Therapy Association, Occupational Therapy Association of Hawaii, Healthcare Association of Hawaii, and forty-four individuals. Testimony in opposition was received from the Building Industry Association.

Occupational therapists and occupational therapists assistants have been providing care to injured workers, but have not been reimbursed for such services because they are not statutorily included as a provider under the workers' compensation law. Your Committee finds that occupational therapists and occupational therapy assistants undergo training, examination, and licensing, akin to their physical therapist counterparts who are included in the definition of "medical care" under workers' compensation law. Your Committee believes that occupational therapists and occupational therapy assistants provide valued rehabilitative treatment, and that

their inclusion in the definition of "medical care" will provide increased access to those injured workers in need of occupational therapy.

Your Committee further finds that "masseur" is an outdated term and that the language of the statute should be updated to reflect current appropriate terminology.

Your Committee has amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 731, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 731, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Whalen).

**SCRep. 1252 Human Services on S.C.R. No. 114**

The purpose of this measure is to request the Legislative Reference Bureau to research options for establishing a dedicated funding mechanism to implement the public purpose and responsibilities as specified in Act 77, Session Laws of Hawaii 1997, relating to early childhood education and care.

Your Committee received testimony from the Good Beginnings Alliance and the Department of Education in support of this measure. The Legislative Reference Bureau submitted comments.

Your Committee finds that Act 77, Session Laws of Hawaii 1997, authorized a nonprofit corporation to receive public funds to implement its purpose of coordinating early childhood education and care services among the state agencies. However, the operation of the nonprofit corporation needs to be funded and supported partly by annual requests for public funding from the Legislature. Your Committee finds that a dedicated mechanism of providing public funding for the nonprofit corporation's operation is necessary.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 114 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

**SCRep. 1253 Human Services on S.C.R. No. 93**

The purpose of this measure is to establish an ad hoc committee to study continuation of services for foster children after the planned closure of Casey Family Programs' Hawaii offices.

Testimony in support of this measure was submitted by: Parents and Children Together; the Blueprint for Change; and one concerned citizen. The Department of Human Services submitted comments on this measure.

Your Committee finds that the planned closure of the Casey Family Program's offices in Honolulu and Hilo will leave a gap in the continuum of services for abused and neglected children in adoptive and foster care in Hawaii. Casey Family Programs has made a commitment to continue serving the one hundred children already in its permanent custody after the planned closure of its Honolulu office, but will not accept any new cases. Your Committee believes that through a concerted effort of committed and knowledgeable individuals from public and private sectors, a plan can be developed to ensure that at least some of the services provided by the Casey Family Programs will continue to be provided to foster children in Hawaii.

The Department of Human Services expressed its willingness to participate in the ad hoc committee and stated that, at the Department's suggestion, the Friends of Foster Kids had agreed to serve as convener of the ad hoc committee.

Accordingly, your Committee has amended this measure by designating the Friends for Foster Kids as convener and the Department of Human Services as a participant in the ad hoc committee, and correcting the reference to the Casey Family Programs in the title.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 93, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 93, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

**SCRep. 1254 Human Services on S.C.R. No. 115**

The purpose of this measure is to request the Executive Office on Aging to coordinate efforts to ensure the availability of a statewide network of multi-purpose senior centers.

Testimony in support of this measure was submitted by the Moiliili Community Center; Catholic Charities Hawaii, Elderly Services; Waikiki Community Center; Kapahulu Senior Center; and the Policy Advisory Board on Elder Affairs (PABEA). The Executive Office on Aging opposed this measure.

Your Committee finds that 2003 is the sixtieth anniversary of the Senior Center. The first senior center was opened in New York City in 1943. Your Committee further finds that, sixty years later, senior centers are still fulfilling a need in our communities, serving elders and their families by providing an array of community-based services, including information and referral and transportation services, health, nutritional, educational, social, and recreational programs, and volunteer opportunities. Senior centers provide many worthwhile opportunities and support during the day, keeping elders active and healthy and preventing premature institutionalization. In addition, senior centers are cost-efficient, providing services to seniors at a fraction of the cost of institutional care: \$230,000 (in state funds for senior centers) would keep nearly 5,000 seniors out of long-term care. Your Committee further finds that Hawaii has the fastest growing senior population in the country; as the baby boomers become elders, senior centers will be an even more essential link in the continuum of services for Hawaii's growing elder population.

Your Committee finds that, despite the recognized value of senior centers to the community, the State does not have a plan to support new and existing senior centers and assure that the services they provide will continue to be available for Hawaii's elders.

The Executive Office on Aging testified that "the State does not have the personnel or the wherewithal, to utilize state resources" to coordinate efforts to ensure the continued availability of a network of senior centers statewide. In light of the critical importance of senior centers in the continuum of care for elders, your Committee has amended this measure by:

- (1) Designating the Office of the Governor, rather than the Executive Office on Aging, as the entity responsible for the coordination of efforts to ensure the expansion and continued availability of a network of senior centers statewide; and
- (2) Adding the Office of the Governor to the transmittal list.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 115, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 115, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

**SCRep. 1255      Human Services on S.C.R. No. 193**

The purpose of this measure is to urge Congress to recognize the merits and success of the Head Start program, to maintain the program's funding levels, and to reject proposals to move the program from the U.S. Department of Health and Human Services to the U.S. Department of Education and to limit the scope of the program.

Testimony in support of this measure was submitted by: Parents and Children Together; Good Beginnings Alliance; Maui Economic Opportunity, Inc.; and two concerned citizens.

Your Committee finds that Head Start is a highly successful public-private partnership that promotes access to early childhood education and social services for low-income families. The Head Start program incorporates strong academic elements that enhance a child's potential for success in school, including the mastery of reading and basic math, and also provides social, health, and nutrition services to help low-income children achieve the educational goal adopted by the Legislature in H.C.R. No. 38 (1998), that "All of Hawaii's Children Will Be Safe, Healthy, and Ready to Succeed" in school.

Your Committee finds that President Bush has proposed making Head Start a block grant and transferring administrative oversight for the program to the states, and transferring responsibility for Head Start from the U.S. Department of Human Services to the U.S. Department of Education. Your Committee believes that the proposal is an ill-conceived plan that, once implemented, will have serious repercussions for state governments, as well as to existing Head Start programs and the families and children they serve.

Your Committee finds that the State Department of Education (DOE) is already under great pressure to upgrade dilapidated school facilities, expand educational resources, improve educational performance for its general student population, and meet the special mandates of the Felix Consent Decree. Your Committee further finds that it would likely be difficult for the DOE to take on the additional responsibility of providing comprehensive early childhood education and related services for pre-schoolers from low-income families.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 193 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

**SCRep. 1256      Judiciary and Hawaiian Affairs on S.C.R. No. 18**

The purpose of this measure is to reaffirm the State's commitment to civil liberties and the Bill of Rights by urging Hawaii's congressional delegation to work to repeal any sections of the USA PATRIOT Act or recent executive orders that limit or violate fundamental rights and liberties protected by the United States and the Hawaii State constitutions.

Testimony in support of this measure was received from the Hawaii Pro Democracy Initiative, The League of Women Voters of Hawaii, the American Civil Liberties Union of Hawaii, Life of the Land, The Libertarian Party, and a concerned citizen.

USA PATRIOT is the acronym for Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism. This Act was signed into law on October 26, 2001, and authorizes law enforcement and United States foreign agencies to conduct surveillance on Americans that include wiretaps without probable cause, subpoenaing an individual's bookstore and library records, and monitoring an individual's internet activities.

Your Committee believes that the safety of our nation is not dependent on the erosion of our human rights and civil liberties. The United States and Hawaii can be both safe and free.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 18 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1257      Judiciary and Hawaiian Affairs on S.R. No. 8**

The purpose of this measure is to reaffirm the State's commitment to civil liberties and the Bill of Rights by urging Hawaii's congressional delegation to work to repeal any sections of the USA PATRIOT Act or recent executive orders that limit or violate fundamental rights and liberties protected by the United States and the Hawaii State constitutions.

Testimony in support of this measure was received from the Hawaii Pro Democracy Initiative, The League of Women Voters of Hawaii, the American Civil Liberties Union of Hawaii, Life of the Land, The Libertarian Party, and a concerned citizen.

USA PATRIOT is the acronym for Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism. This Act was signed into law on October 26, 2001, and authorizes law enforcement and United States foreign agencies to conduct surveillance on Americans that include wiretaps without probable cause, subpoenaing an individual's bookstore and library records, and monitoring an individual's internet activities.

Your Committee believes that the safety of our nation is not dependent on the erosion of our human rights and civil liberties. The United States and Hawaii can be both safe and free.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 8 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1258      Judiciary and Hawaiian Affairs on S.C.R. No. 23**

The purpose of this measure is to express the Legislature's strong support for the Hawaii State Commission on the Status of Women (Commission) by urging the Governor to allocate adequate funding to the Commission to enable it to carry out its mission and duties as mandated by law.

Testimony in support of this concurrent resolution was received from the Hawaii Civil Rights Commission, the University of Hawaii Women's Center, two members of the Domestic Violence Clearinghouse and Legal Hotline, the Hawaii State Coalition Against Domestic Violence, the National Association of Social Workers, Planned Parenthood of Hawaii, the Sex Abuse Treatment Center, TJ Mahoney and Associates, Business and Professional Women/Hawaii, and the Community Alliance on Prisons. The Hawaii State Commission on the Status of Women supported the concurrent resolution and requested an amendment.

Your Committee finds that the mission of the Commission is to ensure equality of women and girls in the State by acting as a catalyst for change through advocacy, education, collaboration, and program development. The Commission's work is largely based upon effective public/private partnerships and networking among a variety of diverse boards, coalitions, professional, and community groups and organizations. Some of the Commission's priority issues include pay equity, gender equity in sports, education, and in the workplace, long term care insurance and services, equity of services for women in prison, welfare reform, strengthening laws relating to violence against women and children, reproductive freedom, health care services and insurance, and moving women towards self-sufficiency.

Your Committee notes that the Commission is the only statewide government and community resource dedicated to addressing the broad scope of issues impacting women and girls in Hawaii.

Your Committee amended the measure to emphasize the importance of continuing the Commission's work by changing the title to read: "URGING THE GOVERNOR TO ALLOCATE ADEQUATE FUNDING TO THE HAWAII STATE COMMISSION ON THE STATUS OF WOMEN TO ENABLE IT TO CARRY OUT ITS MISSION AND DUTIES AS MANDATED BY LAW." Your Committee also made technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 23, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 23, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1259      Judiciary and Hawaiian Affairs on S.R. No. 13**

The purpose of this measure is to express the Senate's strong support for the Hawaii State Commission on the Status of Women (Commission) by urging the Governor to allocate adequate funding to the Commission to enable it to carry out its mission and duties as mandated by law.

Testimony in support of this resolution was received from the Hawaii Civil Rights Commission, the University of Hawaii Women's Center, two members of the Domestic Violence Clearinghouse and Legal Hotline, the Hawaii State Coalition Against Domestic Violence, the National Association of Social Workers, Planned Parenthood of Hawaii, the Sex Abuse Treatment Center, TJ Mahoney and Associates, Business and Professional Women/Hawaii, and the Community Alliance on Prisons. The Hawaii State Commission on the Status of Women supported the resolution and requested an amendment.

Your Committee finds that the mission of the Commission is to ensure equality of women and girls in the State by acting as a catalyst for change through advocacy, education, collaboration, and program development. The Commission's work is largely based upon effective public/private partnerships and networking among a variety of diverse boards, coalitions, professional, and community groups and organizations. Some of the Commission's priority issues include pay equity, gender equity in sports, education, and in the workplace, long term care insurance and services, equity of services for women in prison, welfare reform, strengthening laws relating to violence against women and children, reproductive freedom, health care services and insurance, and moving women towards self-sufficiency.

Your Committee notes that the Commission is the only statewide government and community resource dedicated to addressing the broad scope of issues impacting women and girls in Hawaii.

Your Committee amended the measure to emphasize the importance of continuing the Commission's work by changing the title to read: "URGING THE GOVERNOR TO ALLOCATE ADEQUATE FUNDING TO THE HAWAII STATE COMMISSION ON THE STATUS OF WOMEN TO ENABLE IT TO CARRY OUT ITS MISSION AND DUTIES AS MANDATED BY LAW." Your Committee also made technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 13, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 13, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1260      Judiciary and Hawaiian Affairs on S.C.R. No. 86**

The purpose of this measure is to convene a task force chaired by the Dean of the University of Hawaii, William S. Richardson School of Law, to study and determine whether Hawaii should enact a three strikes law.

Your Committee received comments with proposed amendments on this concurrent resolution from the Judiciary, the Office of the Public Defender, the Corrections Population Management Commission, the ACLU of Hawaii, and the Community Alliance on Prisons. Ka Lahui Hawaii testified in support of the concurrent resolution. The Libertarian Party of Hawaii opposed the concurrent resolution.

Your Committee believes that it is in the State's best interest to "think things through" before enacting a law that may greatly impact Hawaii's criminal justice system and correctional facilities.

Based on testimony received, your Committee amended the measure by:

- (1) Using the Sentencing Simulation Model Project to assist the task force to determine whether Hawaii should enact a three strikes law;
- (2) Removing the Judiciary member from the task force;
- (3) Adding a member of the American Civil Liberties Union of Hawaii to the task force;
- (4) Deleting the requirement that a certified copy of the concurrent resolution be sent to the Judiciary;
- (5) Adding the requirement that a certified copy of the concurrent resolution be sent to the American Civil Liberties Union of Hawaii; and
- (6) Making technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 86, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 86, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1261      Judiciary and Hawaiian Affairs on S.R. No. 60**

The purpose of this measure is to convene a task force chaired by the Dean of the University of Hawaii, William S. Richardson School of Law, to study and determine whether Hawaii should enact a three strikes law.

Your Committee received comments with proposed amendments on this resolution from the Judiciary, the Office of the Public Defender, the Corrections Population Management Commission, the ACLU of Hawaii, and the Community Alliance on Prisons. Ka Lahui Hawaii testified in support of the resolution. The Libertarian Party of Hawaii opposed the resolution.

Your Committee believes that it is in the State's best interest to "think things through" before enacting a law that may greatly impact Hawaii's criminal justice system and correctional facilities.

Based on testimony received, your Committee amended the measure by:

- (1) Using the Sentencing Simulation Model Project to assist the task force to determine whether Hawaii should enact a three strikes law;
- (2) Removing the Judiciary member from the task force;
- (3) Adding a member of the American Civil Liberties Union of Hawaii to the task force;
- (4) Deleting the requirement that a certified copy of the resolution be sent to the Judiciary;
- (5) Adding the requirement that a certified copy of the resolution be sent to the American Civil Liberties Union of Hawaii; and
- (6) Making technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 60, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 60, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1262      Judiciary and Hawaiian Affairs on S.C.R. No. 119**

The purpose of this measure is to recommend to the Hawaii Supreme Court that the disposition of a proceeding, including the imposition of any sanctions or dismissal of a petition, be made public after the completion of the proceeding.

The Judiciary commented on the measure.

Your Committee finds that under current rules, attorney disciplinary proceedings become public when a hearing committee finds ethics rules violations and recommends public discipline to the Disciplinary Board. This measure proposes that proceedings become public ninety days after the Disciplinary Counsel files a formal petition alleging ethics violations. The Supreme Court is currently accepting comments from the public and the bar on the proposal.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 119 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1263      Judiciary and Hawaiian Affairs on S.R. No. 78**

The purpose of this measure is to recommend to the Hawaii Supreme Court that the disposition of a proceeding, including the imposition of any sanctions or dismissal of a petition, be made public after the completion of the proceeding.

The Judiciary commented on the measure.

Your Committee finds that under current rules, attorney disciplinary proceedings become public when a hearing committee finds ethics rules violations and recommends public discipline to the Disciplinary Board. This measure proposes that proceedings become public ninety days after the Disciplinary Counsel files a formal petition alleging ethics violations. The Supreme Court is currently accepting comments from the public and the bar on the proposal.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 78 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 1264      Judiciary and Hawaiian Affairs on H.B. No. 133**

The purpose of this measure is to provide immunity from prosecution to persons leaving an unharmed newborn at a hospital, and provide immunity from liability for hospitals and personnel receiving a newborn.

Testimony in support of this measure was received from the Honolulu Police Department, the Hawaii State Commission on the Status of Women, and the Healthy Mothers, Healthy Babies Coalition of Hawaii. Testimony supporting the intent of the measure but requesting amendments was received from the Department of the Prosecuting Attorney and the Hawaii Family Forum. The Department of Human Services supported the measure's intent but opposed the measure for several reasons.

Your Committee finds that persons abandoning newborn infants are usually young mothers who are unable or unwilling to care for their newborns. Although infant abandonment is rare in Hawaii, this proactive measure is aimed at providing an alternative to persons who would have abandoned a newborn in other than a hospital, and avoiding risk to the infant.

Based on testimony received, your Committee amended the bill by requiring that hospitals notify law enforcement that a newborn was received for the purpose of matching the child with missing children reports, and making technical, nonsubstantive amendment for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 133, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 133, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 1265      Judiciary and Hawaiian Affairs on H.B. No. 135**

The purpose of this measure is to establish a new chapter in the Hawaii Revised Statutes, that requires international matchmaking organizations doing business in this State, to notify foreign persons recruited by the organization as potential partners, that criminal and marital history information on Hawaii residents who are using the organization's services is available upon request.

Testimony in support of this measure was received from the Hawaii State Commission on the Status of Women, the Hawaii State Coalition Against Domestic Violence, a Washington State Representative from the 11<sup>th</sup> House district, and two concerned citizens. Na Loio supported the measure and requested an amendment. The Office of the Attorney General opposed the measure as written. A concern citizen provided comments on related matters.

The Immigration and Naturalization Service estimates that between 4000 and 6000 United States citizens marry spouses who were introduced to them through a for-profit international matchmaking organization. Currently, about 2700 international matchmaking organizations operate worldwide, approximately 500 in the United States, and at least a dozen operating in Hawaii.

Your Committee finds that the international matchmaking organization, a multimillion dollar industry in which it is not unusual for United States citizens to spend \$10,000 to attain a foreign marriage partner, is an industry largely unregulated. Your Committee further finds that many foreign women from poor economic conditions are recruited by these organizations. These women often suffer domestic abuse and are disadvantaged because of language barriers, isolation from family and friends, and unfamiliarity with state and federal laws. For these reasons, your Committee believes criminal and marital history information should be made available to foreign persons contemplating relationships with Hawaii residents.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 135, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1266      Judiciary and Hawaiian Affairs on H.B. No. 287**

The purpose of this measure is to require that public officials or employees, members of boards, commissions, and committees, contract employees, civil service employees, and probationary or provisional employees of the State or counties shall be terminated if convicted of a felony in violation of the employee's duties.

Testimony in support of this measure was received from the Hawaii State Ethics Commission. The Department of Human Resources Development supported the intent of the measure but raised issues for clarification. The University of Hawaii Professional Assembly and the Hawaii Government Employees Association opposed the measure.

Your Committee finds that recently publicized incidents involving public officials have led the public to question the honesty and integrity of state and county government. This measure is intended to restore the public confidence in government by mandating the removal or termination of elected officials or public employees for felony convictions related to the official's or employee's public office or public duties.



Your Committee amended the bill by:

- (1) Replacing the words “in violation of the public employee’s duties” on page 1, line 17 and page 2, line 1 with “related to the public employee’s duties”;
- (2) Deleting public officials and members of boards, commissions, and committees from the definition of “public employee”, and inserting a provision that employees covered by chapter 89 shall be entitled to a grievance procedure culminating in a final and binding decision;
- (3) Amending §831-2, Hawaii Revised Statutes, by repealing the restoration to office and benefits requirement for public officials whose convictions are reversed, and adding a definition for “public office” which includes offices held by an elected official, department heads, officers, and members of any board, commission, or other state agency whose appointments are made by the governor, chief justice, office of Hawaiian affairs, or the judicial selection commission, or are required by law to be confirmed by the senate;
- (4) Deleting §78- (d) on page 2, lines 18-21;
- (5) Deleting the provision attached to the effective date that makes section 2 of the bill applicable to public employees covered by a collective bargaining agreement upon the termination of the current collective bargaining agreement between the public employer and exclusive representatives for the public employees or on July 1, 2004, whichever occurs earlier; and
- (6) Renumbering the sections of the bill and making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 287, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 287, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 1267      Judiciary and Hawaiian Affairs on H.B. No. 736**

The purpose of this measure is to require licensing authorities to suspend the licenses of applicants or licensees upon receipt of an administering entity’s court based certification that the applicant or licensee is in default of a student loan, or that the student loan is at least sixty days in arrears.

Testimony in support of this measure was received from the Hawaii State Bar Association. The State Representative from the 16<sup>th</sup> house district supported the measure and requested amendments.

Your Committee finds that in 2002, Act 226 was enacted to provide for the suspension or revocation of professional and vocational licenses for those in default or arrears on their student loans. Act 226, however, did not afford applicants or licensees the due process protection guaranteed by article I, section 5 of the State Constitution. Moreover, the intent of Act 226 was to penalize applicants or licensees wilfully refusing to honor their repayment obligation. It was not the legislative intent to punish applicants or licensees lacking the financial ability to fulfill the commitment on their student loans.

Based on testimony received, your Committee amended the bill by:

- (1) Amending §189-2, Hawaii Revised Statutes, by adding provisions authorizing the Department of Land and Natural Resources to suspend, refuse to renew, or deny any license upon receipt of certification by an administering entity that the licensee or applicant is in default or breach of an obligation under any student loan, or an obligation is at least sixty days past due under a repayment plan; and the certification is based on a district or circuit court judgment. The Department must issue, renew, reinstate, or restore a license upon authorization from the administering entity that the licensee or applicant is making payments or taking other action satisfying the terms of the student loan. Licensing fees paid prior to denial, suspension, or revocation of license is forfeited, and the Department may charge fees for reinstating a license;
- (2) Redefining “applicable licensing authority” to include any unit of state government, including agencies, departments, boards, commissions, authorities, the supreme court, or any other entity within the State authorized by statute to grant or deny a license;
- (3) Replacing all references to the requirement that certifications be based on a court judgment from a district or circuit court in this State, or court judgment, with the requirement that certifications be based on an administrative order;
- (4) Replacing all references to findings by the court with findings by the administrative hearings officer; and
- (5) Reordering and renumbering the sections of the bill, and making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 736, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 736, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 1268      Judiciary and Hawaiian Affairs on H.B. No. 807**

The purpose of this measure is to establish a status offense of habitually operating a vehicle under the influence of an intoxicant, and repealing the requirement that law enforcement officers inform impaired driving suspects of possible civil and criminal sanctions for driving under the influence or refusing to submit to a chemical test.

Testimony in support of this measure was received from the Department of the Attorney General. The Department of the Prosecuting Attorney and Mothers Against Drunk Driving-Hawaii supported the measure but requested amendments. The Honolulu Police Department supported the intent of the measure but opposed the measure as written. Testimony opposing the measure was received from the Office of the Public Defender. The Judiciary provided comments.

Your Committee finds that being punished as a status offender rather than receiving an enhanced sentence has distinct implications. Status offenders receive a specific punishment as long as the offender meets the criteria at the time the offender reoffends. The offender cannot defeat the charge by having a previous conviction reversed on a subsequent appeal. By contrast, enhanced sentences can be avoided if any prior convictions that are the basis for an enhanced sentence are overturned.

Your Committee believes it is important that the habitually impaired driver understand that he or she will be charged with a felony for any further impaired driving arrests, even if one of their prior convictions is reversed after their arrest.

Under §291E-11, Hawaii Revised Statutes (HRS), any person operating a vehicle on a public street, highway, or on waters of the State, is deemed to have given consent to a breath, blood, or urine test for the purpose of determining alcohol concentration or drug content if a law enforcement officer has probable cause to believe the person operating the vehicle is under the influence of an intoxicant or is under the age of twenty-one and has consumed a measurable amount of alcohol.

Your Committee believes that under the implied consent concept, the suspect should not be allowed to refuse a chemical test based on information regarding the consequences of either submitting or refusing to submit to a test. Therefore, it is the legislature's intent that the requirement that law enforcement officers advise suspects of potential civil and criminal sanctions for operating a vehicle while under the influence of an intoxicant or refusing to submit to a chemical test be eliminated.

Your Committee amended the bill by:

- (1) Deleting the words "is comparable to" on page 2, line 18, and inserting the phrase "would constitute an offense under";
- (2) Amending §291E-34(a), HRS, by deleting paragraph (2) requiring the notice of administrative revocation (notice) to explain the distinction between administrative revocation and suspension or revocation of a license under §291E-61, HRS, and adding the requirement that the notice inform the respondent that he or she may be subject to administrative revocation under this part or suspension or revocation of license under part IV of chapter 291E, HRS, or both;
- (3) Inserting the words "the mandatory" on page 10, line 14 and page 14, line 22;
- (4) Inserting the words "or probation" on page 23, line 15; and
- (5) Making technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 807, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 807, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 1269      Judiciary and Hawaiian Affairs on H.B. No. 1010**

The purpose of this measure is to allow police to conduct breath, blood, or urine tests on persons involved in a motor vehicle accident who are not injured or refuse medical treatment for injuries if police have probable cause to believe the person was driving under the influence of drugs or alcohol.

Testimony in support of this measure was received from Mothers Against Drunk Driving-Hawaii. Testimony supporting the measure but requesting amendments was received from the Department of the Prosecuting Attorney and the Honolulu Police Department. The Office of the Public Defender and the Department of Transportation opposed the measure. The Judiciary provided comments.

Your Committee finds that under current law, medical facilities treating an injured driver may conduct a blood or urine test of the driver if the collision involved death or injury, and when requested by police. Uninjured drivers or injured drivers who refuse treatment but are suspected of being under the influence, however, are not tested because they are not taken to a medical facility. This measure allows police to offer drivers the opportunity to take a less intrusive breath test at a police station or blood or urine test at a medical facility.

Based on testimony received, your Committee amended the bill by:

- (1) Replacing the phrase "request a breath test of that person" on page 1, lines 13-14, with "offer the person a breath test in lieu of a blood or urine test. If the person refuses to perform a breath test, the law enforcement officer shall request a blood or urine sample pursuant to subsection (d);
- (2) Adding the words "or urine" on page 2, line 2;
- (3) Replacing the phrase "a police facility to conduct a breath test, or to a hospital or medical facility for the purpose of conducting a blood or urine test" with "another police facility or a hospital or medical facility that is capable of conducting a breath, blood, or urine test." on page 2, lines 4-6;
- (4) Deleting amendments to §291E-33, Hawaii Revised Statutes;
- (5) Replacing the effective date of "upon approval" with "January 1, 2004"; and
- (6) Renumbering the sections of the bill.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1010, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1010, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1270      Judiciary and Hawaiian Affairs on H.B. No. 1572**

The purpose of this measure is to amend the disabled parking laws to:

- (1) Allow law enforcement and commissioned volunteer enforcement officers to enter private property to enforce disabled parking laws;
- (2) Add a definition for "access aisle" which means the area adjacent to a parking space reserved for a person with disability and that is to be used exclusively by that person for the purpose of entering and exiting a vehicle;
- (3) Include "access aisle" in the definition for "parking space reserved for persons with disabilities";
- (4) Include vascular condition in the definition for "person with a disability";
- (5) Redefine "removable windshield placard" and "temporary removable windshield placard";
- (6) Repeals provisions for issuing temporary removable windshield parking placards, removable windshield placards, identification cards;
- (7) Repeals provisions for replacement of lost, stolen, or mutilated placards or identification cards;
- (8) Upgrades fraudulent manufacture or alteration of placards and identification cards from petty misdemeanor to misdemeanor;
- (9) Repeals metered parking privileges for vehicles displaying an international symbol of access;
- (10) Allows the disability and communication access board to adopt rules for the revocation of temporary removable windshield placards and special license plates, decertification of placards and identification cards, design of identification cards, establishment of fees for placards, and penalties;
- (11) Provides penalties for persons displaying invalid placards or special license plates, using placards or special license plates not issued to that person or any passengers occupying the vehicle, parking in an access aisle or obstructing the ingress or egress to a parking space reserved for a disabled person; and
- (12) Allows citations to be mailed to the violator.

Testimony in support of this measure was received from the Honolulu Police Department, the Disability and Communication Access Board, and a concerned citizen.

Your Committee believes this measure will assist law enforcement officers in upholding the disabled parking laws, and assist disabled persons in accessing their vehicles parked in disabled parking spaces.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1572, H.D. 3, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1271 Commerce, Consumer Protection and Housing on H.B. No. 58**

The purpose of this measure is to exempt motor vehicle rental companies that periodically ship ten or more vehicles between the islands or from the State from the requirements for removing and shipping vehicles.

Catrala-Hawaii, Dollar Rent A Car Systems, Inc., ANC Rental Corporation, and Avis Rent A Car System, Inc. submitted testimony in support of this measure.

Your Committee finds that motor vehicle rental companies conducting business in Hawaii customarily remove or ship ten or more vehicles between the islands and from the State on a regular basis. The modification of the law as provided in this measure will allow these companies to eliminate unnecessary delays and costs that are currently associated with the shipping of more than ten vehicles both between the islands and out of the State.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 58, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Whalen).

**SCRep. 1272 Commerce, Consumer Protection and Housing on H.B. No. 1453**

The purpose of this measure is to amend the definition of "lot", "houselot", residential lot", and "residential houselot" in Chapter 516, Hawaii Revised Statutes (HRS), to limit its application to parcels of land zoned for residential use.

Testimony in support of this measure was submitted by Kamehameha Schools, the Small Landowners Association of Hawaii, and the Small Landowners of Oahu. Testimony in support of the intent of this measure was submitted by the Housing and Community Development Corporation of Hawaii.

Your Committee finds that Chapter 516, HRS, was never intended to allow mandatory conversion of agricultural land or mixed-use properties. However, in recent years, residential housing has been constructed in developments that are components of commercially-zoned, mixed-use projects or agriculturally-zoned projects.

Your Committee finds that this measure will help to protect leasehold agricultural and commercial lands from any Land Reform Act repercussions. For example, it will enable charitable trust landowners on those lands, with long-term leases on their non-residential properties, to continue to provide public services to Hawaii from their profits. The measure will protect those landowners from the Land Reform Act, which could forcibly break existing contractual leases and transfer rights and values to individuals for their private use and benefit, including the right to sell.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1453, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Whalen).

**SCRep. 1273 Commerce, Consumer Protection and Housing on H.B. No. 1594**

The purpose of this measure is to authorize and establish procedures for the termination of memberships or cancellation of membership classes of a nonprofit corporation, and to allow a nonprofit corporation to authorize the indemnification of its directors in advance of the establishment of any liability.

Your Committee received testimony in support of this measure from Unity House, Inc.

This measure provides more protection for members in the termination of memberships should the nonprofit corporation consider converting to a nonmembership type of nonprofit corporation. These procedures also provide members who oppose the proposed conversion with an opportunity to be heard.

This measure further allows a nonprofit corporation to obligate itself (by a provision in its bylaws, resolution adopted, or approved contract) to provide indemnification in advance or to advance funds to pay for or reimburse expenses.

Your Committee has amended this measure by:

- (1) Allowing one or more statements in opposition to be included in the notice for the redemption or cancellation of membership;
- (2) Changing the effective date from July 1, 2050, to upon approval; and
- (3) Making a technical amendment for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1594, H.D. 1, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as H.B. No. 1594, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1274      Judiciary and Hawaiian Affairs on S.C.R. No. 103**

The purpose of this measure is to request a management and financial audit of the Department of Public Safety, Narcotics Enforcement Division by the legislative auditor.

Testimony in support of this measure was received from the Department of Public Safety, the Branch Chief of the Department of Public Safety- Narcotics Enforcement Division, and five concerned citizens.

Certain allegations regarding the management of the Narcotics Enforcement Division of the Department of Public Safety causes your Committee to agree that an audit of this division is appropriate.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 103 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1275      Judiciary and Hawaiian Affairs on S.R. No. 71**

The purpose of this measure is to request a management and financial audit of the Department of Public Safety, Narcotics Enforcement Division by the legislative auditor.

Testimony in support of this measure was received from the Department of Public Safety, the Branch Chief of the Department of Public Safety- Narcotics Enforcement Division, and five concerned citizens.

Certain allegations regarding the management of the Narcotics Enforcement Division of the Department of Public Safety causes your Committee to agree that an audit of this division is appropriate.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 71 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1276      Judiciary and Hawaiian Affairs on Jud. Com. No. 2**

Recommending that the Senate consent to the nomination of the following:

DISTRICT COURT OF THE FIRST CIRCUIT

BERT I. AYABE;

Your Committee received testimony in support of the nominee from the Hawaii State Bar Association (HSBA), the Hawaii State Representative from the Fifty-first Representative District, thirty practicing attorneys, and eight individuals.

The Board of Directors of the HSBA has found the nominee to be a highly qualified candidate for the District Court Judge position. As part of the HSBA Board's procedures for taking a position on judicial appointments, the candidate was asked to submit a resume or respond to a questionnaire, or both, and appeared before the Board to answer questions. The HSBA Board utilizes a modified version of the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. These guidelines include the following criteria for judicial positions: integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, public service, collegiality, and writing ability.

Testimony supporting the nominee describe him as a perfect candidate for a judgeship, having the proper combination of intelligence, compassion, legal experience, wisdom, diligence, decisiveness, and temperament. Your Committee notes that the nominee has served as an arbitrator over personal injury cases in which the parties have found him to be fair, reasonable, knowledgeable, thorough, and even-handed.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 1277      Judiciary and Hawaiian Affairs on Jud. Com. No. 3**

Recommending that the Senate consent to the nomination of the following:

DISTRICT FAMILY COURT OF THE FIRST CIRCUIT

MICHAEL F. BRODERICK;

Your Committee received testimony in support of the nominee from the Hawaii State Bar Association (HSBA); the Hawaii State Representative from the Fifty-First Representative District; a law professor, a civil rights counselor, the UH-KCC Legal Education Department Chair, and the Director of the Program on Conflict Resolution of the University of Hawaii; the Director of the Policy and Planning Division, Chief of Intergovernmental and Community Relations, Director of Children's Justice Center, and Personnel Director of the Judiciary; the Boys & Girls Club of Hawaii; Domestic Violence Clearinghouse; The Estate of James Campbell; President of Government Efficiency Teams, Inc.; Legal Aid Society of Hawaii; Booklines Hawaii; Special Assistant to the State Librarian of the Hawaii State Public Library System; Administrator of the State Procurement Office; member of the State Board of Education; Graphic House; Xerox Hawaii/Micronesia; Hawaii Civil Rights Commission; thirty-five practicing attorneys; and twenty-one individuals.

The Board of Directors of the HSBA has found the nominee to be a highly qualified candidate. As part of the HSBA Board's procedures for taking a position on judicial appointments, the candidate was asked to submit a resume or respond to a questionnaire, or both, and appeared before the Board to answer questions. The HSBA Board utilizes a modified version of the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. These Guidelines include the following criteria for judicial positions: integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, public service, collegiality, and writing ability.

Testimony in support of the nominee indicates that he has extensive experience in arbitration, dispute resolution, and administration. He is currently the Administrative Director of the Judiciary and was the Director of the Judiciary's Center for Alternative Dispute Resolution (ADR). He has been described as very smart, hard working, and eager and willing to learn. He has a commitment to public service, fairness, and equity. Your Committee believes that his ADR experience and talents will serve him well as a judge.

Although without family law experience, your Committee believes the nominee possesses the requisite traits of a family court judge: wisdom, understanding, and experience as a father and husband. He is compassionate and hard working, a good listener, and possesses a keen understanding of the importance of allowing all parties and affected persons to be heard before making a decision.

Your Committee is most familiar with the nominee in his capacity as the Administrative Director of the Judiciary. Your Committee is impressed with the nominee's candor, integrity, cordiality, politeness, temperament, and helpful assistance. Overall, your Committee believes that the candidate will be an excellent family court judge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 1278      Education on S.C.R. No. 25**

The purpose of this measure is to request the Department of Education to encourage the use of closed-captioned television to teach reading to students.

The Department of Education and two individuals submitted testimony supporting this measure.

A two-year pilot project is proposed to instruct teachers on the literacy benefits of closed-captioned television viewing and require the teachers to produce written materials for the parents of their students explaining these benefits.

Your Committee recognizes the need to introduce new paradigms and methodologies that help students with language acquisition and that realizes the educational potential for closed-captioned television to teach reading to students. Your Committee finds that the pilot project, which would require the development of materials, monitoring, and reporting of findings, will help the Department of Education and the Legislature determine the efficacy of implementing the program on a broader scale.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 25 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Hooser, Hogue).

**SCRep. 1279      Education on S.R. No. 14**

The purpose of this measure is to request the Department of Education to encourage the use of closed-captioned television to teach reading to students.

The Department of Education and two individuals submitted testimony supporting this measure.

A two-year pilot project is proposed to instruct teachers on the literacy benefits of closed-captioned television viewing and require the teachers to produce written materials for the parents of their students explaining these benefits.

Your Committee recognizes the need to introduce new paradigms and methodologies that help students with language acquisition and that realizes the educational potential for closed-captioned television to teach reading to students. Your Committee finds that the pilot project, which would require the development of materials, monitoring, and reporting of findings, will help the Department of Education and the Legislature determine the efficacy of implementing the program on a broader scale.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 14 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Hooser, Hogue).

**SCRep. 1280 Education on S.C.R. No. 51**

The purpose of this measure is to request the University of Hawaii to conduct a study and report on the status and effectiveness of student financial aid programs.

Testimony in support of this measure was submitted by the University of Hawaii.

Your Committee finds that financial aid programs have evolved over time to address a broad range of needs, not strictly limited to the financial needs of students. Your Committee further finds that the National Association of State Student Grant and Aid Programs most recent survey, indicated that Hawaii ranks last amongst the states in providing state support for students with financial needs. Thus, your Committee agrees that it is important to obtain information regarding how student financial aid programs are operating within our State, and the effectiveness of such programs in meeting their intended goals.

Your Committee has amended this measure by clarifying that tuition waivers are subsidized by foregone revenues from the university and state funds supporting the overall university system.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 51, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 51, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Hogue).

**SCRep. 1281 Education on S.R. No. 31**

The purpose of this measure is to request the University of Hawaii to conduct a study and report on the status and effectiveness of student financial aid programs.

Testimony in support of this measure was submitted by the University of Hawaii.

Your Committee finds that financial aid programs have evolved over time to address a broad range of needs, not strictly limited to the financial needs of students. Your Committee further finds that the National Association of State Student Grant and Aid Programs most recent survey, indicated that Hawaii ranks last amongst the states in providing state support for students with financial needs. Thus, your Committee agrees that it is important to obtain information regarding how student financial aid programs are operating within our State, and the effectiveness of such programs in meeting their intended goals.

Your Committee has amended this measure by clarifying that tuition waivers are subsidized by foregone revenues from the university and state funds supporting the overall university system.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 31, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 31, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Hogue).

**SCRep. 1282 Education on S.C.R. No. 58**

The purpose of this measure is to allow home-schooled students to participate in extracurricular and co-curricular activities of the public school to which the home-schooled students would otherwise be assigned.

The Department of Education submitted testimony in support of this measure. The Hawaii State Teachers Association submitted comments on the measure.

Your Committee finds that extracurricular and co-curricular activities, such as interscholastic sports, academic teams, and clubs, are an integral component in the development of social and intellectual skills necessary to become well-rounded students. Your Committee also finds that students who are home-schooled lack the opportunity to participate in such extracurricular and co-curricular activities. Therefore, procedures and guidelines must be established in order to allow home-schooled students the opportunity to participate in extracurricular and co-curricular activities. Thus, the State will be enabled to fulfill its responsibility of providing all of Hawaii's students the opportunity for a well-rounded education.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 58 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Hogue).

**SCRep. 1283 Education on S.R. No. 38**

The purpose of this measure is to allow home-schooled students to participate in extracurricular and co-curricular activities of the public school to which the home-schooled students would otherwise be assigned.

The Department of Education submitted testimony in support of this measure. The Hawaii State Teachers Association submitted comments on the measure.

Your Committee finds that extracurricular and co-curricular activities, such as interscholastic sports, academic teams, and clubs, are an integral component in the development of social and intellectual skills necessary to become well-rounded students. Your Committee also finds that students who are home-schooled lack the opportunity to participate in such extracurricular and co-curricular activities. Therefore, procedures and guidelines must be established in order to allow home-schooled students the opportunity to participate in extracurricular and co-curricular activities. Thus, the State will be enabled to fulfill its responsibility of providing all of Hawaii's students the opportunity for a well-rounded education.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 38 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Hogue).

**SCRep. 1284 Education on S.C.R. No. 60**

The purpose of this measure is to develop a statewide teacher cadet program designed to encourage Hawaii's brightest and best students to pursue careers in teaching.

The Superintendent of Education, University of Hawaii, Hawaii State Teachers Association, College of Education Alumni Association, Hawaii Alpha Delta Kappa, International Sorority of Educators, and one individual submitted testimony supporting this measure.

Your Committee finds that there is a need to promote the exciting career opportunities in education to public school secondary students. A pilot effort attracted seventeen students during the Summer of 2002 to a Summer's Journey into Education, a month-long program of all-day seminars detailing a teaching career. The program allowed cadets to participate in hands-on experiences in teaching, giving them on-the-job experience designed to provide a foundation for decision-making about a career in education.

Your Committee believes that the ever-increasing shortage of teachers necessitates the use of all means to attract dedicated and motivated individuals into the field of education. The establishment of such a program would help facilitate the promotion of the teaching profession.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 60 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Hogue).

**SCRep. 1285 Education on S.R. No. 40**

The purpose of this measure is to develop a statewide teacher cadet program designed to encourage Hawaii's brightest and best students to pursue careers in teaching.

The Superintendent of Education, University of Hawaii, Hawaii State Teachers Association, College of Education Alumni Association, Hawaii Alpha Delta Kappa, International Sorority of Educators, and one individual submitted testimony supporting this measure.

Your Committee finds that there is a need to promote the exciting career opportunities in education to public school secondary students. A pilot effort attracted seventeen students during the Summer of 2002 to a Summer's Journey into Education, a month-long program of all-day seminars detailing a teaching career. The program allowed cadets to participate in hands-on experiences in teaching, giving them on-the-job experience designed to provide a foundation for decision-making about a career in education.



Your Committee believes that the ever-increasing shortage of teachers necessitates the use of all means to attract dedicated and motivated individuals into the field of education. The establishment of such a program would help facilitate the promotion of the teaching profession.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 40 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Hogue).

**SCRep. 1286      Education on S.C.R. No. 150**

The purpose of this measure is to establish a task force on Asia-Pacific education to be charged with conducting a study of current efforts to teach Hawaii's students about the Asia-Pacific region and developing a strategic plan for incorporating Asia-Pacific studies into the core curriculum and aligning it with Hawaii's content and performance standards.

The Department of Education, the Vice President for International Education of the University of Hawaii, the Board of Governors, the President, and the Director of Education for the East-West Center of the University of Hawaii, the Director of the East-West Center's AsiaPacificEd Program, the Pacific and Asian Affairs Council, the Hawaii Association for Supervision and Curriculum Development, Kapiolani Community College, the Hawaii State Teachers Association, and eight individuals submitted testimony in support of this measure.

Your Committee finds that due to the State's close proximity and obvious ties to the Asia-Pacific region, it is incumbent upon our State to gain the requisite cultural and economic knowledge and expertise of that region in order to main Hawaii's competitive edge over the rest of the nation. Your Committee also finds that it is necessary to adequately educate our students in the areas of Asia-Pacific languages, cultures, government, and economic policies to prepare them for success in the global economy, within which the Asia-Pacific region plays an integral part.

Your Committee determines that increased efforts have been made over the years to develop and support education in Asia-Pacific studies. However, it now becomes necessary to assess the current status of those efforts, to evaluate the available educational resources and their utilization, and to develop a strategic plan for the augmentation of existing efforts to establish Asia-Pacific studies as a part of the school curriculum on par with other core subjects.

Additionally, your Committee determines that in an effort to avoid the imposition of additional work for or an undue burden on the Department of Education, the East-West Center of the University of Hawaii will provide staff for and coordinate the work of the task force.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 150 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Hogue).

**SCRep. 1287      Education on S.C.R. No. 181**

The purpose of this measure is to request the Department of Education (DOE) to enter into an agreement with Theodora Mallick for the construction of the Pahoia School Gymnasium.

Testimony in support of this measure was received from DOE.

Mrs. Theodora Mallick owns a 19.8 acre parcel of land adjacent to Pahoia High and Intermediate School, on a portion of which she is willing to construct a gymnasium if the State agrees to buy it back. Pahoia High and Intermediate School does not have a gymnasium and instead uses an inadequate Hawaii county facility that was built in the 1930s. Having a school gym would provide a venue for a better physical education and sports program, as well as for after-school programs to address the area's serious social problems.

A \$450,000 appropriation for plans and design was included in the 2002 budget and a request for \$4,500,000 for construction is under consideration in the 2003 Session. Your Committee has been informed by the DOE that the \$4,500,000 is for construction and cost of the land.

Your Committee believes that a public-private partnership such as being proposed by Mrs. Mallick will enable the State to provide a gym facility in a shorter period of time and with less cost to taxpayers.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 181 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hogue).

**SCRep. 1288      Education on S.R. No. 129**

The purpose of this measure is to request the Department of Education (DOE) to enter into an agreement with Theodora Mallick for the construction of the Pahoa School Gymnasium.

Testimony in support of this measure was received from DOE.

Mrs. Theodora Mallick owns a 19.8 acre parcel of land adjacent to Pahoa High and Intermediate School, on a portion of which she is willing to construct a gymnasium if the State agrees to buy it back. Pahoa High and Intermediate School does not have a gymnasium and instead uses an inadequate Hawaii county facility that was built in the 1930s. Having a school gym would provide a venue for a better physical education and sports program, as well as for after-school programs to address the area's serious social problems.

A \$450,000 appropriation for plans and design was included in the 2002 budget and a request for \$4,500,000 for construction is under consideration in the 2003 Session. Your Committee has been informed by the DOE that the \$4,500,000 is for construction and cost of the land.

Your Committee believes that a public-private partnership such as being proposed by Mrs. Mallick will enable the State to provide a gym facility in a shorter period of time and with less cost to taxpayers.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 129 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hogue).

**SCRep. 1289 (Joint) Commerce, Consumer Protection and Housing and Science, Arts, and Technology on S.C.R. No. 120**

The purpose of this measure is to request the Director of Commerce and Consumer Affairs to formulate a statewide cable access infrastructure plan to provide for statewide cable access infrastructure needs.

The League of Women Voters of Hawaii and an individual testified in support of this measure. The Department of Commerce and Consumer Affairs (DCCA) submitted comments on the measure.

This measure would facilitate the more equitable distribution of resources among the cable access organizations in the State and greater equity among the resident populations served by these organizations in the transmission and reception of public, educational, or governmental (PEG) programming.

Your Committees find that DCCA is in the process of developing a written plan that would provide notice to all interested parties of the Department's plans and policies affecting cable access. This process involves engaging in discussions with the PEG access organizations and holding public informational meetings to receive public input on issues including the desirability of expanding cable access, type of access desired, alternatives for funding access, and local control over access-related decisions. Therefore, your Committees have amended this measure by:

- (1) Stating as a concern rather than as a conclusion that there should be a reallocation of PEG resources on a statewide basis to achieve equity among access organizations;
- (2) Summarizing DCCA's efforts to develop a written plan regarding its plans and policies that affect cable access, including engaging in discussions with the access organizations and holding public informational meetings in each county;
- (3) Requiring DCCA to submit a report on its written plan before the convening of the 2004 Regular Session, in lieu of interim and final reports on a statewide cable access infrastructure plan; and
- (4) Amending the title and making other conforming amendments.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 120, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 120, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Kim, Sakamoto, Hemmings, Whalen).

**SCRep. 1290 (Joint) Commerce, Consumer Protection and Housing and Science, Arts, and Technology on S.R. No. 79**

The purpose of this measure is to request the Director of Commerce and Consumer Affairs to formulate a statewide cable access infrastructure plan to provide for statewide cable access infrastructure needs.

The League of Women Voters of Hawaii and an individual testified in support of this measure. The Department of Commerce and Consumer Affairs (DCCA) submitted comments on the measure.

This measure would facilitate the more equitable distribution of resources among the cable access organizations in the State and greater equity among the resident populations served by these organizations in the transmission and reception of public, educational, or governmental (PEG) programming.

Your Committees find that DCCA is in the process of developing a written plan that would provide notice to all interested parties of the Department's plans and policies affecting cable access. This process involves engaging in discussions with the PEG access organizations and holding public informational meetings to receive public input on issues including the desirability of expanding cable access, type of access desired, alternatives for funding access, and local control over access-related decisions. Therefore, your Committees have amended this measure by:

- (1) Stating as a concern rather than as a conclusion that there should be a reallocation of PEG resources on a statewide basis to achieve equity among access organizations;
- (2) Summarizing DCCA's efforts to develop a written plan regarding its plans and policies that affect cable access, including engaging in discussions with the access organizations and holding public informational meetings in each county;
- (3) Requiring DCCA to submit a report on its written plan before the convening of the 2004 Regular Session, in lieu of interim and final reports on a statewide cable access infrastructure plan; and
- (4) Amending the title and making other conforming amendments.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 79, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 79, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Kim, Sakamoto, Hemmings, Whalen).

**SCRep. 1291      Education on S.C.R. No. 32**

The purpose of this measure is to request the Board of Education to meet the requirements of the federal No Child Left Behind Act of 2001 without requiring "teaching to the test".

Testimony in support of this measure was submitted by the Department of Education. A community member submitted comments on this measure.

Your Committee finds that the federal No Child Left Behind (NCLB) Act of 2001 requires states to establish annual performance goals for public schools receiving federal funds, and to administer annual large-scale achievement tests to measure yearly student achievement. Your Committee further finds that our public schools system will be using the Hawaii Content and Performance Standards (HCPS) and a statewide large-scale achievement test aligned to the HCPS to meet the requirements of NCLB. However, your Committee agrees that unless there is a proven curriculum and classroom assessment that are aligned to our standards, the large-scale achievement test may not accurately reflect student achievement. Your Committee is also concerned that overemphasis on large-scale test results will adversely affect the quality of teaching and the quality of learning in our public school system, and teachers may be compelled to use curriculum to ensure student "success" on the annual large-scale achievement test, rather than using curriculum that ensures mastery of content knowledge.

Your Committee has amended this measure by:

- (1) Modifying the title to request the Department of Education to use research-based curriculum and standards-based classroom assessments, in addition to large-scale achievement tests, to meet the requirements of the NCLB Act;
- (2) Adding references to large-scale tests that are required under the federal No Child Left Behind Act;
- (3) Clarifying that large-scale tests may compel teachers to develop curriculum that results in "teaching to the test";
- (4) Inserting three new WHEREAS clauses supporting the adoption of research-based curriculum that is aligned to the state standards and results in proven student achievement through classroom assessments;
- (5) Clarifying that classroom assessments that are linked to curriculum and standards are more accurate representations of student proficiency levels and serve as diagnostic tools for teachers to make adjustments in their areas of emphasis within their curriculum;
- (6) Changing the first BE IT RESOLVED paragraph to request the Department of Education to use research-based curriculum and standards-based classroom assessment to meet the requirements of the No Child Left Behind Act;
- (7) Clarifying that these research-based models should be linked to our state standards to ensure that teachers receive adequate training in the use of curriculum and assessments that will prevent teaching to the large-scale achievement test required by No Child Left Behind Act; and
- (8) Requesting the DOE to report no later than twenty days prior to the convening of the 2004 Regular Session, including identification of those schools that have adopted research-based curriculum, their student achievement test scores and those of comparable schools that have not adopted a research-based curriculum.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 32, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 32, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Hooser, Hogue).

**SCRep. 1292 Education on S.R. No. 20**

The purpose of this measure is to request the Board of Education to meet the requirements of the federal No Child Left Behind Act of 2001 without requiring "teaching to the test".

Testimony in support of this measure was submitted by the Department of Education. A community member submitted comments on this measure.

Your Committee finds that the federal No Child Left Behind (NCLB) Act of 2001 requires states to establish annual performance goals for public schools receiving federal funds, and to administer annual large-scale achievement tests to measure yearly student achievement. Your Committee further finds that our public schools system will be using the Hawaii Content and Performance Standards (HCPS) and a statewide large-scale achievement test aligned to the HCPS to meet the requirements of NCLB. However, your Committee agrees that unless there is a proven curriculum and classroom assessment that are aligned to our standards, the large-scale achievement test may not accurately reflect student achievement. Your Committee is also concerned that overemphasis on large-scale test results will adversely affect the quality of teaching and the quality of learning in our public school system, and teachers may be compelled to use curriculum to ensure student "success" on the annual large-scale achievement test, rather than using curriculum that ensures mastery of content knowledge.

Your Committee has amended this measure by:

- (1) Modifying the title to request the Department of Education to use research-based curriculum and standards-based classroom assessments, in addition to large-scale achievement tests, to meet the requirements of the NCLB Act;
- (2) Adding references to large-scale tests that are required under the federal No Child Left Behind Act;
- (3) Clarifying that large-scale tests may compel teachers to develop curriculum that results in "teaching to the test";
- (4) Inserting three new WHEREAS clauses supporting the adoption of research-based curriculum that is aligned to the state standards and results in proven student achievement through classroom assessments;
- (5) Clarifying that classroom assessments that are linked to curriculum and standards are more accurate representations of student proficiency levels and serve as diagnostic tools for teachers to make adjustments in their areas of emphasis within their curriculum;
- (6) Changing the first BE IT RESOLVED paragraph to request the Department of Education to use research-based curriculum and standards-based classroom assessment to meet the requirements of the No Child Left Behind Act;
- (7) Clarifying that these research-based models should be linked to our state standards to ensure that teachers receive adequate training in the use of curriculum and assessments that will prevent teaching to the large-scale achievement test required by No Child Left Behind Act; and
- (8) Requesting the DOE to report no later than twenty days prior to the convening of the 2004 Regular Session, including identification of those schools that have adopted research-based curriculum, their student achievement test scores and those of comparable schools that have not adopted a research-based curriculum.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 20, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 20, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Hooser, Hogue).

**SCRep. 1293 Education on S.C.R. No. 59**

The purpose of this measure is to request the Department of Education (DOE) to develop curriculum guidelines for teachers to provide instruction regarding the historical facts and impacts of the internment of Japanese-Americans during World War II (W.W. II).

Testimony in support of this measure was submitted by the Japanese American Citizens League Honolulu Chapter, and two individual citizens. The Department of Education and the Hawaii State Teachers Association submitted testimony in support of the intent of this measure.

Your Committee finds that today's students are three or more generations removed from the atrocities of W.W. II, yet many of its lessons are particularly relevant today as we face various global crises. Your Committee further finds it disturbing that many of Hawaii's students are not aware of the very personal impacts that W.W. II had on local families, especially Japanese-American

families who were removed from Hawaii and interned on the mainland. While our country has made progress in recognizing the injustices of the internment camps, our students need to be educated about the dynamics of both government and individual actions that could still cause harm within our multi-cultural and multi-ethnic community. To this end, your Committee agrees that because public education is rooted in developing an educated citizenry, our students must be taught to be vigilant in protecting the basic civil rights that are at the core of a healthy democracy.

Your Committee has amended this measure by:

- (1) Clarifying in the measure's title that the request is for the development and implementation of curriculum guidelines for instruction on the historical facts and impacts upon our nation of the internment of Japanese-Americans during World War II;
- (2) Clarifying in the "BE IT RESOLVED" clause that the DOE is to collaborate with the East-West Center, Honolulu Chapter of the Japanese American Citizens League, and the University of Hawaii College of Education Curriculum Research and development Group on the development of these guidelines;
- (3) Deleting the "BE IT FURTHER RESOLVED" clause requesting further research on the subject;
- (4) Requesting that the book, "Ancestry Is Not A Crime", be updated as part of the development, coordination, and distribution of new educational materials available on this subject; and
- (5) Deleting the Board of Education and including the Dean of the College of Education, the President of the East-West Center, and the President of the Honolulu Chapter of the Japanese American Citizens League, on the list of entities to receive a copy of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 59, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 59, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Hogue).

**SCRep. 1294      Education on S.R. No. 39**

The purpose of this measure is to request the Department of Education (DOE) to develop curriculum guidelines for teachers to provide instruction regarding the historical facts and impacts of the internment of Japanese-Americans during World War II (W.W. II).

Testimony in support of this measure was submitted by the Japanese American Citizens League Honolulu Chapter, and two individual citizens. The Department of Education and the Hawaii State Teachers Association submitted testimony in support of the intent of this measure.

Your Committee finds that today's students are three or more generations removed from the atrocities of W.W. II, yet many of its lessons are particularly relevant today as we face various global crises. Your Committee further finds it disturbing that many of Hawaii's students are not aware of the very personal impacts that W.W. II had on local families, especially Japanese-American families who were removed from Hawaii and interned on the mainland. While our country has made progress in recognizing the injustices of the internment camps, our students need to be educated about the dynamics of both government and individual actions that could still cause harm within our multi-cultural and multi-ethnic community. To this end, your Committee agrees that because public education is rooted in developing an educated citizenry, our students must be taught to be vigilant in protecting the basic civil rights that are at the core of a healthy democracy.

Your Committee has amended this measure by:

- (1) Clarifying in the measure's title that the request is for the development and implementation of curriculum guidelines for instruction on the historical facts and impacts upon our nation of the internment of Japanese-Americans during World War II;
- (2) Clarifying in the "BE IT RESOLVED" clause that the DOE is to collaborate with the East-West Center, Honolulu Chapter of the Japanese American Citizens League, and the University of Hawaii College of Education Curriculum Research and development Group on the development of these guidelines;
- (3) Deleting the "BE IT FURTHER RESOLVED" clause requesting further research on the subject;
- (4) Requesting that the book, "Ancestry Is Not A Crime", be updated as part of the development, coordination, and distribution of new educational materials available on this subject; and
- (5) Deleting the Board of Education and including the Dean of the College of Education, the President of the East-West Center, and the President of the Honolulu Chapter of the Japanese American Citizens League, on the list of entities to receive a copy of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 39, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 39, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Hogue).

**SCRep. 1295      Education on S.C.R. No. 147**

The purpose of this measure is to request the establishment of seven certificated public schools in cooperation with the Department of Education and the University of Hawaii College of Education.

Testimony in support of the intent of this measure was submitted by the Department of Education. The University of Hawaii College of Education submitted comments on this measure.

Your Committee finds that the concept of providing an "early" admission for public high school students to the University of Hawaii, based upon certain qualifications, may provide an additional incentive for these students to seek higher education. Your Committee further finds that the rigor of this certification process will also require our public schools to set higher standards for their students, and thereby benefit all students.

Your Committee has amended this measure by:

- (1) Clarifying in the title and the "BE IT RESOLVED" clause that the Department of Education and the University of Hawaii work collaboratively to develop an implementation plan to establish certificated public high schools;
- (2) Deleting from the title and the body of the measure, the requirement that one certificated public high school be established in each school district by the 2004-2005 school year;
- (3) Clarifying that the University of Hawaii submit to the Legislature an implementation plan to establish certificated public high schools; and
- (4) Clarifying that copies of this measure be transmitted to the President of the University of Hawaii rather than the Dean of the College of Education.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 147, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 147, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Hogue).

**SCRep. 1296      Education on S.R. No. 99**

The purpose of this measure is to request the establishment of seven certificated public schools in cooperation with the Department of Education and the University of Hawaii College of Education.

Testimony in support of the intent of this measure was submitted by the Department of Education. The University of Hawaii College of Education submitted comments on this measure.

Your Committee finds that the concept of providing an "early" admission for public high school students to the University of Hawaii, based upon certain qualifications, may provide an additional incentive for these students to seek higher education. Your Committee further finds that the rigor of this certification process will also require our public schools to set higher standards for their students, and thereby benefit all students.

Your Committee has amended this measure by:

- (1) Clarifying in the title and the "BE IT RESOLVED" clause that the Department of Education and the University of Hawaii work collaboratively to develop an implementation plan to establish certificated public high schools;
- (2) Deleting from the title and the body of the measure, the requirement that one certificated public high school be established in each school district by the 2004-2005 school year;
- (3) Clarifying that the University of Hawaii submit to the Legislature an implementation plan to establish certificated public high schools; and
- (4) Clarifying that copies of this measure be transmitted to the President of the University of Hawaii rather than the Dean of the College of Education.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 99, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 99, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Hogue).

**SCRep. 1297 Education on S.C.R. No. 151**

The purpose of this measure is to support the expansion of the research enterprise at the University of Hawaii.

Testimony in support of this measure was submitted by the University of Hawaii.

Your Committee finds that in fiscal year 2002, the University of Hawaii received over \$250 million in funds to support research and training activities. Your Committee further finds that total University-related expenditures during that same year represented about three percent of the gross state product. Thus, your Committee agrees that there is great potential to build upon areas of strength in the University's research enterprise that will contribute to the overall health of our State's economy,

Your Committee has amended this measure by:

- (1) Broadening its scope to include all university programs contained in the university research enterprise;
- (2) Deleting the WHEREAS clause indicating the potential for additional tax revenues that could be realized from the expansion of the research enterprise;
- (3) Clarifying that the University consult with rather than partner with the Executive administration and Legislature in the development of the expansion plan; and
- (4) Requesting that a certified copy of this measure be transmitted to the University's Vice President for Research rather than the Dean of the School of Ocean and Earth Sciences and Technology.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 151, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 151, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Hooser, Hogue).

**SCRep. 1298 Education on S.R. No. 104**

The purpose of this measure is to support the expansion of the research enterprise at the University of Hawaii.

Testimony in support of this measure was submitted by the University of Hawaii.

Your Committee finds that in fiscal year 2002, the University of Hawaii received over \$250 million in funds to support research and training activities. Your Committee further finds that total University-related expenditures during that same year represented about three percent of the gross state product. Thus, your Committee agrees that there is great potential to build upon areas of strength in the University's research enterprise that will contribute to the overall health of our State's economy,

Your Committee has amended this measure by:

- (1) Broadening its scope to include all university programs contained in the university research enterprise;
- (2) Deleting the WHEREAS clause indicating the potential for additional tax revenues that could be realized from the expansion of the research enterprise;
- (3) Clarifying that the University consult with rather than partner with the Executive administration and Legislature in the development of the expansion plan; and
- (4) Requesting that a certified copy of this measure be transmitted to the University's Vice President for Research rather than the Dean of the School of Ocean and Earth Sciences and Technology.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 104, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 104, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Hooser, Hogue).

**SCRep. 1299 Economic Development on S.C.R. No. 36**

The purpose of this measure is to request a feasibility study on the construction of permanent fair grounds on the lower Halawa parking lot at Aloha Stadium.

Testimony supporting this measure was received from the Department of Accounting and General Services, Aloha Stadium Authority, Hawaii Farm Bureau Federation, Honolulu Jaycees, and EK Fernandez Shows.

Your Committee finds that the lower Halawa parking lot at Aloha Stadium has been the venue for Hawaii's most successful events for years, including the 50th State Fair, Hawaii State Farm Fair, and Sports Carnival. Organizers and sponsors of these events invest a tremendous amount of resources ensuring that the parking lot is suitable for event goers. Event structures and facilities are erected and broken down in the parking lot several times a year. Clearly, the area is the default site for large events. Therefore, there is merit in investigating the possibility of converting the area into permanent fair grounds.

Your Committee has amended this measure by:

- (1) Providing that the study shall include a review and assessment of requirements for the other successful uses of the parking areas at Aloha Stadium, including flea markets and enhanced event parking; and
- (2) Specifying that the Legislative Reference Bureau conduct the study utilizing its current budget.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 36, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 36, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kanno, Kawamoto).

**SCRep. 1300      Economic Development on S.R. No. 23**

The purpose of this measure is to request a feasibility study on the construction of permanent fair grounds on the lower Halawa parking lot at Aloha Stadium.

Testimony supporting this measure was received from the Department of Accounting and General Services, Aloha Stadium Authority, Hawaii Farm Bureau Federation, Honolulu Jaycees, and EK Fernandez Shows.

Your Committee finds that the lower Halawa parking lot at Aloha Stadium has been the venue for Hawaii's most successful events for years, including the 50th State Fair, Hawaii State Farm Fair, and Sports Carnival. Organizers and sponsors of these events invest a tremendous amount of resources ensuring that the parking lot is suitable for event goers. Event structures and facilities are erected and broken down in the parking lot several times a year. Clearly, the area is the default site for large events. Therefore, there is merit in investigating the possibility of converting the area into permanent fair grounds.

Your Committee has amended this measure by:

- (1) Providing that the study shall include a review and assessment of requirements for the other successful uses of the parking areas at Aloha Stadium, including flea markets and enhanced event parking; and
- (2) Specifying that the Legislative Reference Bureau conduct the study utilizing its current budget.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 23, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 23, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kanno, Kawamoto).

**SCRep. 1301      Education on S.C.R. No. 149**

The purpose of this measure is to request the Legislative Reference Bureau to identify effective state practices for raising academic achievement among low-scoring students and increasing the percentage of students reaching proficiency on the National Assessment of Educational Progress.

The Department of Education submitted testimony in support of this measure. The Legislative Reference Bureau and the Hawaii State Teachers Association submitted comments on the measure.

Your Committee finds that certain requirements for state education were imposed by the federal government via the "No Child Left Behind Act of 2001." The Act requires the Department of Education to ensure that all students either meet or exceed a proficient level of academic achievement on required state assessments by the completion of the 2013-2014 school year. Your Committee also finds that adequate yearly progress is essential for certain subgroups of students, including those economically disadvantaged, those with disabilities, and those with limited English proficiency. Failure to make adequate progress will result in various consequences depending upon the degree of inadequate progress.

Therefore, your Committee believes it is necessary that effective state educational practices for raising academic achievement be identified. Recommendations from the study requested by this measure will help to further refine and improve current practices so that the number of students meeting or exceeding a proficient level of academic achievement will continue to increase.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 149 and recommends that it be referred to the Committee on Ways and Means.



Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Hogue).

**SCRep. 1302      Education on S.R. No. 101**

The purpose of this measure is to request the Legislative Reference Bureau to identify effective state practices for raising academic achievement among low-scoring students and increasing the percentage of students reaching proficiency on the National Assessment of Educational Progress.

The Department of Education submitted testimony in support of this measure. The Legislative Reference Bureau and the Hawaii State Teachers Association submitted comments on the measure.

Your Committee finds that certain requirements for state education were imposed by the federal government via the "No Child Left Behind Act of 2001." The Act requires the Department of Education to ensure that all students either meet or exceed a proficient level of academic achievement on required state assessments by the completion of the 2013-2014 school year. Your Committee also finds that adequate yearly progress is essential for certain subgroups of students, including those economically disadvantaged, those with disabilities, and those with limited English proficiency. Failure to make adequate progress will result in various consequences depending upon the degree of inadequate progress.

Therefore, your Committee believes it is necessary that effective state educational practices for raising academic achievement be identified. Recommendations from the study requested by this measure will help to further refine and improve current practices so that the number of students meeting or exceeding a proficient level of academic achievement will continue to increase.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 101 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Hogue).

**SCRep. 1303      (Joint) Commerce, Consumer Protection and Housing and Health on S.C.R. No. 9**

The purpose of this measure is to authorize an Auditor's analysis of the social and financial impacts of mandatory health insurance coverage that includes examination for sexually transmitted diseases.

The Hawaii Medical Service Association testified in support of this measure.

H.B. No. 120 (2003) mandates that all health insurance policies and contracts issued after December 31, 2003 include coverage for examination for sexually transmitted diseases. Section 23-51, Hawaii Revised Statutes, requires the Auditor to analyze the social and financial impacts of proposed mandatory health insurance coverage for, among other things, specific health services, before any legislative measure that mandates such coverage can be considered. This measure authorizes the Auditor's analysis as to the mandatory coverage proposed in H.B. No. 120 (2003).

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 9 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Ige, Sakamoto, Hogue, Whalen).

**SCRep. 1304      (Joint) Commerce, Consumer Protection and Housing and Health on S.C.R. No. 131**

The purpose of this measure is to authorize an Auditor's analysis of the social and financial impacts of mandatory group health insurance coverage for infertility diagnosis and treatment.

Testimony in support of this measure was submitted by the Hawaii Medical Service Association, Resolve of Hawaii, and two individuals.

Sixteen years ago, Hawaii enacted a law requiring health insurance policies to include coverage for a one-time-only in vitro fertilization (IVF) procedure, subject to several prerequisites and limitations. Since that time, there have been numerous advances in the field of assisted reproductive technology, including the development of drugs and procedures that provide less costly, less invasive, or more appropriate alternatives to the treatment of infertility.

A measure introduced in the Legislature this session would facilitate the treatment of infertility beyond the limited procedure presently available and consistent with current medical knowledge and practice. S.B. No. 157, S.D. 1 (2003) proposes to require health insurance policies for groups of more than fifty persons that provide pregnancy-related benefits to include coverage for medically-necessary expenses of fertility diagnosis and treatment, including medication, surgery, in vitro fertilization, embryo transfer, artificial insemination, gamete intra fallopian transfer, zygote intra fallopian transfer, and intracytoplasmic sperm injection.

Section 23-51, Hawaii Revised Statutes, requires the Auditor to analyze the social and financial impacts of proposed mandatory health insurance coverage for specific health services or diseases, before any legislative measure that mandates such coverage can be considered. This measure authorizes the Auditor's analysis as to the mandatory coverage proposed in S.B. No. 157, S.D. 1 (2003).

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 131 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Ige, Sakamoto, Hogue, Whalen).

**SCRep. 1305 (Joint) Commerce, Consumer Protection and Housing and Health on H.B. No. 123**

The purpose of this measure is to expand the practice of pharmacy under the pharmacist licensing law to include the dispensing of emergency contraceptives in accordance with a collaborative agreement approved by the Board of Pharmacy between a physician and an appropriately trained pharmacist.

Your Committees received testimony in support of this measure from the following: Department of Health, Board of Medical Examiners, Board of Pharmacy, Hawaii Medical Service Association, Kaiser Permanente, Hawaii State Commission on the Status of Women, Planned Parenthood of Hawaii, The First Unitarian Church of Honolulu, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, Community Clinic of Maui, Healthy Mothers, Healthy Babies Coalition of Hawaii, Hawaii Medical Association, Hawaii Pharmacists Association, and four individuals. Oral testimony in support of the measure was presented by an individual.

Testimony in opposition to the measure was submitted by Hawaii Catholic Conference, Hawaii Right to Life, Ohana Pregnancy Referrals, American Center for Law and Justice, Pro-Family Hawaii, and twelve individuals.

Your Committees find that over half of the 17,000 annual births in Hawaii and almost eighty per cent of Hawaii teen pregnancies are unintended. Unintended pregnancies are at higher risk for low birth weight, birth defects, infant death, maternal death and morbidity, and maternal and child abuse.

Your Committees further find that emergency contraceptives, which have been approved by the Food and Drug Administration and which are available over the counter in several European nations, and through collaborative practice protocols in California and Washington, help to reduce the rate of unintended pregnancies. The drugs, which are not abortifacients, inhibit ovulation, fertilization or implantation in the womb, and do not disrupt an established pregnancy or harm a fetus. The drugs reduce a woman's risk of pregnancy by seventy-five to eighty-five per cent if used within seventy-two hours of unprotected sex, and are most effective when taken within twenty-four hours thereof.

Your Committees further find that there are barriers to accessing emergency contraceptives within these critical time periods, such as a woman's lack of access to her physician during nonoffice hours or the lack of a physician on site at pharmacies. This measure would improve access to emergency contraceptives and help to reduce the incidence of unplanned pregnancies by allowing appropriately trained pharmacists to prescribe the drugs pursuant to a collaborative agreement with a physician.

Your Committees have amended this measure by making technical, nonsubstantive amendments to restore inadvertently deleted language that clarifies the definition of "licensed physician" under the pharmacist licensing law, to correctly reflect language in the Hawaii Revised Statutes, and to conform definitions.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 123, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 123, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Ige, Kim, Hogue, Whalen).

**SCRep. 1306 (Joint) Commerce, Consumer Protection and Housing and Energy and Environment on H.B. No. 1328**

The purpose of this measure is to provide that the Consumer Advocate may consider the long-term benefits of renewable resources in the Consumer Advocate's role as Consumer Advocate.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs (DCCA), Sierra Club Hawaii Chapter, Life of the Land, and an individual.

According to the DCCA, the Consumer Advocate currently considers the long-term benefits of renewable resources in the course of reviewing filings made by energy utility companies before the Public Utilities Commission. The Consumer Advocate has attempted to support renewable energy development resources in executing its fiduciary responsibilities to consumers, by balancing the interests of all ratepayers and utilities, as well as other factors.

Because renewable energy is vitally important, your Committees have amended this measure by requiring, instead of allowing, the Consumer Advocate to consider the long-term benefits of renewable resources. Additionally, a technical, nonsubstantive amendment was made for clarity.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1328,

H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1328, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Kanno, Kim, Whalen).

**SCRep. 1307 Commerce, Consumer Protection and Housing on H.B. No. 1165**

The purpose of this measure is to facilitate the administration of the State's business registration laws by clarifying ambiguities and correcting errors, repealing unnecessary requirements, conforming requirements among different types of business entities, and conforming business registration laws to other business-related laws.

The Department of Commerce and Consumer Affairs testified in support of this measure. Comments on the measure were submitted by an individual.

This measure makes numerous amendments to the business registration laws, including amendments to:

- (1) Prohibit the issuance of stocks by nonprofit corporations;
- (2) Authorize name changes for limited liability companies;
- (3) Correct terminology in the nonprofit corporations law;
- (4) Simplify signatory requirements for articles of incorporation filings;
- (5) Conform registered agent and registered office requirements for the various business entities;
- (6) Adopt a trademark filing fee schedule and make other amendments consistent with the new trademark law; and
- (7) Establish greater consistency and uniformity in the merger laws.

Your Committee has amended this measure by:

- (1) Clarifying that within the context of the nonprofit corporations law the term "department" refers to the Department of Commerce and Consumer Affairs by defining the term in chapter 414D, Hawaii Revised Statutes;
- (2) Establishing additional grounds for revocation of a trademark or service mark, clarifying the grounds for cancellation of a mark, and simplifying the application process for the registration of a mark; and
- (3) Making technical amendments for purposes of clarity, consistency, and style, to correctly reflect the language of the Hawaii Revised Statutes, and to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1165, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1165, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1308 Judiciary and Hawaiian Affairs on S.C.R. No. 69**

The purpose of this measure is to request the Auditor to conduct an audit of the Department of Land and Natural Resources (DLNR), the University of Hawaii, and the Research Corporation of the University of Hawaii (RCUH) regarding their methodologies in verifying ceded land revenues.

Testimony in support of this measure was received from Ka Lahui Hawaii. The Department of Land and Natural Resources and the University of Hawaii provided comments.

Your Committee believes that the State is obligated to accurately account for revenues derived from the public land trust. Based on disputes over leases of land on Mauna Kea summit, your Committee agrees that an audit of DLNR, the University of Hawaii and RCUH is appropriate.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 69 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Fukunaga, Ihara).

**SCRep. 1309 Judiciary and Hawaiian Affairs on S.R. No. 46**

The purpose of this measure is to request the Auditor to conduct an audit of the Department of Land and Natural Resources (DLNR), the University of Hawaii, and the Research Corporation of the University of Hawaii (RCUH) regarding their methodologies in verifying ceded land revenues.

Testimony in support of this measure was received from Ka Lahui Hawaii. The Department of Land and Natural Resources and the University of Hawaii provided comments.

Your Committee believes that the State is obligated to accurately account for revenues derived from the public land trust. Based on disputes over leases of land on Mauna Kea summit, your Committee agrees that an audit of DLNR, the University of Hawaii and RCUH is appropriate.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 46 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Fukunaga, Ihara).

**SCRep. 1310 (Joint) Education and Health on S.C.R. No. 152**

The purpose of this measure is to authorize the continuance of the joint Senate-House investigative committee to investigate the State's efforts to comply with the Felix Consent Decree (Investigative Committee).

Testimony supporting this measure was received from the Department of Health and Hawaii State Teachers Association.

Your Committees find that all of Hawaii's children, particularly those with special needs, are to be provided a free and appropriate education. Over the past several years, the State has been fully engaged in ensuring that Hawaii's children are provided an education with special services as necessary in compliance with state and federal law, and the Felix Consent Decree (Decree). The Investigative Committee, initially authorized in 2001, reviewed the State's past efforts to comply with the Decree. During the past two years, the Investigative Committee has identified and reported questionable practices, conflicts of interests, waste, and other problems stemming from ambiguous goals and instructions. Consequently, the Investigative Committee has had a direct and indirect impact on improving education and related services to Hawaii's children with special needs. Although, compliance with the Decree has been achieved thus far, the State is subject to its terms requiring further monitoring of compliance. Therefore, your Committees find that the Investigative Committee must be continued to investigate the remaining issues identified in the measure, and to ensure further compliance with the Decree and that Hawaii's children receive the educational services they need.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 152 and recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 1 (Hogue).

**SCRep. 1311 (Joint) Education and Transportation, Military Affairs, and Government Operations on S.C.R. No. 182**

The purpose of this measure is to request a study on the advantages and cost-effectiveness of outsourcing the property management of public school buildings, facilities, and grounds.

Testimony supporting this measure was received from two individuals. The Department of Education and the Legislative Reference Bureau submitted comments on this measure.

Your Committees find that the State's public school buildings, facilities, and grounds require extensive maintenance, repair, and reconstruction. Clearly, Hawaii's students deserve a safe, clean, and accommodating environment conducive to learning. Unfortunately, the State's ill-maintained public school buildings create unnecessary distractions, hazards, and impediments to educational success. Your Committees believe that outsourcing property management services for public school buildings should be explored as a means to improve cost effectiveness and efficiency, facilitate building maintenance and repairs, and allow the Department of Education, teachers, and students to focus more on education.

As affirmed by the records of votes of the members of your Committees on Education and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 182 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 5 (Baker, Chun Oakland, Hooser, Kanno, Hogue).

**SCRep. 1312 (Joint) Transportation, Military Affairs, and Government Operations and Economic Development on S.C.R. No. 176**

The purpose of this measure is to urge the United States Congress to discontinue military base closures in Hawaii.

Your Committees received testimony in support of this measure from the Military Affairs Council of the Chamber of Commerce of Hawaii.

Your Committees find that the economy of the State of Hawaii relies heavily on federal military expenditures. In addition, military personnel stationed at bases in Hawaii contribute greatly to the local community, and also contribute to the overall local economy by supporting local businesses.

When a military base is closed, there is suddenly a void left in the local community where the base was located, which has a negative ripple effect throughout the area. For example, the closure of Barbers Point Naval Air Station in 1999 has had an adverse impact not only on West Oahu, but throughout the City and County of Honolulu and the State.

Therefore, your Committees support this measure, which urges the United States Congress to spare Hawaii military bases in the event that further military budget cuts are made in 2005.

Your Committees amended this measure to include additional provisions to further stress the importance of military bases to local communities and the economy of the State.

Your Committees also amended this measure and its title to establish a "Base Realignment and Closing Committee" to work to preserve Hawaii bases and to position Hawaii bases to inherit work from other bases that have closed.

Although only six Committee members are specified in this measure, your Committees believe that additional members should be appointed from the public and private sectors and the military, as appropriate.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 176, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 176, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Baker, Ige, Kanno, Menor, Trimble).

**SCRep. 1313 (Joint) Transportation, Military Affairs, and Government Operations and Economic Development on S.R. No. 124**

The purpose of this measure is to urge the United States Congress to discontinue military base closures in Hawaii.

Your Committees received testimony in support of this measure from the Military Affairs Council of the Chamber of Commerce of Hawaii.

Your Committees find that the economy of the State of Hawaii relies heavily on federal military expenditures. In addition, military personnel stationed at bases in Hawaii contribute greatly to the local community, and also contribute to the overall local economy by supporting local businesses.

When a military base is closed, there is suddenly a void left in the local community where the base was located, which has a negative ripple effect throughout the area. For example, the closure of Barbers Point Naval Air Station in 1999 has had an adverse impact not only on West Oahu, but throughout the City and County of Honolulu and the State.

Therefore, your Committees support this measure, which urges the United States Congress to spare Hawaii military bases in the event that further military budget cuts are made in 2005.

Your Committees amended this measure to include additional provisions to further stress the importance of military bases to local communities and the economy of the State.

Your Committees also amended this measure and its title to establish a "Base Realignment and Closing Committee" to work to preserve Hawaii bases and to position Hawaii bases to inherit work from other bases that have closed.

Although only six Committee members are specified in this measure, your Committees believe that additional members should be appointed from the public and private sectors and the military, as appropriate.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 124, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 124, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Baker, Ige, Kanno, Menor, Trimble).

**SCRep. 1314 (Joint/Majority) Judiciary and Hawaiian Affairs and Ways and Means on H.B. No. 714**

The purpose of this measure is to:

- (1) Propose an amendment to article X, section 3 of the state constitution authorizing the legislature to establish regional boards of education that shall formulate regional educational policy, and to appoint regional superintendents of education as the chief administrative officers of their respective regions; and
- (2) Establish the Educational Restructuring and Transition Advisory Committee (Advisory Committee) within the legislature for administrative purposes, for the purpose of reviewing the structure of the Department of Education and related state government functions, and making recommendations to the governor and the legislature on consolidation of functions and transition to a regionally administered public school system.

Your Committees received comments from the Governor of the State of Hawaii and a concerned citizen.

Your Committees understand the public's frustration and dissatisfaction with the state public school system. Hawaii's single school district is the tenth largest school district in the nation.

Your Committees believe it is necessary to decentralize school administration to allow regional districts to develop educational policies that meet the individual needs of the district's children. Providing increased autonomy to regional districts, however, requires a fundamental change in the laws and to the existing organizational structure.

Your Committees note that the Governor envisions a system made up of at least seven locally elected school boards to replace the current education administrative system. In order for the legislature to consider restructuring changes of this nature, the Governor must develop detailed plans on this new elected school board system and submit them to the Advisory Committee for review. Upon submission of this detailed plan, the intent of your Committees is for the Advisory Committee to review and consider the Governor's plan before making its recommendations.

Your Committees amended the bill by:

- (1) Deleting the language on page 2, lines 11-12 that read "in addition to the existing statewide board of education and state superintendent";
- (2) Attaching the Advisory Committee to the Department of Accounting and General Services instead of the legislature;
- (3) Requiring that the Advisory Committee convene no later than August 31, 2003; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 714, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 714, H.D. 1, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 15. Noes, 1 (Taniguchi). Excused, 4 (English, Espero, Fukunaga, Ihara).

**SCRep. 1315      Judiciary and Hawaiian Affairs on H.B. No. 1285**

The purpose of this measure is to (1) provide protections and penalties for damaging historic properties or burial sites found on private lands when the necessary approvals have not been sought as required by historic preservation law; (2) prohibit the taking, appropriation, excavation, injury, destruction, or alteration of any historic property or burial sites during the course of certain land development or land alteration activities without obtaining an approval; and (3) require the stopping of work in the immediate area of a discovery of a burial site.

Your Committee received testimony in support of this measure from the Board of Land and Natural Resources (Board) and Hawaii County Planning Department.

Your Committee finds that under current law, penalties do not apply if someone fails to seek a required permit and damages a historic property or burial site on private land. The Department of Land and Natural Resources has often felt frustrated by its inability to protect significant historic properties on private lands or to pursue penalties when historic properties were destroyed because no agency permit action was required or those requirements were ignored. This measure makes it clear that it would be unlawful for anyone to damage a historic property or burial site during the course of land development or land alteration activities without approval from the State Historic Preservation Division.

According to testimony of the Board of Land and Natural Resources, this measure does not apply to family burial sites, which may have been in existence for hundreds of years. In certain areas of the State, these sites continue to be used for burials of family members. It is your Committee's intent that the continued use of these family burial sites for such purposes not be affected by this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1285, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (English, Fukunaga).

**SCRep. 1316      Transportation, Military Affairs, and Government Operations on H.B. No. 993**

The purpose of this measure is to apply the state reconstructed vehicle laws to counties with a population under 500,000, unless the county has adopted an ordinance regulating the inspection and certification of reconstructed vehicles.

Your Committee previously heard this measure on March 19, 2003, and voted to pass it unamended. After this measure was recommitted to your Committee on March 27, 2003, your Committee held another decision making meeting and has decided to amend this measure to delay its effective date until January 1, 2050, for the purpose of allowing for further review this legislative session.

Your Committee is concerned that this measure may have an undue impact on the neighbor islands and therefore believes that the potential impact of this measure should be discussed during conference.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 993, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 993, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1317      Transportation, Military Affairs, and Government Operations on H.B. No. 1253**

The purpose of this measure is to specify that for government procurements for less than \$25,000, the inclusion of general excise tax and applicable use tax in an offer or bid shall not be considered by the purchasing agency as part of the overall cost aspect of the bid or offer.

Your Committee received testimony in support of this measure from the Subcontractors Association of Hawaii and the Chamber of Commerce of Hawaii.

Your Committee finds that local companies are sometimes disadvantaged when mainland vendors and contractors do not include general excise tax and use tax in their bids; consequently, mainland vendors and contractors can submit bids that are lower than local companies, which must include all applicable taxes.

Therefore, your Committee supports this measure as one means to support local companies, and to rectify the inequity when local vendors compete against mainland companies.

Your Committee amended this measure to specify that its provisions apply to state resident contractors and vendors only, defined as companies incorporated or organized under the laws of the State, and that comply with all applicable state laws. Your Committee is steadfastly committed to supporting local residents, and therefore believes that this amendment is prudent.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1253, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1253, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1318      Ways and Means on H.B. No. 75**

The purpose of this measure is to provide a one-year extension for the Real Estate Commission to review and recommend recodification of Hawaii's condominium laws.

Specifically, this bill:

- (1) Requires the Real Estate Commission to submit a final report of the review, including findings and recommendations, and draft legislation to the Legislature no later than twenty days prior to the convening of the Regular Session of 2004;
- (2) Expands membership of the Recodification Advisory Committee to include representatives from the Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium and Cooperative Owners, Community Associations Institute-Hawaii Chapter, Hawaii Association of Realtors, and the Condominium Council of Maui;
- (3) Requires the Recodification Advisory Committee to meet to review the final version of the recodification draft to be presented at public hearings and to meet again after the public hearings to review data from the hearings and to make recommendations to the Real Estate Commission before the final recodification draft is submitted to the Legislature; and
- (4) Appropriates \$95,000 from the Condominium Management Education Fund to cover the cost of completing the comprehensive review of condominium property regimes law and to continue the full-time temporary condominium specialist position in the Department of Commerce and Consumer Affairs for one year.

Your Committee finds that additional time is necessary for the Real Estate Commission to address the complexity of issues involved in the recodification process, adequately provide for statewide public review and comment, and ensure a final product that is comprehensive, clear, and consumer friendly.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 75, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Inouye, Kanno).

**SCRep. 1319      Ways and Means on H.B. No. 473**

The purpose of this measure is to require the Public Utilities Commission to maintain a web site that includes:

- (1) All decisions and orders issued by the Commission;
- (2) A list of all open dockets;
- (3) A list of all upcoming Commission meetings; and
- (4) A list of all pending deadlines.

In addition, this measure requires all application forms filed with the Commission to be submitted by the applicant on compact disc in PDF or other electronic format prescribed by the Commission, but specifies that information not required to be disclosed pursuant to the Uniform Information Practices Act is exempt from this requirement.

This measure further provides that the time period within which the Commission is required to take action commences upon the posting of a substantially completed filing on the web site. The measure also allows the Commission to employ such persons as may be necessary to maintain the web site, and appropriates unspecified funds from the Public Utilities Commission Special Fund for the purposes of this measure.

Your Committee agrees with the intent of this measure and finds that the Commission's web site will offer an efficient and cost effective means of informing and communicating with the public concerning various Commission proceedings and activities, and help the Commission carry out its statutory duties.

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

- (1) Specifying that the Public Utilities Commission is to give priority to the posting of decisions and orders on its web site that are issued after the effective date of this measure;
- (2) Deleting the provision that the time period within which the Commission is to take action commences upon the posting of a substantially completed filing on its web site. Your Committee is concerned that a delay in the posting of a filing onto the web site may inadvertently result in an extension to the time period within which a decision is required for that filing, thus effectively adding another step to the regulatory process and lengthening the time period for the resolution of proceedings before the Commission. Your Committee finds that it is in the public interest for Commission proceedings to be resolved as expeditiously as possible, since delays in the process will ultimately result in delays in the delivery of services, new technologies, and other benefits to consumers;
- (3) Adding a provision allowing for the filing of applications with the Commission by electronic mail (e-mail); and
- (4) Making technical nonsubstantive changes that are necessitated by the foregoing amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 473, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 473, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Inouye).

**SCRep. 1320      Ways and Means on H.B. No. 640**

The purpose of this measure is to make an appropriation for the loss mitigation grant program.

The purpose of the loss mitigation grant program is to provide funds to make buildings more wind-resistive to protect them from hurricane damage. The bill would appropriate funds from the interest income from the hurricane reserve trust fund to the loss mitigation grant fund.

Your Committee finds that homes in Hawaii are vulnerable to hurricane damage and that after-the-fact insurance payments to repair homes are neither as economical nor effective as a prevention program. It has been estimated that for every dollar spent for prevention, there would be a six-fold reduction in hurricane-related losses and a concomitant savings in disaster relief funds.



Your Committee approves of the concept of this bill and has amended it to make the funding source the Hawaii Hurricane Relief Fund. Originally intended to provide a source of hurricane insurance during a time when it was difficult or impossible to get private hurricane insurance, the fund is now dormant due to the rise in the availability of private insurance. Your Committee believes that, rather than have the entire balance of the fund lying fallow, it is in the State's best interest to preserve lives, reduce property damage, and minimize disruption to the State's economy, business activity, and public services by using some of these funds for pre-loss mitigation grants.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 640, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 640, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Inouye, Kanno, Kim).

**SCRep. 1321      Ways and Means on H.B. No. 1163**

The purpose of this measure is to extend for an additional year, from July 1, 2003 to July 1, 2004, the Insurance Commissioner's limited jurisdiction over dental service corporations and dental service organizations.

Furthermore, this measure specifies that the Insurance Commissioner's duty to examine these dental service corporations and dental service organizations is discretionary rather than mandatory.

Your Committee finds that Act 132, Session Laws of Hawaii 2001, temporarily subjects dental service corporations and dental service organizations to the Insurance Code provisions relating to investigations, examinations, hearings and appeals and to provisions relating to insurers supervision, rehabilitation, and liquidation. Furthermore, Act 219, Session Laws of Hawaii 2002, extends the repeal date of Act 132 from July 1, 2002 to July 1, 2003. Together these acts give the Commissioner authority to protect the interests of consumers by shutting down insolvent dental insurance plans that fail to pay their claims and by pursuing dental plan organizers, operators, and agents to recover assets on behalf of policyholders and providers.

Your Committee also finds that the Insurance Code currently requires the Insurance Commissioner to conduct examinations of domestic insurers, including dental service corporations and dental service organizations, at least once every three years. Given the relative infrequency of problems with dental service plans and the costs associated with triennial examinations, policyholder interests may be better served if examinations are conducted at the Commissioner's discretion as warranted, rather than on a triennial basis.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1163, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Inouye, Kanno).

**SCRep. 1322      Ways and Means on H.B. No. 1361**

The purpose of this measure is to ensure federal approval and funding of the medicaid prescription drug expansion program established in Act 75, Session Laws of Hawaii 2002, by allowing income eligibility restrictions for the programs to be established by the Centers for Medicare and Medicaid Services.

Specifically, the bill:

- (1) Establishes that the medicaid expanded prescription drug benefits shall be offered to individuals whose income meets any maximum income limit that may be established by the Centers for Medicare and Medicaid Services for approval of federal funding of the program, or the current requirement of three hundred per cent of the federal poverty level or less;
- (2) Clarifies that payments for each program prescription are paid to a participating pharmacy, instead of an individual pharmacist; and
- (3) Establishes a sunset date of July 1, 2006 for the medicaid prescription drug expansion program.

Your Committee finds that the cost of prescription drugs have risen continuously over the last several years. The high cost of prescription drugs is especially difficult for the uninsured elderly, disabled, and individuals on fixed incomes. Other states have established programs similar to Hawaii's medicaid expansion prescription drug program and those programs have provided some financial relief for consumers.

Your Committee believes that this measure provides Hawaii's medicaid prescription drug expansion program the flexibility needed to ensure that the program receives federal approval and funding so that it can begin providing affordable prescription drugs to eligible residents.

Upon further consideration, your Committee has amended this measure by changing the effective date to ensure continued discussion on this measure, and by making technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1361, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1361, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Inouye, Kanno).

**SCRep. 1323 (Majority) Ways and Means on H.B. No. 1412**

The purpose of this measure is to require the Director of Commerce and Consumer Affairs to regulate professional counselors through a title protection form of licensure.

Specifically, this measure prohibits persons from calling themselves "licensed professional counselors" without having obtained a license from the Department of Commerce and Consumer Affairs. Furthermore, this measure also requires the Department to issue licenses to applicants who satisfy education, work experience, and examination qualifications for licensure.

Your Committee finds that Hawaii is one of only two states that does not license professional counselors. Without a certification mechanism for professional counselors, the State will be unable to obtain federal reimbursement for services provided to QUEST-eligible families. The State and non-profit organizations will be unable to claim third-party reimbursement from medical insurance providers and consumers will be prevented from having the freedom to choose a mental health practitioner.

Your Committee has amended this measure by specifying that the practicum experience requirements for licensure do not apply to persons holding a master's degree or doctoral degree in counseling from the University of Hawaii. Your Committee has also made some technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1412, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1412, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Inouye, Kanno).

**SCRep. 1324 Ways and Means on H.B. No. 1465**

The purpose of this measure is to increase from two to five cases the amount of wine that a wine manufacturer from a state with a reciprocal shipping privilege may ship to a Hawaii consumer for personal use.

This bill also clarifies that an unlicensed adult is not required to obtain an individual permit to receive shipments of liquor pursuant to the reciprocal shipping law.

Your Committee finds that permit requirements can make it difficult for consumers to ship wine, because shippers may be reluctant to accept shipments if they may be held responsible for ensuring that the recipients have obtained proper permits. This measure removes permit requirements for these consumers.

Your Committee also finds that a reasonable increase in the number of cases of wine permitted to be shipped pursuant to the reciprocal shipping law will not detract from local sales. However, your Committee believes that a more modest increase than presently proposed is warranted.

Your Committee has amended this measure by limiting the number of cases of wine permitted to be shipped pursuant to the reciprocal shipping law to three cases. This is an increase from the current limit of two cases.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1465, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1465, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Inouye, Kanno).

**SCRep. 1325 Ways and Means on H.B. No. 1652**

The purpose of this measure is to make an appropriation to the medicaid prescription drug rebate special fund.

Your Committee finds that this measure provides the funds needed to allow the establishment and implementation of the medicaid prescription drug expansion program established by Act 75, Session Laws of Hawaii 2002, to move forward. Once up and running, the medicaid prescription drug expansion program will provide affordable prescription drugs to Hawaii residents who now have difficulty affording necessary medication.

Upon further consideration, your Committee has amended this measure by adding a section to specify the expending agency. The bill also has been amended by changing the amount appropriated to a blank amount to ensure continued discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1652, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1652, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Inouye, Kanno).

**SCRep. 1326      Ways and Means on H.B. No. 21**

The purpose of this measure is to:

- (1) Set standards relating to job and wage creation, by which state agencies determine whether to provide development assistance to corporations that apply for such assistance;
- (2) Require corporations that receive development assistance to meet their job creation and wage and benefit goals within a specified time period or else pay back the value of that assistance to the state agencies;
- (3) Require the Department of Business, Economic Development, and Tourism to create development assistance application forms for the agencies to use;
- (4) Require the agencies to submit copies of the applications that they have received from corporations to the Department.
- (5) Authorize the Department of Taxation to disclose state tax expenditures to the Legislature. Specifically, the department is authorized to disclose, based on income tax filings, the dollar amount of tax expenditures made by the State in the form of uncollected revenues for each individual tax credit provided by the State;
- (6) Recapture assistance from recipients that fail to achieve jobs, wages, and benefit goals; and
- (7) Appropriate general funds to the Department of Taxation for the tax expenditure disclosure.

Your Committee finds that businesses that receive financial consideration in the form of tax breaks or incentives from the State in exchange for promises of economic growth should be held accountable for their promises.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style. Your Committee has also amended this measure by changing the effective date from July 1, 2010, to July 1, 2020, for the purposes of continued discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 21, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 21, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1327      (Majority) Ways and Means on H.B. No. 1579**

The purpose of this measure is to clarify the authority and duties of the Department of Business, Economic Development, and Tourism to diversify the State's economy.

In particular, this measure:

- (1) Requires the Department to develop and implement plans, including a long-range plan for economic diversification in the State, as well as programs and initiatives to facilitate the diversification of the State's economy to stimulate and encourage economic development in Hawaii;
- (2) Enumerates specific duties to be undertaken by the Department;
- (3) Provides that the Department may actively consult and collaborate with the various agencies attached to it, other state agencies, the University of Hawaii, representatives of the various services of the United States Armed Forces, and private sector industry representatives and potential partners; and
- (4) Requires the Department to report annually on activities and proposed legislation implementing the economic diversification plan to the Governor and Legislature.

Your Committee finds that clarifying the authority and responsibilities of the Department of Business, Economic Development, and Tourism to diversify the State's economy will help to promote greater economic development in Hawaii.

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

- (1) Deleting the first sentence of section 3, since no statutory material is deleted in the bill; and

- (2) Changing the effective date to July 1, 3003 in order to promote continuing discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1579, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1579, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Hemmings). Excused, 2 (Inouye, Kanno).

**SCRep. 1328 (Majority) Ways and Means on H.B. No. 1628**

The purpose of this measure is to provide a tax deduction for interest paid on educational loans by primary health care providers that establish a new practice in an enterprise zone.

Your Committee finds that the health care needs of rural Hawaii have not been given the attention they deserve. Generally, quality health care tends to gravitate toward urban centers such as Honolulu. Consequently, many rural areas are at a distinct disadvantage because they are not able to attract primary health care providers to their communities.

This bill provides a tax incentive to primary health care providers to encourage them to establish a new practice in underserved areas located in an enterprise zone. By providing them with a tax deduction for interest paid on the enormous costs of a medical education, this bill would not only assist the primary health care provider, but would also benefit the community served by the health care provider as well.

Your Committee has amended the bill by making technical changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1628, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1628, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Trimble). Excused, 2 (Inouye, Kanno).

**SCRep. 1329 Ways and Means on H.B. No. 32**

The purpose of this measure is to advance the cutoff age for kindergarten to five-years-old by October 16, beginning with the 2005-2006 school year, and to five-years-old by August 1, beginning with the 2006-2007 school year.

In addition, this measure:

- (1) Requires the Department of Education to:
  - (A) Establish procedures and criteria to determine the psychological and physiological readiness of children for kindergarten;
  - (B) Provide pre-kindergarten programs for those five-year-old children who do not meet the age requirements for attending kindergarten;
  - (C) Offer available classrooms and related school facilities for privately operated pre-kindergartens; and
  - (D) Report the projected cost-savings and adverse impacts of changing the age requirements for attending kindergarten;
- (2) Allows the Department of Education to grant exceptions to the minimum age requirement if a child is found to be psychologically and physiologically ready for kindergarten;
- (3) Requires proof of age by birth certificates or certificates of registration, or if none can be obtained, by satisfactory evidence in order to attend kindergarten; and
- (4) Entitles a tenured classroom teacher to return to the teacher's former position within two years of being displaced because of the change in the age requirements for attending kindergarten.

This measure also:

- (1) Exempts publishers of library books, including publishers of library books written in the Hawaiian language, from having to furnish the State with computer diskettes from which braille versions can be produced or when braille specialty code translation software is available;
- (2) Requires the Department of Education to:
  - (A) Collect a one-time textbook deposit fee from each student, which is to be returned when the student returns in usable condition all textbooks issued by the school;

- (B) Collect a yearly textbook and instructional materials fee from each student, which is transferable if the student changes schools during the year;
  - (C) Develop and annually update a statewide consolidated list of textbooks and instructional materials that are compatible with the Hawaii content and performance standards; and
  - (D) Use cooperative purchasing in procuring textbooks and instructional materials in order to obtain a lower price per unit than the Department would otherwise obtain as a sole purchaser;
- (3) Exempts students who are deemed eligible to receive free and reduced-price school lunch from the payment of textbook deposit fees and textbook and instructional materials fees;
- (4) Prohibits the purchasing of textbooks and instructional materials that are not on the statewide consolidated list without prior permission from the Superintendent of Education;
- (5) Requires principals to:
- (A) Use the one-time textbook deposit fees that are forfeited by students and the yearly textbook and instructional materials fees at the school level; and
  - (B) Select not more than six textbooks or instructional materials for each approved course of study to be used consistently throughout the school complex;
- and
- (6) Requires students to make restitution to a school for the loss, destruction, breakage, or damage of library books, in addition to other school equipment and supplies.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, in order to facilitate further discussion; and
- (2) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 32, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 32, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Inouye, Kanno).

**SCRep. 1330 (Majority) Ways and Means on H.B. No. 289**

The purpose of this measure is to establish seven regional education agencies for the administration, organization, and delivery of educational and related school-based services at preschool, primary, and secondary school levels throughout the State of Hawaii.

This measure does not abolish the state board of education, state superintendent of education, or state librarian. Furthermore, the boundaries of the seven departmental school districts established by law continue to serve as the boundaries of the seven regional education agencies created by this measure.

Specifically, this measure:

- (1) Makes the state superintendent of education responsible for the implementation of statewide educational policy, compliance with state and federal laws, and preparation and execution of a systemwide integrated budget and financial management system;
- (2) Requires each regional education agency to be governed by an appointed board of directors, each board of directors to appoint a regional superintendent, and each regional superintendent to serve as the chief administrative officer of that agency's public schools;
- (3) Specifies the composition of the board of directors of each regional education agency, the appointing authority for each member of the board of directors, the terms, compensation, and reappointment of directors, and the filling of vacancies on a board of directors;
- (4) Makes a regional superintendent responsible for the allocation of regional and school-level personnel, procurement of goods and services, and management of state and federal financial resources allocated to the regional education agency;
- (5) Requires each regional superintendent to establish and convene complex-level principal advisory councils to solicit and receive input from school principals regarding regional administrative policies, procedures, and operational issues of concern to them;

- (6) Limits the policymaking powers of the state board of education to matters of statewide concern, including the adoption of statewide student performance standards and state assessment models, and the monitoring of student achievement of the standards through these assessments;
- (7) Allows the state superintendent of education to appoint a deputy superintendent and assistant superintendents and caps the salary of regional superintendents, at an amount not to exceed eighty per cent of the state superintendent of education's salary;
- (8) Expands the concept of school/community-based management to the complex level through a mandate to support school complex-based management by waiving policies and rules that adversely impact individual student achievement or a school's attainment of regional educational goals; and
- (9) Makes the board of directors of a regional education agency and the regional superintendent responsible for the prioritization of school repair and maintenance projects and the compilation of a priority list of capital improvement projects within each complex.

Your Committee has amended this measure by making certain technical amendments including:

- (1) Adding a definition of "regional board";
- (2) Providing for certain members of regional boards to be appointed by the Governor from lists of nominees submitted by the President of the Senate, the Speaker of the House of Representatives, and the State Parent Teacher Student Association in order to mitigate constitutional problems;
- (3) Substituting the correct title of the Commander of the United States Pacific Command and requesting, rather than requiring, the Commander to make certain appointments;
- (4) Changing its effective date to July 1, 2030, in order to facilitate continued discussion; and
- (5) Making technical nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 289, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 289, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Inouye, Kanno, Kim).

**SCRep. 1331      Ways and Means on H.B. No. 292**

The purpose of this measure is to appropriate funds under the school priority program.

The funds are to be used at the discretion of each public school or school complex to purchase supplies, textbooks, and equipment pursuant to section 302A-1306, Hawaii Revised Statutes.

Your Committee finds that this measure will provide much needed discretionary resources to individual schools and school complexes to allow sufficient levels of funding for the purchase of educational supplies, textbooks, and equipment to benefit Hawaii's public school children.

Upon further consideration, your Committee has amended this measure by changing its effective date to July 1, 2050, to facilitate further discussions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 292, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 292, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Inouye, Kanno, Kim).

**SCRep. 1332      (Majority) Ways and Means on H.B. No. 314**

The purpose of this measure is to appropriate funds to establish a mandatory basic training program for school security guards.

This bill also requires the sums appropriated to be added to the base budget request for the Department of Education.

Your Committee finds that there is currently no formal certification or prior experience required of school security personnel. This measure will ensure proper training for school security guards and improve the preparedness and effectiveness of school safety and security programs on our public school campuses.

Upon consideration, your Committee has amended this bill by changing its effective date to July 1, 2050, to facilitate further discussions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 314, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 314, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Hemmings). Excused, 4 (Inouye, Kanno, Kim, Tsutsui).

**SCRep. 1333 (Majority) Ways and Means on H.B. No. 320**

The purpose of this bill is to assist and facilitate the University of Hawaii in managing its risks and paying its settlements and judgments.

Specifically, this bill:

- (1) Creates the University of Hawaii Risk Management Special Fund to cover the cost of the administration and operation of the University's risk management program; and
- (2) Provides the Board of Regents with the authority to approve the indemnification of persons, companies, and government entities, as necessary for various purposes, including as a condition to receiving research and other funds for educational purposes.

Upon further consideration, your Committee has amended this bill to take effect on July 1, 2013, for the purpose of promoting further discussion, and by making technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 320, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 320, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, 3 (Hemmings, Slom, Trimble). Excused, 4 (Inouye, Kanno, Kim, Tsutsui).

**SCRep. 1334 Ways and Means on H.B. No. 418**

The purpose of this measure is to make an appropriation for the University of Hawaii for additional instructional faculty positions in its College of Education to provide additional teacher preparation and training.

Your Committee finds that Hawaii is suffering from an acute shortage of qualified teachers in the Department of Education school system. Further, the University of Hawaii College of Education does not have the capacity to help the Department of Education meet its ongoing needs. Of the 1,552 new teachers hired in 2001-2002, only thirty-two per cent came from the University of Hawaii.

Presently, due to a lack of faculty positions, the College of Education turns away students in elementary education and in its Masters of Education in Teaching Program. The University needs to immediately enhance its capacity to produce more qualified teachers for Hawaii's educational system. This measure will increase the instructional faculty positions within the University's College of Education to provide for much needed teacher preparation and training programs.

Your Committee has amended this bill by changing the effective date to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 418, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 418, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 4 (Inouye, Kanno, Kim, Tsutsui).

**SCRep. 1335 Ways and Means on H.B. No. 620**

The purpose of this measure is to make an appropriation from the general fund for the Junior Reserve Officers' Training Corps program at Kealakehe High School.

Your Committee finds that the Junior Reserve Officers' Training Corps program is one of the oldest and largest time-tested public enterprises for youth development, which strengthens our youth, communities, and nation by nurturing individualism and building self-discipline, teamwork, motivation, and confidence in young people.

Your Committee believes that the State should support the Kealakehe Junior Reserve Officers' Training Corps program with this appropriation, which will be matched with federal funds.

Your Committee has amended this bill by changing the amount appropriated and its effective date to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 620, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 620, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Inouye, Kanno, Kim).

**SCRep. 1336      Ways and Means on H.B. No. 1176**

The purpose of this measure is to authorize the issuance of general obligation bonds to take advantage of the Qualified Zone Academy Bond Program.

The Qualified Zone Academy Bond Program was created by Congress under the Taxpayer's Relief Act of 1997 to establish qualified zone academies in empowerment zones, enterprise communities, or schools serving low- or moderate-income students as prescribed under the National School Lunch Act.

In addition to financing the renovation and repair of qualified zone academies, this bill would also allow for the purchase of equipment, instructional material, and professional development as detailed under the Qualified Zone Academy Program's guidelines. The Program has received strong support from not only the Department of Education, but the business community as well, which has expressed an interest in the benefits of qualified zone academies.

Your Committee has amended the bill by changing the effective date to July 1, 2050, to promote further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1176, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1176, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Inouye, Kanno, Kim).

**SCRep. 1337      (Majority) Ways and Means on H.B. No. 1362**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds.

Specifically, this measure authorizes up to \$7,000,000 in special purpose revenue bonds to be issued for the purpose of assisting Saint Patrick School in financing or refinancing the planning, acquisition, construction, or improvement of its educational facilities.

Your Committee finds that the planning, acquisition, construction, or improvement of Saint Patrick School's educational facilities is a "project" as defined in or pursuant to Act 257, Session Laws of Hawaii 2002, and that the financing of these facilities is assistance to a not-for-profit private elementary school that serves the general public.

Your Committee has amended this measure by requiring the Department of Budget and Finance, in determining the principal amounts of refunding special purpose revenue bonds that may be issued by the department, to comply with federal law relating to the exemption from federal income taxation of the interest on the special purpose revenue bonds authorized by this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1362, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1362, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 2 (English, Tsutsui). Excused, 3 (Inouye, Kanno, Kim).

**SCRep. 1338      (Majority) Ways and Means on H.B. No. 1506**

The purpose of this measure is to make an appropriation from the general fund to provide the Department of Education with additional special educational support positions.

This measure would appropriate funds for three hundred thirteen integrated special education database (ISPED) support personnel for the Department of Education. Presently, special education teachers, other special education and special services professionals, and educational assistants are spending time inputting confidential records of students who are eligible for Individuals with Disabilities Education Act services into the department's ISPED system. With the personnel proposed by this measure, these educational professionals may better dedicate their time to their primary function of providing educational services directly to the students requiring their professional services.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated to facilitate further discussion on this measure; and
- (2) Making technical nonsubstantive changes for purposes of clarity.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1506, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1506, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Inouye, Kanno, Kim).

**SCRep. 1339      Judiciary and Hawaiian Affairs on H.B. No. 73**

The purpose of this measure is to provide civil and criminal liability immunity to law enforcement officers while they are engaged in civil defense functions.

Testimony in support of this measure was received from the Department of Public Safety, the State Department of Defense, the Department of the Prosecuting Attorney, the Honolulu Police Department, and the State of Hawaii Organization of Police Officers.

Your Committee finds that immunity from liability currently exists for the Hawaii National Guard, full-time active duty military, and members of National Guard units from other states who may be assigned to assist the State in civil defense functions. Your Committee further finds that law enforcement officers also respond to civil defense situations, and have been involved in coordinating preparations for protection, response, and development of the Hawaii Homeland Security Advisory System. Because law enforcement officers' duties during civil emergencies are comparable to that of other organizations such as the militia or National Guard, your Committee agrees that law enforcement officers should receive the same immunity from liability while engaged in civil defense functions that are enjoyed by other civil defense organizations.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 73, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kawamoto, Hogue).

**SCRep. 1340      (Joint) Labor and Education on H.B. No. 248**

The purpose of this measure is to prohibit any person from smoking tobacco products on school property, and at all school-sponsored events, except during a school function in an enclosed room that is not located on school premises and is not occupied by a student while the person is smoking.

This measure also excludes the subject of smoking in public schools from collective bargaining negotiations.

The Department of Human Resources Development, the Department of Health, the Department of Education, the Hawaii State PTSA, the Tobacco Prevention and Control Advisory Board, the Hawaii Medical Service Association, the American Lung Association, the American Heart Association, the American Cancer Society, the Hawaii Medical Association, Coalition for a Tobacco Free Hawaii, the University of Hawaii Student Group Against Tobacco, Lamalama Ka`ili Community Health Services, Hawaii Intergenerational Network, and forty-three individuals submitted testimony in support of this measure.

The United Public Workers (UPW) submitted testimony in opposition to this measure.

Your Committees find that many students see their teachers and other adults smoking on school grounds and at school functions. This exposure sets a negative example that is frequently imitated by school children. The detrimental effects of second-hand smoke also pose a danger to the health and well being of the students as well as other school staff. Your Committees determine that our keiki deserve a safe and healthy smoke-free environment within which to be educated.

Additionally, your Committees recognize that public employees retain certain rights which must be protected. In the past, the removal of these rights has resulted in arbitration proceedings and review by the Hawaii Labor Relations Board. In a 1995 ruling against the Department of Education (DOE), the Arbitrator opined that if DOE wanted to institute a smoke-free school environment, it must engage in good faith negotiations with the union.

Your Committees determine that negotiations have recently ensued between DOE and UPW, a situation that has not occurred since the aforementioned arbitration award. Your Committees believe, based upon representations of the interested parties, that the negotiations will result in a timely resolution which will afford the union with the opportunity to protect and negotiate the rights of its employees, as well as provide a smoke-free school environment for our keiki.

Your Committees support the timely resolution of this matter and do not wish to further subject our keiki to the ill-effects of smoking. Therefore, your Committees believe that this measure should continue forward so that it may be utilized in the event that the DOE and UPW are unable to reach a resolution on the issue prior to the end of this legislative session. However, your Committees determine that the parties should be allowed to continue to negotiate and work towards resolution under collective bargaining and have amended the measure accordingly, including a delay in the effective date of the measure.

Your Committees have amended this measure as follows:

- (1) By removing the language in Section 2 which indicates that the prohibition on smoking is not subject to collective bargaining negotiations pursuant to section 89-9(d), Hawaii Revised Statutes;

- (2) By removing the amendment to section 89-9(d), Hawaii Revised Statutes, which excluded the subject of smoking in public schools from collective bargaining negotiations;
- (3) By changing the effective date of the Act to July 1, 2054; and
- (4) By making a technical, nonsubstantive amendment for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Labor and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 248, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 248, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Kawamoto, Menor, Taniguchi, Hogue).

**SCRep. 1341 Water, Land, and Agriculture on H.B. No. 1212**

The purpose of this measure is to amend the legislative disapproval process for land exchanges by making the legislative disapproval occur after the Board of Land and Natural Resources' preliminary approval of the land exchange, but before the final execution of the exchange deeds.

Testimony in support of this measure was submitted by the Board of Land and Natural Resources.

Your Committee finds that as the law is currently written, the Legislature exercises its oversight after execution of the exchange deed or at the very end of the disposition process. By that time, a significant amount of time and funds will already have been invested into the exchange. This could pose an unacceptable level of risk to private landowners who have to spend their own time and effort toward completing the exchange, which could result in public funds having to be used to acquire the lands.

Your Committee has amended the measure by changing the effective date from "January 1, 2010" to "effective upon approval".

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1212, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1212, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1342 Ways and Means on H.B. No. 281**

The purpose of this measure is to reduce the backlog of all identified school repair and maintenance projects from \$640,000,000 to \$100,000,000 by enabling the Department of Education to set priorities and develop work schedules for school repair and maintenance projects.

More specifically, this measure:

- (1) Requires the Department of Accounting and General Services to compile and submit quarterly reports to the Department of Education regarding the current status of all school repair and maintenance projects;
- (2) Requires the Department of Education to compile and report information to all school complexes and schools indicating the current status of all school repair and maintenance projects; and
- (3) Requires the Department of Accounting and General Services and Department of Education to submit recommendations and proposed legislation to the Legislature transferring authority over school repair and maintenance funds from the Department of Accounting and General Services to the Department of Education.

Your Committee has amended this measure by changing its effective date to July 1, 2030, to facilitate continued discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 281, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 281, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1343 (Majority) Ways and Means on H.B. No. 638**

The purpose of this measure is to support Hawaii's public library system by authorizing income taxpayers to designate \$2 of the individual's income tax refund to be paid to the libraries special fund.

The bill also expressly authorizes the State Librarian to receive and use privately donated money to support the operations of the library system, including payment of staff salaries, provided that the donor is advised of the authorized uses of donated moneys.

Your Committee finds that this measure will enable the State's public library system to provide services to the community. Donated funds and funds received from taxpayers will help libraries meet patrons' needs by purchasing new books and other materials, keeping up with technology, and possibly even paying staff salaries so that the libraries can remain open to serve the public. Your Committee wants to clarify that the Department of Taxation does not have to apprise donors, pursuant to Section 4 of the measure, of how the moneys may be used by the state librarian.

Upon further consideration, your Committee has amended the bill by changing the effective date to facilitate continued discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 638, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 638, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Hemmings, Trimble). Excused, 3 (Inouye, Kanno, Kim).

**SCRep. 1344      Ways and Means on H.B. No. 1021**

The purpose of this measure is to allow the board of regents of the University of Hawaii to operate new century charter schools that use the Hawaiian language as their primary medium of education and establish the basis for a laboratory school program in the College of Hawaiian Language.

The purpose of the laboratory school program is, among other things, to:

- (1) Train prospective public school teachers and administrators in Hawaiian language, Hawaiian immersion, and Hawaiian studies; and
- (2) Serve as an experimental base for the development of teaching techniques and methods, and the conduct of research related to education, in the Hawaiian language.

In addition, this measure:

- (1) Exempts teachers and other personnel of the college of Hawaiian language laboratory school program at the University of Hawaii at Hilo from regulation by the Hawaii teacher standards board and the requirements of the teacher licensing law;
- (2) Exempts educational officers and other personnel of the college of Hawaiian language laboratory school program at the University of Hawaii at Hilo from the Department of Education's certification and experience requirements for principals and vice-principals;
- (3) Specifies that licensed, tenured public school teachers and certified, tenured public school educational officers who transfer to new century charter schools:
  - (A) Are to continue to earn and accrue service credits as if they were in their regular positions; and
  - (B) Are to be placed in the appropriate range/step of the salary schedule as if they had remained in service when they return to the department;
- (4) Specifies that licensed, probationary public school teachers and certified, probationary public school educational officers who transfer to new century charter schools can earn up to four semesters of probationary credit toward tenure;
- (5) Exempts the procurement of services and goods by the laboratory school program from the Procurement Code if the services and goods are procured from not-for-profit Hawaii corporations that use the Hawaiian language as their primary medium for conducting business;
- (6) Requires Hawaii interscholastic athletic associations funded with public moneys to allow the laboratory school program to participate in association activities to the same extent that nonpublic schools are allowed to participate in association activities;
- (7) Allows the laboratory school program to contract with the Department of Education or form an educational service agency in order to provide a free appropriate public education, including special education and related services, to students with disabilities;
- (8) Places teaching and administrative personnel of the College of Hawaiian Language Laboratory School program at the University of Hawaii at Hilo in the same collective bargaining units as teachers and educational officers of the Department of Education;
- (9) Requires the Attorney General to prepare recommended legislation to designate the University of Hawaii as a local educational agency in order to establish the basis for a laboratory school program in the college of Hawaiian language at the University of Hawaii at Hilo;

- (10) Appropriates funds to the University of Hawaii for the establishment of a laboratory school program to train prospective teachers and administrators, develop teaching techniques and methods, and conduct education research, in the Hawaiian language; and
- (11) Establishes a charter school education agency to provide administrative oversight of charter schools, creates a separate program (budget) for charter schools – EDN 110, changes the funding formula for and method of distributing moneys to charter schools, allows charter schools to purchase central services from the Department of Education, specifies the roles and responsibilities of charter schools and the Department with respect to special education students, and appropriates funds for charter schools through EDN 110 – the charter school education agency.

Your Committee has amended this measure by:

- (1) Deleting those provisions establishing a charter school education agency, creating a separate budget for charter schools, changing the funding formula for and method of distributing moneys to charter schools, allowing charter schools to purchase central services from the Department of Education, specifying the roles and responsibilities of charter schools and the Department with respect to special education students, and appropriating funds for charter schools through EDN 110; and
- (2) Changing the effective date of the appropriation to the University of Hawaii for the establishment of a laboratory school program to July 1, 2054, in order to facilitate continued discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1021, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1021, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (Aduja, English, Kawamoto, Kim).

**SCRep. 1345      Ways and Means on H.B. No. 808**

The purpose of this measure is to provide for the fiscal biennium 2003-2005 operating and capital improvement budget of the Judiciary.

Your Committee recognizes the Judiciary's mission, as an independent branch of government, to administer justice in an impartial, efficient, and accessible manner in accordance with the law. Hawaii's courts must make justice available to all people, without undue cost, inconvenience, or delay.

The Judiciary's budget request for fiscal biennium 2003-2005 reflects a substantial increase in requested resources as compared to the Judiciary's current budget. The proposed budget would increase appropriations for the Judiciary by \$28 million in FY04 and \$30 million in FY05. These additional resources were expected to address a number of areas to meet the needs of Hawaii's citizens.

Your Committee believes the Judiciary's request for additional resources must be considered in the context of the State's current economic condition. Economic realities have necessitated reductions in the State's current and future expenditures. Restrictions of up to five percent have been imposed on many state departments in the current fiscal year. Additional reductions to state departments are also being implemented for fiscal biennium 2003-2005 to bring state expenditures in line with expected revenue.

The Senate Committee on Judiciary and Hawaiian Affairs, acknowledging the value of a number of the Judiciary's budget requests, provided for them in its draft of the Judiciary budget. In recognition of the State's economic situation, the Judiciary presented areas of its budget that could be reduced. These recommendations were also incorporated in the Judiciary budget produced by the Committee on Judiciary and Hawaiian Affairs.

Your Committee has thoroughly reviewed the Judiciary's budget, as well as the recommendations put forth by the Committee on Judiciary and Hawaiian Affairs. Your Committee concurs with the recommendation of the Judiciary and Hawaiian Affairs committee to reduce those areas of the budget identified by the Judiciary.

Upon evaluation of the Judiciary's budget requests in light of other competing requirements, your Committee finds it necessary to further reduce a number of the Judiciary's budget requests. However, your Committee still provides the resources necessary to meet the needs of the Judiciary by increasing its general fund appropriation by \$15.9 million in FY04 and \$16.7 million in FY05.

In acknowledgment that additional resources will allow the Judiciary to meet the needs of the public in a more efficient manner, your Committee provides resources for the following areas:

- Intermediate Court of Appeals Judgeships
- Juvenile Drug Court Program
- Family Court in the Second Judicial Circuit
- Drug Court in the Third Judicial Circuit
- Human Resource Management System (HRMS)
- Judiciary Information Management System (JIMS)

In addition to the increased amount of resources provided for the Judiciary's operating requirements, your Committee provides \$10.9 million for capital improvements to Judiciary facilities. These improvements are also intended to assist the Judiciary in meeting the needs of the public.

Even in these challenging times, your Committee provides the resources necessary to meet all of the Judiciary's critical needs. Your Committee believes its commitment to the preservation of a fair and equitable judicial system is clearly evidenced by its actions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 808, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 808, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (English, Espero, Kawamoto, Kim, Slom).

**SCRep. 1346      Ways and Means on H.B. No. 1300**

The purpose of this measure is to provide for the fiscal biennium 2003-2005 budget of the Office of Hawaiian Affairs (OHA).

Your Committee recognizes OHA's mandate under section 10-2, Hawaii Revised Statutes to improve the conditions of both native Hawaiians and Hawaiians. It is clear that OHA must continue to provide services and create opportunities for a better life and future for all Hawaiians.

Your Committee also takes note of OHA's desire to be regarded as equal to that of other state departments, and the role this desire has played in OHA's revision of its requested budget.

OHA's budget request for fiscal biennium 2003-2005, as submitted to the Senate Committee on Ways and Means and House Committee on Finance at a joint hearing on January 8, 2003, reflected a requested budget of approximately \$2.5 million in general funds and \$4 million in trust funds each fiscal year. This budget proposal requested that most of OHA's personnel be funded at a 1:3 general to trust fund ratio.

OHA's Board of Trustees approved a revised fiscal biennium budget on January 16, 2003. The revised budget reflects a requested budget of approximately \$5.7 million in general funds and \$1.3 million in trust funds each fiscal year. With the exception of the Board of Trustees, the revised budget request would fund all of OHA's personnel entirely with general funds.

Your Committee believes that OHA's budget requests must be considered in light of the state's current financial situation. Economic realities have necessitated reductions in the State's current and future expenditures. Restrictions of up to five per cent have been imposed on many state departments in the current fiscal year. Additional reductions to state departments are also being implemented for fiscal biennium 2003-2005 to bring state expenditures in line with expected revenue.

Your Committee also firmly believes that OHA is a unique organization, unlike any state department. OHA functions with a great degree of autonomy to serve Hawaiians. Its trust funds exist for the sole purpose of benefiting native Hawaiians. As such, your Committee believes it is appropriate that a portion of OHA's personnel costs be funded with trust funds.

Upon consideration of OHA's budget requests, its unique status as a government entity, and the State's financial situation, your Committee provides the resources OHA requires to fulfill its statutory mandates as reflected in OHA's original fiscal biennium budget request.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1300, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1300, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (English, Espero, Kawamoto, Kim, Slom).

**SCRep. 1347      Commerce, Consumer Protection and Housing on H.B. No. 140**

The purpose of this measure is to authorize the determination of a damaged rental vehicle's diminution in value by judicial process or public auction when the value cannot be agreed upon by the lessor and lessee.

Your Committee heard testimony on a proposed Senate draft of this measure that replaces the contents of this measure with language allowing motor vehicle rental companies to visibly pass on to their customers other state taxes and county taxes paid on motor vehicle rental transactions. The proposed draft also clarified that concession rents that are allowed to be passed on to rental car customers arise out of concession contracts awarded pursuant to bid under chapter 102, Hawaii Revised Statutes.

Testimony in support of the proposed draft was submitted by Catrala-Hawaii, Dollar Rent A Car, ANC Rental Corporation, and Avis Rent A Car. The Department of Commerce and Consumer Affairs expressed concerns about the measure.

Your Committee finds that the Legislature is currently considering a measure that would authorize the counties to enact a sales tax. That measure, if approved, would likely result in motor vehicle rental transactions being taxed by the counties, since this type of transaction is already subject to state general excise tax.

Presently, the law allows motor vehicle rental companies to visibly pass on to their customers general excise tax, rental motor vehicle surcharge tax, and prorated annual motor vehicle weight tax paid in connection with a motor vehicle rental transaction. Your Committee finds that it is reasonable and consistent with existing law to allow the companies to also visibly pass on any county sales tax that might be imposed on rental transactions.

Your Committee has amended this measure, as received, by replacing its contents with language to:

- (1) Allow motor vehicle rental companies to visibly pass on to their customers county sales taxes paid on rental transactions; and
- (2) Establish an effective date of July 1, 3000.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 140, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 140, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Baker, Whalen).

**SCRep. 1348 Commerce, Consumer Protection and Housing on H.B. No. 1164**

The purpose of this measure is to conform provisions in the Insurance Code (Code) and related chapters to requirements in the Producer Licensing Act.

The Department of Commerce and Consumer Affairs and Hawaii Independent Insurance Agents Association testified in support of this measure. The Hawaii Insurers Council proposed an amendment to the measure.

Since Hawaii adopted the Producer Licensing Act in 2001, the Insurance Division has continued to review the producer licensing laws within the context of other insurance laws for the purpose of establishing greater consistency and efficiency within the law. This measure proposes changes to the Code and to other laws within Title 24, Hawaii Revised Statutes, in furtherance of this purpose.

Your Committee has amended this measure:

- (1) To increase the length of time that insurers must retain workers' compensation claims records from five years to eight years;
- (2) To require that mutual benefit societies file quarterly reports with the Insurance Commissioner; and
- (3) By making technical amendments for purposes of clarity, consistency, and style, and to accurately reflect existing language in the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1164, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1164, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1349 Energy and Environment on H.B. No. 1294**

The purpose of this measure is to clarify that the accepting agency or authority for an environmental impact statement is not required to be the approving agency for the permit or approval.

The Office of Environmental Quality Control, Hawaii County Planning Department, Land Use Research Foundation of Hawaii, Hawaii Resort Developers Conference, and Maui Land & Pineapple Company, Inc., submitted testimony supporting this measure. The City and County of Honolulu Department of Planning and Permitting, Sierra Club Hawaii Chapter, and an individual submitted testimony opposing this measure.

Your Committee finds that under the present environmental impact review process there is uncertainty whether the respective county planning departments can act as the "accepting authority" for an environmental impact statement. In many instances, the planning department does not issue the final approval, but instead receives and processes the applications, and issues recommendations to the final decision making entity.

While the practice for many years has been to allow the planning department to act as the accepting authority, the lack of clarity in chapter 343, Hawaii Revised Statutes, has led to litigation and created uncertainty in the planning process. This measure will allow the respective county planning departments to determine the completeness or acceptability of environmental impact assessments when they are not the final decision making body for the relevant approval.

Your Committee has amended this measure by:

- (1) Requiring an environmental assessment for proposed wastewater facilities except individual wastewater systems, waste-to-energy facilities, landfills, oil refineries, and power generating facilities;
- (2) Adding a saving clause; and
- (3) Making the measure effective upon approval rather than retroactive to January 1, 2002.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1294, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Hooser, Kanno).

**SCRep. 1350      Ways and Means on H.B. No. 1405**

The purpose of this measure is to establish a preference in public contracts for the use of biofuels.

Your Committee finds that biofuel, an alternative energy source derived from plant material, is comparable in quality to conventional petroleum fuels and can be used for transportation, heating, and air-conditioning. Your Committee further finds that biodiesel, which is a type of biofuel, is a renewable energy source that has great potential, since it burns cleaner than its petroleum-based counterpart, produces much less air pollution, and diverts used cooking oil from landfills.

Your Committee finds that establishing a preference in public contracts for the use of biofuels, as provided in this measure, will provide an incentive for the State and counties to use alternative fuels that promote important state energy and environmental objectives and will further help the State to meet its goals of reducing its dependence on imported fossil fuels.

Your Committee has amended this measure by changing the effective date to make the bill defective in order to promote continuing discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1405, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1405, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Inouye, Kim).

**SCRep. 1351      Ways and Means on H.B. No. 1456**

The purpose of this measure is to provide a variety of amendments, many in the nature of housekeeping amendments, to the deposit beverage container law to decrease the burden on dealers and clarify the requirements of the law.

Specifically, the bill:

- (1) Exempts deposits from chapter 235, Hawaii Revised Statutes;
- (2) Moves the start date for the payment of fees and deposits from October 1, 2002 to January 1, 2005;
- (3) Changes the amount due from deposit beverage distributors to include all containers sold, even those exported out of the State, which were previously excluded;
- (4) Requires annual reports on October 15 for all importers and manufacturers;
- (5) Gives the Department more leeway in siting redemption centers; and
- (6) Requires handling fees to be paid within sixty days of receipt of redemption reports, not six months from the end of the calendar quarter.

Your Committee finds that the public is strongly in favor of the deposit beverage container law, and that a few changes were necessary to better tailor the law to fulfill its intended purpose. Your Committee believes that the proposed changes will make the program less costly and more efficient while not compromising its function.

Your Committee has amended the effective date to July 1, 2050 to facilitate further discussions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1456, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1456, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Inouye, Kim).

**SCRep. 1352      Ways and Means on H.B. No. 377**

The purpose of this measure is to extend from June 30, 2003, to June 30, 2008, the authorization to issue special purpose revenue bonds previously authorized by Act 279, Session Laws of Hawaii 1999.

Specifically, this measure extends authorization for the issuance of special purpose revenue bonds to assist Pacific Cardiac Institute, Inc., a not-for-profit Hawaii corporation, in the development of the Pacific Health Center in the Koa Ridge area of Central Oahu.

Your Committee finds that the issuance of special purpose revenue bonds for the planning, design, and construction of a health care facility in Central Oahu is in the public interest and for the public health, safety, and general welfare. Your Committee finds that an extension is warranted due to unforeseen issues that delayed the exercise of the previously authorized bonds and is necessary as the project nears its groundbreaking stage.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 377, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Aduja, Kawamoto).

**SCRep. 1353      Ways and Means on H.B. No. 384**

The purpose of this measure is to extend the authority of the Department of Budget and Finance to issue special purpose revenue bonds to assist Wahiawa General Hospital or a Hawaii nonprofit affiliate of Wahiawa General Hospital for five additional years, from June 30, 2003, to June 30, 2008.

In addition, this measure clarifies the authority of the Department of Budget and Finance to issue refunding special purpose revenue bonds in order to refund the special purpose revenue bonds issued to assist Wahiawa General Hospital or a Hawaii nonprofit affiliate of Wahiawa General Hospital.

Your Committee has amended this measure by inserting existing statutory material (i.e., the word "authorized" at page 2, line 10) that was inadvertently deleted from the underlying text of section 4.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 384, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 384, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Aduja, Kawamoto, Sakamoto).

**SCRep. 1354      (Majority) Ways and Means on H.B. No. 422**

The purpose of this measure is to establish a center for nursing at the University of Hawaii School of Nursing and Dental Hygiene to examine nursing workforce issues.

Furthermore, this bill creates a center for nursing special fund to support the center's activities. The fund is administered by the Board of Regents and funded through appropriations, federal and private grants, and other funds. Until June 30, 2009, one of the sources of funding is an assessment on licensed nurses upon the issuance of a new license and at each license renewal period.

Furthermore, this measure transfers the assessed fees from the compliance resolution fund to the center for nursing special fund, and appropriates funds from the center for nursing special fund for the center's duties.

Your Committee finds that this proposal to create a center for nursing is based upon the initial, and very successful, center for nursing in North Carolina. Other states that have established a center for nursing include Alaska, Connecticut, Florida, Iowa, Michigan, Mississippi, Nebraska, Oregon, Tennessee, and Vermont.

These centers provide a means to examine and monitor trends, identify shortage areas, and recommend strategies to educate and retain more nurses. They can also assist state agencies, hospitals, educational institutions, and professional associations in assessing the availability of nurses and educational and employment trends for nurses and making recommendations on recruitment and retention strategies.

Your Committee has amended this measure by changing the effective date to July 1, 2053, to facilitate further discussions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 422, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 422, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Inouye, Kim).

**SCRep. 1355      Ways and Means on H.B. No. 548**



The purpose of this measure is to repeal the sunset date on the Hawaii organ and tissue education special fund and the organ and tissue education fee program.

Your Committee finds that Act 88, Session Laws of Hawaii 1999, established the Hawaii organ and tissue education special fund to be used exclusively for public education programs and activities on organ, tissue, and eye donations. The special fund is funded by a \$1 donation collected upon designation by an individual or entity from each motor vehicle certificate of registration.

The organ and tissue education special fund and the source of funding mechanism is due to sunset on June 30, 2003. However, your Committee finds that past informational and educational programs financed by the special fund have been very effective and future campaigns to be financed by the special fund are planned. The special fund and source of funding mechanism through the \$1 donations with motor vehicle registrations enjoy strong support in the community and should be allowed to continue on a permanent basis.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 548, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Inouye, Kim).

**SCRep. 1356      Ways and Means on H.B. No. 735**

The purpose of this measure is to make an appropriation for sexual assault services.

Your Committee finds that sexual assault is a crime of violence and that its incidence has risen since 2000. An average of 1.4 victims report a sexual assault each day, and, as the Attorney General estimates that less than thirty per cent of sexual assaults are reported, the real number of assaults is closer to 4.5 per day, or over thirty-one per week, one hundred and thirty-five per month, and sixteen hundred per year. These are sobering statistics.

The community and the government have banded together to provide a spectrum of sexual assault services, which include crisis intervention, medical and legal examinations, clinical and legal systems advocacy, targeted prevention and education efforts in schools, research, and training. Your Committee finds that over half of the funding for these services comes from the Department of Health, and that this funding dropped thirty-two per cent between 1992 and 1996 and has remained the same since then, while the cost of and demand for these services has increased substantially. Your Committee also finds that an additional appropriation for sexual assault services is necessary to protect the health and welfare of our citizens.

Your Committee has made the amount of the appropriation blank and has changed the effective date to July 1, 2050, for the purpose of continued discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 735, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 735, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Inouye, Kim).

**SCRep. 1357      Ways and Means on H.B. No. 1181**

The purpose of this measure is to make an emergency appropriation of general funds to the Hawaii Health Systems Corporation to fund the corporation's share of contributions to the Employees' Retirement System and the Public Employees Health Fund.

Your Committee finds that emergency funding is necessary to offset unplanned, unanticipated, and unbudgeted increases in benefit payments to the Employees' Retirement System and the Public Employees Health Fund on behalf of Hawaii Health Systems Corporation employees in fiscal year 2002-2003.

Your Committee has amended this measure by changing the effective date to July 1, 2003.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1181, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1181, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Inouye, Kim).

**SCRep. 1358      Ways and Means on H.B. No. 1430**

The purpose of this measure is to appropriate funds to provide oral health services to children in underserved areas.

Your Committee finds that the oral health care of children in underserved areas has been an on-going priority of the Legislature. Last year, the Legislature appropriated \$500,000 to hire licensed dental hygienists to provide needed dental care to underserved areas, but the funds were restricted by the Administration.

This bill represents the Legislature's continued efforts to address the dental care needs of the community. The funds provided by this bill will provide:

- (1) Topical fluoride applications;
- (2) Oral health screening;
- (3) Dental sealant applications;
- (4) Educational presentations to students, teachers, parents, caregivers, and community groups; and
- (5) Case management and consultation for special cases.

Your Committee has amended the bill by deleting the amount appropriated to promote further discussion on this matter, and by making a few technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1430, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1430, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Inouye, Kim).

**SCRep. 1359 (Majority) Ways and Means on H.B. No. 1616**

The purpose of this measure is to establish a long-term care income tax to implement the long-term care financing program established under chapter 346C, Hawaii Revised Statutes.

This bill currently contains a tax credit of up to \$120 per year for five years, and a tax credit of up to \$180 per year for the next five years for persons who both pay the long-term care tax and purchase a long-term care insurance policy. This bill further contains two appropriations of unspecified amounts made for fiscal year 2003-2004 for start-up costs to collect the long-term care income tax and to administer the long-term care income tax under chapter 346C, Hawaii Revised Statutes. The bill also requires the long-term care benefits fund to reimburse the general fund for start-up costs.

In addition, currently this bill:

- (1) Clarifies that the tax is in addition to the regular withholding of income taxes;
- (2) Exempts low-income taxpayers who are taxed pursuant to section 235-51(c) or (d), Hawaii Revised Statutes, if the taxpayer's gross income is less than \$10,000, or low-income taxpayers who are taxed pursuant to section 235-51(a) or (b), Hawaii Revised Statutes, if the taxpayer's gross income is less than \$16,000;
- (3) Adds new sections relating to portability, vesting, and defined benefit;
- (4) Adds to chapter 235, Hawaii Revised Statutes, two new sections relating to income tax exclusions for the receipt of defined benefits and a long-term care tax credit;
- (5) Makes application of the long-term care tax credit to taxable years beginning after December 31, 2005, and ending before January 1, 2014;
- (6) Exempts the long-term care benefits fund from transfers for central service and administrative expenses;
- (7) Requires payment of the long-term care income tax until the individual begins receiving benefits, if the individual is vested;
- (8) Requires the board of trustees to establish a plan for voluntary contributions for persons who do not file state income tax returns because they only receive pension income, and making a conforming amendment;
- (9) Extends the duration of service by the temporary board of trustees of the Hawaii long-term care financing program from June 30, 2003, to the time when the permanent board is appointed; and
- (10) Sets the effective date to upon approval.

Upon further consideration, your Committee has amended this bill by specifying the date of benefit increases as July 1 in each of the years 2008 to 2013 in section 235-I(b)(1) to (6), Hawaii Revised Statutes, on page 8, lines 15-20. Your Committee has also made the following technical amendments:

- (1) Clarifying that the tax credit is \$120 per year by eliminating the phrase "\$10 per month up to" for the first five years, and is \$180 per year by eliminating the phrase "\$15 per month up to" (section 235- (b), Hawaii Revised Statutes, on page 10, lines 16 and 20);

- (2) Clarifying that no tax credit is allowed if the taxpayer also takes a deduction pursuant to section 213 of the IRC by deleting the reference to "for that portion of the costs for which the deduction was taken" (section 235- (c), Hawaii Revised Statutes, on page 11, lines 2-3);
- (3) Changing "and" to "or" (section 235- (d)(6), Hawaii Revised Statutes, on page 11, line 14);
- (4) Tightening up the language regarding withholding of taxes to reflect the difference between income tax and the long-term care tax (section 235-61(c), Hawaii Revised Statutes, on page 21, line 7);
- (5) Adding individuals who receive Social Security benefits, interest, dividends, or other income that is insufficient to require filing a tax return to those individuals who receive pensions, for whom the board of trustees is required to establish a procedure for voluntary payment of the long-term care tax (section 346C-4(a)(5), Hawaii Revised Statutes, on page 24, line 5);
- (6) Changing the effective date of the bill to July 1, 2004;
- (7) Changing from December 31, 2005, to December 31, 2003, the date after which the long-term care income tax applies; and
- (8) Changing the effective date for the appropriations made in sections 13 and 14 of the bill to July 1, 2004.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1616, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1616, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 2 (Hemmings, Slom). Excused, 2 (Inouye, Kim).

**SCRep. 1360 (Majority) Ways and Means on H.B. No. 122**

The purpose of this measure is to provide early and continuous medical care for pregnant women by establishing presumptive eligibility for medicaid or QUEST coverage for prenatal care or other medical services related to the pregnancy.

In addition, the bill provides that infants of women presumptively covered by medicaid or QUEST are deemed eligible for services and will be processed for the state children's health insurance program.

Your Committee finds that aiding pregnant women to receive appropriate prenatal care prevents developmental disabilities, reduces medical costs, and prevents poor perinatal outcomes. Early and continuous prenatal care for pregnant women is recommended nationally as a standard of care by virtually all maternal and child health organizations. Your Committee further finds that early and continuous prenatal care for pregnant women is a basic, cost-effective method for preventing low birth weight and poor birth outcomes and for increasing the likelihood that infants will receive consistent preventive care during the crucial early years of development.

Upon further consideration, your Committee has amended the bill by:

- (1) Providing that the presumptive eligibility will be effective for two years from the effective date of the Act. Your Committee received information from the Department of Human Services indicating that there will be increased costs due to this measure. Your Committee wants to review the impact of this bill, and that is the reason to limit the presumptive eligibility for two years;
- (2) Clarifying that notice of disenrollment may be given by facsimile transmission or e-mail;
- (3) Requiring the Department of Human Services to submit a report concerning the costs of the presumptive eligibility to the Legislature twenty days prior to the Regular Session of 2006; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity and uniformity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 122, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 122, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

**SCRep. 1361 Ways and Means on H.B. No. 127**

The purpose of this measure is to allow a person to remain eligible for general assistance if the person fails to pursue medical treatment under certain circumstances.

Specifically, this bill allows a person to remain eligible for general assistance if the failure to pursue appropriate treatment, is due to good cause, including treatment being unavailable, personal emergencies, and circumstances that threaten the safety of the patient.

Upon further consideration, your Committee has amended the bill to require the Department of Human Services to adopt rules to define the term "good cause", to provide guidance on when treatment is considered unavailable, what constitutes a personal

emergency, and what circumstances may threaten the safety of a patient. Your Committee has also made one technical amendment by changing the initial section of the bill to reflect that it is section 1, rather than section 2.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 127, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 127, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Inouye, Kim).

**SCRep. 1362      Ways and Means on H.B. No. 129**

The purpose of this measure is to assist Temporary Assistance to Needy Families recipients by allowing them to pursue education and training beyond high school as an employment plan to comply with Temporary Assistance to Needy Families program requirements.

Your Committee finds that the University of Hawaii and the Department of Human Services have collaborated to create a transitional program for Temporary Assistance to Needy Families recipients attending a post-secondary school called the Bridge to Hope program. The State has implemented a mirror program to support low-income, two-parent families through the Temporary Assistance to Other Needy Families program.

Specifically, this bill expands the Bridge to Hope program to cover Temporary Assistance to Other Needy Families recipients as well as Temporary Assistance to Needy Families recipients. This bill also appropriates \$1 for fiscal year 2003-2004 and \$1 for fiscal year 2004-2005 to fund one outreach position in the Bridge to Hope program.

Upon further consideration, your Committee has amended this bill to take effect on July 1, 2013, for the purpose of promoting further discussion, and by making technical nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 129, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 129, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Inouye, Kim).

**SCRep. 1363      Ways and Means on H.B. No. 1342**

The purpose of this measure is to appropriate funds for youth service centers.

Your Committee finds that funding youth service centers contributes to positive youth development. The youth service centers provide safe environments for Hawaii's youth, giving them a wide variety of opportunities, experiences, and services. Although the youth service centers strive to provide all youth with opportunities and competencies that will help them grow into successful young adults, the centers are particularly critical to youth who are overrepresented in the juvenile justice system.

Upon further consideration, your Committee has amended this bill by changing the effective date and changing the amount of funds appropriated to a blank amount to facilitate continued discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1342, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1342, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Inouye, Kim).

**SCRep. 1364      (Majority) Ways and Means on H.B. No. 668**

The purpose of this measure is to appropriate funds for activities relating to the delinking of welfare and medical assistance programs and to appropriate a grant of \$90,000 in each of fiscal years 2003-2004 and 2004-2005 to Hale Mahaolu for the personal care program for disabled or chronically ill frail adults and elders residing in Maui county.

Your Committee finds that the Welfare Reform Act of 1996 delinked the Temporary Assistance to Needy Families and Medicaid eligibility. Prior to 1996, anyone who was eligible for Temporary Assistance to Needy Families was automatically eligible for Medicaid. With delinking, however, the federal government believed that recipients who lost their Temporary Assistance to Needy Families benefits after the statutory maximum five-year benefit period ended would be unaware that they might still be eligible to receive Medicaid. Therefore, the federal government provided funds to publicize the fact that a person might still qualify for Medicaid. Federal funds are available at enhanced matching rates but must be used only for purposes related to the delinking.

In addition, your Committee finds that Hale Mahaolu, a non-profit organization, has established a personal care program to provide income-eligible disabled or chronically ill frail adults and elders, on the islands of Maui, Molokai, and Lanai, with financial assistance for in-home personal care attendant services at a significantly lower cost than nursing home care, thereby maximizing limited federal and state resources for medical assistance. Hale Mahaolu entered into a four-year contract with the Department of Human Services to

provide personal care services in Maui County in 2002, based on representations that funding would be maintained at a certain level for each of the four years of the contract. Hale Mahaolu has just recently been informed by the Department of Human Services that the contract amount for the last two years of the contract would be reduced by \$90,000. This reduction means that the personal care services program would have to be cut, resulting in a waiting list for services.

Upon further consideration, your Committee has amended this measure by inserting technical language specifying that the appropriation made to Hale Mahaolu is made from the emergency and budget reserve fund and is a grant pursuant to chapter 42F, Hawaii Revised Statutes, and by deleting the second fiscal year appropriation. Accordingly, the section appropriating funds for Hale Mahaolu has been renumbered and placed within Part II of the bill.

Your Committee also amended this bill by adding language to make appropriations from the emergency and budget reserve fund for fiscal year 2003-2004 for the following:

- (1) \$200,000, as a grant, to provide treatment services for child victims of intrafamilial sexual abuse, including psychological treatment and case management services for child victims and their families who are not covered under the child protective services system of the department of human services;
- (2) \$150,000 for forensic medical examinations of children in foster custody placements;
- (3) \$100,000, as a grant, for the Hawaii Youth Services Network for its Transitional Living Program for Unserved Street Youth;
- (4) \$200,000 for substance abuse services for youth and adolescents, including but not limited to, preventive services, school education programs, counseling, evaluation, treatment, therapy, family services, case management, recovery services, and residential substance abuse treatment services, and the coordination of such services;
- (5) \$2,200,000 for the residential alternative community care program;
- (6) \$200,000 for the chore services program;
- (7) \$200,000, as a grant, for the Bridge to Hope program, including one position for outreach;
- (8) \$100,000 to fund legal services to children;
- (9) \$100,000, as a grant, to fund the continuation of the Kaneohe Community Family Center's core services;
- (10) \$100,000, as a grant, to fund the continuation of the Kuhio Park Terrace Family Center's core services;
- (11) \$350,000 for the operation of the Waipahu Community Adult Day Health Center and Youth Day Care Center pilot project;
- (12) \$300,000, as a grant, for the Good Beginnings Alliance to carry out its statutory responsibilities; and
- (13) \$421,000 for the delivery of diversion services and child protective services to target families, including the establishment of additional sites for neighborhood places (Blueprint for Change).

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 668, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 668, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, 2 (Slom, Trimble). Excused, none.

**SCRep. 1365      Ways and Means on H.B. No. 500**

The purpose of this measure is to provide for discretionary commitment of a minor to a youth correctional facility for certain drug offenses.

In particular, the Family Court, at the court's discretion, may commit a minor to such a facility if the minor is adjudicated to have committed an act that would constitute a violation of promoting a dangerous, harmful, or detrimental drug, or of any other controlled substance, under certain penal code offenses relating to drugs and intoxicating compounds.

The measure further states that the commitment for incarceration in a youth correctional facility is to be for a minimum unspecified number of days, of which at least an unspecified number of hours must be served consecutively, without the possibility of probation or suspension of sentence.

In addition, the minor and the minor's parents, guardians, or legal custodians must attend a substance abuse education and counseling program or other comparable family education and counseling program deemed appropriate by the court.

Your Committee agrees with the intent of this measure and finds that, for drug treatment of a minor to be effective, the entire family must be involved for the support of the minor, and, if necessary, must address the drug use of other family members.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 500, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1366      Ways and Means on H.B. No. 851**

The purpose of this measure is to allow the first appeal from a tax assessment to either the Board of Review or the Tax Appeal Court to be made without first paying the assessed taxes.

Your Committee finds that it is appropriate to eliminate the payment of taxes upon appeal to the Tax Appeal Court, in a manner similar to that now allowed upon an appeal to the Board of Review. This will allow taxpayers an opportunity to appeal to either the Board or the Tax Appeal Court without paying assessed taxes. This is similar to the federal Tax Court procedure where no payment is required to appeal to the Tax Court, but if the taxpayer appeals from a Tax Court decision, then taxes and interest must be paid.

Your Committee finds, however, that appeals by the taxpayer after a judgment against the taxpayer at the Board of Review, or the Tax Appeal Court should be permitted only after paying the outstanding tax assessment. Your Committee notes that during the 1980's a number of large tax appeals were taken in which the State was the recipient of large sums of taxes that had been paid into the litigated claims fund during the lengthy tax appeal process. Those cases were Bacchus Imports, Ltd v. Dias, 468 U.S. 263 (1984) involving more than \$100 million, Aloha Airlines Inc. v. Director of Taxation, 464 U.S. 7 (1983) involving more than 26 million, and the domestic insurance rate cases involving more than \$18 million settled in favor of the State. Even though in some instances the taxpayer won on appeal, the State received the majority of the moneys paid into the litigated claims fund during the process, in addition to all of the interest thereon. If the requirement that the payment of taxes to appeal was totally repealed, in many instance the State would not be able to collect the outstanding debt from the losing taxpayer. In all likelihood, the debt would be too large and the taxpayer would go into bankruptcy due to inability to pay. This would be reflected in the loss of state revenues. Your Committee also notes that in 1992 (Act 147, Session Laws of Hawaii 1992), the Legislature required taxes of all types to be paid in order to appeal.

Your Committee finds that the balance in the litigated claims fund has recently ranged from \$200,000 to \$16 million and that the State wins more tax appeals than it loses. Payment of taxes at some point in the appeal process will eliminate frivolous appeals and prevent abuse of the tax appeal system. The payment of taxes upon appeal by the taxpayer after the first hearing should be the rule in Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 851, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1367      Ways and Means on H.B. No. 1155**

The purpose of this measure is to allow notices of abandoned property to be published by posting on the state website or by any other method deemed effective by the director.

Presently, notification of abandoned property is governed by section 1-28.5, which requires notification to be done in a newspaper of general circulation. This is an expensive undertaking. By allowing more flexibility in notification, the State can publish a general notice in the papers to inform the public that the full list is available on the website. A hard copy would be made available in some libraries and at the University of Hawaii, and all libraries will be able to access the list via their free public internet access. Your Committee finds that by combining these methods, the State can save significant sums of money, while reaching as many or more residents as with newspaper publication only.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1155, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1368      Ways and Means on H.B. No. 176**

The purpose of this measure is to appropriate funds for the expansion of Weed and Seed programs.

In addition, this measure would establish a temporary interdepartmental council for the special purpose of contracting with nonprofit corporations, coordinating policy, disbursing public funds, and implementing community plans related to implementing new Weed and Seed programs in interested communities.

Your Committee finds that the federal government will fund up to three sites per county for Weed and Seed programs. The first chosen program, Kalihi-Palama/Chinatown, established in 1998, has been successful since its inception. Two other sites have been subsequently designated, Waipahu in 2000 and Ewa-Ewa Beach in 2002. These programs' success warrant expansion into other communities. This expansion would require additional funding and the interdepartmental council to manage and implement new Weed and Seed programs.

Your Committee has amended this measure by:

- (1) Placing the interdepartmental council in the Department of Human Services for administrative purposes;
- (2) Changing the funding for grant writing services to the Department of Human Services; and
- (3) Changing the effective date to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 176, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 176, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Aduja, English, Kim).

**SCRep. 1369      Ways and Means on H.B. No. 295**

The purpose of this measure is to establish a legislative Task Force to be known as the Public Lands Resolution Task Force.

Specifically, the measure:

- (1) Administratively attaches the Public Lands Resolution Task Force to the Office of the Auditor;
- (2) Requires that, at a minimum, the Task Force consists of:
  - (a) Three representatives appointed by the Speaker of the House of Representatives;
  - (b) Three senators appointed by the President of the Senate;
  - (c) A representative of the Governor's office; and
  - (d) A representative of an appropriate federal agency selected by Hawaii's congressional delegation;
- (3) Requires the Office of Hawaiian Affairs to serve as an equal partner with the Task Force in conducting community forums;
- (4) Mandates the Task Force and the Office of Hawaiian Affairs to address and resolve the matter of just payment relating to ceded lands revenues and settlements, focusing on certain issues that include the need to update the ceded land inventory or its applicability;
- (5) Requires the Task Force, in partnership with the Office of Hawaiian Affairs, to submit findings and recommendations to the Legislature twenty days prior to the convening of the Regular Session of 2004; and
- (6) Provides that the Task Force ceases to exist upon submitting its findings and recommendations.

Your Committee finds that negotiations between the State and the Office of Hawaiian Affairs have long sought to resolve the Office of Hawaiian Affairs' entitlement to income from the public land trust established in section 5(f) of the Admission Act. Questions remain concerning the need to update the ceded lands inventory and its applicability in determining resolution, given the accuracy of land valuation figures as well as lease rents for extremely valuable property sometimes based on overall economic benefits rather than actual land value and a percentage of gross receipts, or both.

Your Committee further finds that the Task Force established by the bill creates a promising process for arriving at a solution. It is imperative that the Hawaiian people be given the opportunity to meaningfully participate in this process so that they may embrace the final outcome. Furthermore, community forums on all islands conducted jointly by the Task Force and the Office of Hawaiian Affairs will enhance the participation by all members of the Hawaiian community.

Upon further consideration, your Committee has amended this bill by clarifying that the:

- (1) Public Lands Resolution Task Force is an advisory Task Force; and
- (2) Sunset date of the Public Lands Resolution Advisory Task Force is extended until June 30, 2004, to ensure that the members of the Task Force are available to respond to inquiries from legislators during the Regular Session of 2004.

In addition, a technical amendment was made changing the word "ceded" to "public" in Section 5 to correct the title of the Task Force and to conform to other references to the Task Force in the bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 295, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 295, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1370      Ways and Means on H.B. No. 756**

The purpose of this measure is to require an automatic recount of all ballots cast in an election when a small vote difference exists.

Specifically, this bill:

- (1) Requires the Chief Election Officer or the County Clerk, in county elections, to order a ballot recount no later than seven days after an election if:
  - (A) The difference in votes cast for the winning and losing candidate is one-eighth of one per cent or less; or
  - (B) In an election for multiple seats to an office, the difference in votes received by the lowest winning candidate and the highest losing candidate is one-eighth of one per cent or less;
- (2) Requires automatic recount complaints in primary and special primary election contests, and county elections held concurrently with a regularly scheduled primary or special primary election, to be filed in the Office of the Clerk of the Supreme Court no later than 4:30 p.m. on the sixth day after completion of the recount;
- (3) Requires automatic recount complaints in general, special general, special, or runoff elections to be filed in the Office of the Clerk of the Supreme Court no later than 4:30 p.m. on the twentieth day after completion of the recount; and
- (4) Changes the date of the primary election from the second to the last Saturday of September to the second Saturday in August in every even numbered year.

Your Committee finds that automatic recounts in close elections will reassure candidates and the public of election results. Your Committee also finds that an earlier primary election date will provide the Office of Elections sufficient time to prepare ballots in the event that an automatic recount is required between a primary and general election.

Your Committee has amended this measure by making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 756, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 756, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1371      Ways and Means on H.B. No. 857**

The purpose of this measure is to specify that the public comment period is sixty days for environmental assessments and environmental impact statements that may be required in connection with the development or expansion of an in-state correctional facility.

Your Committee recognizes the importance of public input into any and all major government activities, especially those that have a direct impact on a community, such as the development or expansion of a correctional facility. Accordingly, your Committee finds that the public comment period for environmental assessments and environmental impact statements should be lengthened beyond that which is required for other actions that trigger an environmental assessment or an environmental impact statement.

Your Committee has amended this measure by making technical amendments to clarify the intent of the measure. Specifically, your Committee has amended the text of section 353-16.35, Hawaii Revised Statutes, to conform with its new title by clarifying that the requirements of the section apply to expansions as well as developments of in-state correctional facilities.

Your Committee has also clarified the measure by specifying that the sixty-day public comment period relating to in-state correctional facilities is an exception to the normal public comment periods required under section 343-5, Hawaii Revised Statutes, and by deleting language that suggests that the public comment period under section 353-16.35, Hawaii Revised Statutes, runs concurrently with the public comment periods specified under section 343-5, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 857, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 857, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1372      Ways and Means on H.B. No. 1003**

The purpose of this measure is to amend the law relating to the Crime Victim Compensation Commission.

In particular, this measure:



- (1) Provides that restitution amounts collected by the Judiciary on behalf of the Commission for a victim who cannot be located are to be deposited to the credit of the crime victim compensation fund following public notification;
- (2) Allows the Commission to transfer a minor's compensation award to an appropriate state agency, adult, or trust company as custodian for the benefit of the minor under the Uniform Transfers to Minors Act;
- (3) Gives the Commission the authority to pay for mental health counseling services for surviving relatives in cases involving a death or sexual assault and for child witnesses or witnesses who are sixty years of age or older in cases involving domestic abuse and other violent crimes;
- (4) Amends the law relating to awards of compensation made by the Commission by repealing "pain and suffering" awards and instead awarding "acknowledgment of harm" moneys;
- (5) Requires that the Judiciary provide an annual report to the Legislature detailing their compliance with Act 206, Session Laws of Hawaii 1998, which provides for the mandatory assessment of a compensation fee, the proceeds of which are used to fund the Commission; and
- (6) Amends the definition of "victim" to include a child or a person who is sixty years of age or older who is a witness to a crime enumerated in section 351-32, Hawaii Revised Statutes, and is in need of mental health counseling services.

Your Committee finds that the Commission was established to compensate victims of violent crimes or their survivors for unreimbursed expenses related to physical or emotional injury or death. Your Committee finds that, over the past thirty-five years, the Commission has sought to implement improvements to better respond to the compensation needs of victims.

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

- (1) Adding a reference in section 1 of the bill to the amendment made by section 8 of the bill. Section 8 amends section 351-69, Hawaii Revised Statutes, to specify that, except for persons already employed by the Commission in civil service positions, persons appointed to the Commission are appointed without regard to the civil service laws, and upon those civil service positions becoming vacant, the positions will be filled by noncivil service appointments. Your Committee has also amended section 351-69 by deleting the word "currently" and adding the words "as of the effective date of this Act", to specify that currently filled positions are those filled on the Act's effective date;
- (2) Amending section 9 of the bill, and the corresponding reference in section 1 of the bill, to delete the reference to Act 206, Session Laws of Hawaii 1998, and replacing it with the more appropriate reference to section 351-62.6, Hawaii Revised Statutes. Your Committee has further amended section 9 by specifying that annual reports are to be transmitted before the convening of each regular session of the Legislature, to make it clear that reports are not required before special sessions;
- (3) Amending section 10 of the bill by changing the new language added to section 523A-3.5, Hawaii Revised Statutes, to make necessary changes, including inserting appropriate statutory cross-references with respect to "the victim" and "restitution moneys", since these terms are not already defined or otherwise referred to in section 523A-3.5; and
- (4) Making technical nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1003, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1003, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1373      Ways and Means on H.B. No. 1111**

The purpose of this measure is to make an appropriation to satisfy claims against the State or its officers or employees for settlements, judgments, or other liabilities.

Your Committee finds that each of the various claims whether by way of court judgments, settlements, or other miscellaneous resolution has the approval of the Attorney General. Your Committee was further informed by the Attorney General that his office has resolved an additional eleven claims since the measure was referred to this Committee, which he requested be included in this measure.

Your Committee has amended this bill by:

- (1) Including the additional eleven claims resolved by the Attorney General; and
- (2) Making technical changes necessary to conform the bill to these additions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1111, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1111, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1374 (Majority) Ways and Means on H.B. No. 1116**

The purpose of this measure is to provide greater protections to victims of domestic violence, stalking, or sexual abuse.

Specifically, this measure establishes that victims of domestic violence, stalking, or sexual assault are exempt from paying court costs and fees related to the filing, issuance, registration, or service of a protection order, petition for a protection order, warrant, or witness subpoena issued to prevent violent or threatening acts.

Your Committee finds that victims of domestic violence, stalking, or sexual abuse often have financial problems that make it difficult for them to pay the court costs and fees related to the filing and servicing of certain court documents. This is particularly disturbing because these court documents, such as a protection order, are intended to protect these individuals. An individual's personal safety should not be dictated by their financial status.

Although the Judiciary's past practice has been to waive certain court costs and fees for domestic abuse victims, this measure will make the practice mandatory and, in addition, will qualify Hawaii for federal funds based upon compliance with the federal Violence Against Women Act that requires states to exempt domestic violence victims from such court costs and fees.

Upon further consideration, your Committee has made technical changes to replace references to "domestic violence" with "abuse of family or household members" and "domestic abuse" to conform to the terminology used in relevant provisions of the Hawaii Revised Statutes. Additionally, technical nonsubstantive changes were made for the purposes of clarity and uniformity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1116, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1116, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, 1 (Trimble). Excused, none.

**SCRep. 1375 (Majority) Ways and Means on H.B. No. 1154**

The purpose of this measure is to allow funds from the unclaimed property trust fund to be expended to cover its administrative costs.

The bill also appropriates unspecified amounts to administer the unclaimed property program.

At present, the only statutorily authorized uses of the fund are to pay claims for return of abandoned property to its rightful owner and to other states' unclaimed property program for certain owners. There is a \$1,000,000 ceiling in the fund, which is amended to \$1,500,000 in the bill: all funds in excess of that amount on June 30 of each year lapse to the general fund. All costs must be absorbed by the Department of Budget and Finance.

Your Committee finds that it is a legitimate expense for a trust fund to pay for its administrative and operating expenses and that the provisions of this bill are appropriate.

Your Committee has amended this bill by substituting the contents of S.B. No. 1307, S.D. 1, which was previously reported out of this Committee. Specific changes resulting from this substitution are:

- (1) Deleting section 1 of the bill, which changes the reference to a deduction of fees in section 523A-22, Hawaii Revised Statutes, from section 523A-23(b) to a nonexistent section;
- (2) Changing the threshold for transfers of excess funds to \$1,300,000; and
- (3) Changing the blank appropriations from the unclaimed property trust fund to \$313,888 for each fiscal year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1154, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1154, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, 1 (Trimble). Excused, none.

**SCRep. 1376 Ways and Means on H.B. No. 1255**

The purpose of this measure is to appropriate funds for the Office of Elections to meet the five per cent matching fund requirement of the federal Help America Vote Act of 2002.

Your Committee finds that the federal Help America Vote Act of 2002 provides for payments to states to improve the administration of federal elections. In particular, Hawaii could receive a projected \$5,000,000 to improve the administration of elections and to replace punch cards and lever machines. The State could also receive an estimated additional \$15,000,000 to train poll workers, provide voter education, improve the administration of federal elections, and meet other requirements of the federal Act.

Your Committee further finds that, to qualify for federal funds, the federal Act requires the development of a state plan, matching funds of approximately five per cent, and maintenance of a level of funding for state election activities at not less than the amount expended for the period ending November 2000.

Your Committee has amended this bill by replacing the sum appropriated with the sum of \$1 in order to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1255, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1255, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1377      Ways and Means on H.B. No. 1303**

The purpose of this measure is to specify that the Office of Hawaiian Affairs is required to reimburse the State for contributions made by the State to the Hawaii employer-union health benefits trust fund.

At present, the language of section 87A-39, Hawaii Revised Statutes, merely requires all state agencies having control of funds other than the general fund to make such reimbursements. The language in this bill clarifies that the Office of Hawaiian Affairs is also subject to this requirement.

Your Committee has amended this bill by adding the contents of S.B. No. 1157, which increases the potential salary for the Administrator of the Office of Hawaiian Affairs. Currently, the Administrator's salary may not exceed that of the salary of department heads or executive officers established by law. The amendment provides that the Administrator's salary shall not be less than the salary of department heads or executive officers. Your Committee also added a cap by providing that the Administrator's salary shall not exceed the salary of the Governor.

Your Committee finds that the task of the Administrator of the Office of Hawaiian Affairs is complex and demanding and that the Administrator deserves a salary at least equal to that of a department head. Your Committee further finds that a salary cap providing that the Administrator's salary not exceed that of the Governor is appropriate.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1303, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1303, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1378      (Majority) Ways and Means on H.B. No. 29**

The purpose of this measure is to require employers to provide employees a thirty-minute meal break during any duration of work of more than eight hours.

In addition, this measure requires employers to allow an employee to express breastmilk during any meal break required by this measure or as provided in any collective bargaining agreement.

Your Committee finds that neither state nor federal wage and hour laws currently require employers to provide employees over the age of sixteen any meal break, regardless of how many consecutive hours they may be required to work. Employees who work an eight-hour shift should be granted a reasonable period to consume a meal sometime during the work shift.

Your Committee further finds that certain collective bargaining agreements already require a meal break for covered employees. Additionally, certain employers, primarily in the transportation and utilities industries or those operating facilities with continuous operations, require an exemption from the meal break requirement to maintain the flexibility required by their continuous operations.

Your Committee has amended this measure by extending an exemption from the meal break requirement to any employer that is:

- (1) A common carrier of passengers or a power generating utility, regulated by chapter 269, Hawaii Revised Statutes; or
- (2) The operator of a continuously operating facility that is regulated by environmental permits.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 29, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 29, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 2 (Hemmings, Slom). Excused, 3 (English, Espero, Trimble).

**SCRep. 1379      Ways and Means on H.B. No. 50**

The purpose of this measure is to ensure the provision of specific health benefits for public employee retirees.

Specifically, this measure, in effect, repeals Act 89, Session Laws of Hawaii 2001, by reinstating required medical, prescription drug, vision care, and adult dental benefits, as they existed prior to July 1, 2001, to the health benefit plans of public retirees and requires the public employer to make contributions for those benefits to the public employees health fund.

In addition, with regard to the supplemental health benefits plan to federal medicare, this measure makes it mandatory for the public employees health fund to make the contributions for the voluntary medical insurance coverage under federal medicare. This measure also requires the fund to fully reimburse employee-beneficiaries for the actual cost of the federal medicare plan.

Additionally, this measure makes amendments to the Hawaii employer-union health benefits trust fund, established through Act 88, Session Laws of Hawaii 2001, by changing the public employer's contribution amount for the health benefits plan supplemental to medicare from \$50 a month to an amount not less than the medicare part B premium. Furthermore, this measure requires the trust fund to fully reimburse retirees for the actual cost of the medicare part B medical insurance plan.

Your Committee finds that the enactment of Act 88, relating to the Hawaii employer-union health benefits trust fund, which utilizes a different mode of delivery for health benefits, does not negate the State's basic moral obligation to provide health benefits coverage to public retirees.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 50, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 1380      Ways and Means on H.B. No. 130**

The purpose of this measure is to require notice to a spouse or reciprocal beneficiary for any retirement benefit option selected by a member of the Employees' Retirement System (ERS).

The bill also allows nine-, ten-, and eleven-month employees, elective officers, and appointees of the Governor to specify the effective date of their retirement.

Your Committee finds that ERS members may select from a variety of retirement options. Depending on the retirement preferences of a member and the member's spouse or reciprocal beneficiary, the selection of a particular option may be a point of contention, especially if an option provides less than is expected by a spouse or reciprocal beneficiary.

This bill requires written notice to an ERS member's spouse or reciprocal beneficiary for any retirement benefit option selected by the member. The notice will allow the member and spouse or reciprocal beneficiary to work together to hopefully choose a retirement option that is mutually beneficial to both the member and the member's spouse or reciprocal beneficiary.

Your Committee has amended the bill by making technical amendments that further clarify:

- (1) That noncontributory plan nine-, ten-, and eleven-month employees may retire on any day of the year;
- (2) That once a member is retired, the retirement option cannot be changed; and
- (3) The conditions under which notice is given to a spouse or reciprocal beneficiary regarding the retirement option selected by an ERS member.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 130, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 130, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 1381      (Majority) Ways and Means on H.B. No. 290**

The purpose of this measure is to appropriate general funds to the Department of Labor and Industrial Relations to create a program to provide temporary unemployment benefits to certain workers.

Specifically, this measure extends unemployment insurance benefits to unemployed workers who have either exhausted their rights to receive regular unemployment benefits or had their applicable benefit year expire. This measure further restricts eligibility for benefits to persons who filed their initial claims on or after September 11, 2001, and are not eligible to receive unemployment benefits under federal law or the laws of any other state.

Additionally, this measure requires that funds for the additional benefits be withdrawn from the unemployment compensation trust fund and, if necessary, from the general fund. Also, this measure terminates the additional benefits once the unemployment insurance fund reaches the threshold upon which the Department of Labor and Industrial Relations would be required to increase the unemployment taxes paid by employers.

Your Committee finds that this measure is a necessary buffer measure in the event that the federal Temporary Extended Unemployment Compensation program is not extended after May 31, 2003.

Your Committee also finds that as a result of September 11, 2001, there have been unprecedented numbers of individuals experiencing layoffs, work furloughs, and decreased work hours. Your Committee finds that the Legislature's efforts in previous sessions to provide relief through a temporary program to provide additional unemployment compensation has been greatly appreciated by the business community.

Your Committee has amended this measure by specifying a \$1 appropriation and by changing the effective date from July 1, 2003 to July 1, 2053, for the purposes of continued discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 290, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 290, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 2 (Hemmings, Slom). Excused, 1 (Kawamoto).

**SCRep. 1382 (Majority) Ways and Means on H.B. No. 294**

The purpose of this measure is to appropriate funds to the Department of Human Services to establish a temporary health insurance program for persons who became unemployed on or after September 11, 2001.

Furthermore, this measure specifies eligibility requirements for participants and requires that the benefit package be similar to the basic benefits provided under the Department's QUEST-Net program.

Your Committee finds that the State's economic stagnation following the events of September 11, 2001, has left a significant number of employees suffering from underemployment and the loss of normal medical insurance coverage. The creation of a temporary health insurance program for these persons is a sound and constructive measure to maintain worker health and productivity.

Your Committee has amended this measure by specifying a \$1 appropriation for each of the next two fiscal years and by changing the effective date from July 1, 2003 to July 1, 2053, for the purposes of continued discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 294, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 294, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Kawamoto).

**SCRep. 1383 Ways and Means on H.B. No. 317**

The purpose of this measure is to allow University of Hawaii faculty members, lecturers, or administrative, professional, and technical employees with multiple part-time appointments to aggregate the service from these part-time positions in order to meet eligibility requirements for membership in the Employees' Retirement System.

Your Committee finds that the University currently employs faculty members, lecturers, and administrative, professional, and technical employees in multiple appointments, depending upon current programmatic needs, in an effort to minimize costs and maximize efficiency of staff utilization. The employment of full-time faculty or staff positions is only contemplated when long-term need has been adequately justified.

This bill safeguards the retirement benefits of present and future University faculty, lecturers, and administrative, professional, and technical employees by making them eligible for membership in the Employees' Retirement System based upon the aggregation of multiple part-time positions. This solution allows the University to continue its efforts to achieve the maximum utilization of its resources while providing for the retirement of University employees.

Past and present university faculty members, lecturers, and administrative, professional, and technical employees will also be allowed to retain the membership benefits for which the University has reported them to be eligible for prior to the effective date of this measure.

Upon further consideration, your Committee has amended this bill by making technical changes on page 3, line 1, and in the bill description to change "and" to "or".

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 317, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 317, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 1384      Ways and Means on H.B. No. 507**

The purpose of this measure is to allow licensed emergency medical technicians employed by the City and County of Honolulu to retire without penalty, regardless of age, after accruing the minimum number of years of credited service.

Specifically, this measure allows a licensed emergency medical technician employed by the City and County of Honolulu to retire without penalty upon accruing:

- (1) Thirty years of credited service through June 30, 2003;
- (2) Twenty-nine years of credited service on or after July 1, 2004;
- (3) Twenty-eight years of credited service on or after July 1, 2005;
- (4) Twenty-seven years of credited service on or after July 1, 2006;
- (5) Twenty-six years of credited service on or after July 1, 2007; and
- (6) Twenty-five years of credited service on or after July 1, 2008,

of which the last five or more years prior to retirement is credited service as a licensed emergency medical technician.

Your Committee finds that emergency medical technicians perform hazardous, stressful, and physically demanding duties. Despite the nature of their duties, emergency medical technicians are ineligible to retire after twenty-five years of service without penalty, regardless of age, as are other public safety personnel. Your Committee believes that gradually reducing the number of years required for full retirement will enable the City and County of Honolulu to address the current shortage of emergency medical technicians, by recruiting and training qualified candidates, retaining existing licensed personnel, and staggering the retirement of experienced technicians.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 507, H.D. 3, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 1385      (Majority) Ways and Means on H.B. No. 531**

The purpose of this measure is to ensure parity for employees who are excluded from collective bargaining.

This bill requires that proposed adjustments to the compensation and benefit packages for civil service employees who are excluded from collective bargaining be at least equal to the adjustments provided for civil service employees who are included in collective bargaining.

Your Committee finds that our best and brightest civil servants should be encouraged to rise through the ranks of employees and become members of state and county management teams. If we expect our most skilled, knowledgeable, and able employees to manage the day-to-day operations of state and county government, then we must compensate them at least as well as the people they are expected to lead.

Your Committee has amended this measure by making technical nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 531, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 531, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Kawamoto).

**SCRep. 1386      (Majority) Ways and Means on H.B. No. 968**

The purpose of this measure is to allow an eligible unemployed individual to receive the full weekly unemployment benefit amount to which the individual is entitled, without any reduction for wages payable to the individual for that week.

Your Committee finds that present law reduces an individual's weekly unemployment benefit amount by the amount of wages payable that week to the individual in excess of \$50. Accordingly, present law at the very least tends to discourage those individuals from seeking part-time work during their period of unemployment. Moreover, present law possibly serves as an even greater disincentive for individuals to return to the work force in general. On the other hand, this measure will serve to help unemployed individuals maximize their employment opportunities and encourage them to resume work to the fullest extent possible.

Your Committee has amended this measure by changing the effective date from upon approval to January 21, 2053, for the purposes of continued discussion on the matter. Your Committee has also made technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 968, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 968, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

**SCRep. 1387 (Majority) Ways and Means on H.B. No. 986**

The purpose of this measure is to extend Employees' Retirement System death benefits to a deceased member's surviving dependents who are full-time students and between the ages of eighteen and twenty-four.

Currently, a deceased Employees' Retirement System member's children under the age of eighteen are the only dependents eligible for death benefits. This bill extends such benefits to a deceased Employees' Retirement System member's dependents who are between the ages of eighteen and twenty-four; provided that the dependents are full-time students.

Your Committee concurs with your Committee on Labor that the families of deceased retirement system members are often faced with financial hardship due to the loss of income attributable to the deceased member. Assisting dependents to earn a college education will not only directly benefit the member family, but will also further the educational objectives of the State to support higher education. Your Committee also notes that the Social Security Administration provides similar financial support to dependents (of social security recipients) pursuing a college degree.

Your Committee has amended the bill by changing the effective date to July 1, 2050, for purposes of continuing discussion on this matter and by making technical amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 986, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 986, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, 1 (Trimble). Excused, none.

**SCRep. 1388 (Majority) Ways and Means on H.B. No. 1013**

The purpose of this measure is to require examinations for determination of "permanent impairment" to be conducted by "impairment examiners" mutually agreed upon by employers and employees.

This bill also requires the Director of Labor and Industrial Relations to appoint an "impairment examiner" if the parties cannot mutually agree on an examiner. The Director is further required to compile and maintain a list of impairment examiners and appoint them to conduct examinations in order of their appearance on the list. Finally, the cost of employer-requested examinations is to be borne by employers.

Upon further consideration, your Committee has amended this bill by:

- (1) Clarifying that the new requirements apply to examinations that are requested by employers; and
- (2) Replacing the term "examiner" with the term "physician" because the former term is not defined in chapter 386, Hawaii Revised Statutes, relating to workers compensation, while the latter term is clearly defined in section 386-1, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1013, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1013, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 4 (Sakamoto, Hemmings, Slom, Trimble). Excused, 1 (Kawamoto).

**SCRep. 1389 (Majority) Ways and Means on H.B. No. 1041**

The purpose of this measure is to appropriate funds for salary increases and other cost adjustments for state officers and employees who are excluded from collective bargaining.

In particular, the bill appropriates funds for officers and employees of the Office of the Auditor, the Ethics Commission, the Office of the Legislative Reference Bureau, and the Office of the Ombudsman.

Your Committee finds that this measure is an appropriate vehicle to facilitate discussion on this issue and to provide funds for salary increases authorized for legislative service agency personnel.

Upon further consideration, your Committee has amended this measure by changing the effective date to continue discussions on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1041, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1041, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

**SCRep. 1390 (Majority) Ways and Means on H.B. No. 1042**

The purpose of this measure is to fund collective bargaining cost items in the agreement negotiated with the exclusive representative of bargaining unit 1 (nonsupervisory employees in blue collar positions) for fiscal biennium 2003-2005.

This bill also funds salary increases and other cost adjustments authorized by Chapter 89C, Hawaii Revised Statutes, for nonsupervisory employees in blue collar positions who are excluded from collective bargaining.

Your Committee finds that cost items in the unit 1 collective bargaining agreement are currently being negotiated with the exclusive representative. This measure will serve as a vehicle for the Legislature to appropriate and authorize funds for cost items, salary increases, and other cost adjustments upon completion of negotiations.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1042, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1042, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

**SCRep. 1391 (Majority) Ways and Means on H.B. No. 1043**

The purpose of this measure is to make an appropriation to fund collective bargaining cost items for certain state officers and employees.

Your Committee finds that the Office of Collective Bargaining and the exclusive bargaining representative of collective bargaining units 2, 3, 4, 6, 8, 9, and 13 are in the process of reaching agreement on collective bargaining cost items for the officers and employees in those bargaining units in the executive branch, the Judiciary, and the Hawaii Health Systems Corporation. This measure will effectuate the agreement on all of these cost items upon its conclusion.

This measure will also cover state officers and employees in the executive branch and the Judiciary who are excluded from collective bargaining but belong to the same compensation plan as those officers and employees in the collective bargaining units.

Your Committee has amended this bill by changing its effective date to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1043, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1043, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

**SCRep. 1392 (Majority) Ways and Means on H.B. No. 1044**

The purpose of this measure is to fund collective bargaining cost items in the agreement negotiated with the exclusive representative of bargaining unit 5 (teachers and other personnel of the Department of Education under the same pay schedule) for fiscal biennium 2003-2005.

This bill also funds salary increases and other cost adjustments authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and other personnel of the Department of Education under the same pay schedule who are excluded from collective bargaining.

Your Committee finds that cost items in the unit 5 collective bargaining agreement are currently being negotiated with the exclusive representative. This measure will serve as a vehicle for the Legislature to appropriate and authorize funds for cost items, salary increases, and other cost adjustments upon completion of negotiations.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1044, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1044, S.D. 1.

Signed by the Chair on behalf of the Committee.



Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

**SCRep. 1393 (Majority) Ways and Means on H.B. No. 1045**

The purpose of this measure is to appropriate funds to cover collective bargaining cost items for collective bargaining unit 7.

The measure also appropriates funds for salary increases and cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

Your Committee finds that the measure serves as an appropriate vehicle for continued discussion on the issue and as a vehicle to provide funding upon reaching a collective bargaining settlement.

Upon further consideration, your Committee has amended this bill by changing the effective date to facilitate discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1045, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1045, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

**SCRep. 1394 (Majority) Ways and Means on H.B. No. 1046**

The purpose of this measure is to fund collecting bargaining cost items in an agreement negotiated with collective bargaining unit 10.

The bill also funds salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for unit 10's excluded counterparts.

Your Committee finds that this measure is an appropriate vehicle to facilitate discussion on this issue and to provide funds for cost items in the agreement negotiated with collective bargaining unit 10, and for salary increases and other cost adjustments authorized by chapter 89C for their excluded counterparts.

Upon further consideration, your Committee has amended this measure by changing the effective date to continue discussions on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1046, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1046, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

**SCRep. 1395 Ways and Means on H.B. No. 1047**

The purpose of this measure is to make an appropriation to fund collective bargaining cost items for certain state officers and employees in collective bargaining unit 11, firefighters.

Your Committee finds that an agreement between the State and the exclusive bargaining representative of unit 11, firefighters, for all collective bargaining cost items is presently the subject of arbitration. This measure will effectuate the agreement on all of these cost items upon the conclusion of arbitration.

This measure will also cover salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees excluded from collective bargaining.

Your Committee has amended this bill by changing its effective date to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1047, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1047, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1396 Ways and Means on H.B. No. 1157**

The purpose of this measure is to allow the Employees' Retirement System to enroll nonresident aliens with visas as noncontributory Class C members.

Your Committee finds that nonresident aliens that work for the State or counties are classified under the Employees' Retirement System as Class B contributory members. If, however, a nonresident alien acquires an Immigration and Naturalization Service green card, that person automatically becomes a Class C noncontributory member who is then eligible for a contribution refund.

By allowing nonresident aliens to be classified as Class C members, this bill relieves the Employees' Retirement System of the duties related to calculating refund and payroll adjustments for these members, and in so doing, allows the Employees' Retirement System to provide more efficient and better services to its members.

Your Committee has amended the bill by making nonsubstantive technical amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1157, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1157, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 1397 Commerce, Consumer Protection and Housing on H.B. No. 10**

The purpose of this measure is to require electric utilities to make annual disclosures to their retail customers of the fuel mix and price of electricity purchased by the customers.

Testimony in support of this measure was received from the Consumer Advocate, Department of Business, Economic Development, and Tourism, Public Utilities Commission, Hawaiian Electric Company, and Life of the Land.

This measure will facilitate consumer awareness of the characteristics and costs of energy resources utilized in the production of electricity by requiring the electric utilities to disclose fuel mix and pricing information on retail customer billing statements and on the utilities' websites.

Your Committee has amended this measure:

- (1) To clarify that the fuel mix and pricing information disclosed shall relate to the prior calendar year;
- (2) By replacing the requirement for pricing disclosure in a format that allows each retail customer to undertake a comparison of similar electricity products and services with a requirement for disclosure of the utility's average retail price of electricity for each rate class of service for the prior calendar year; and
- (3) To remove "imputed" generation sources from the definition of "fuel mix" and redefine the term as the actual generation sources of electricity sold to retail electricity customers expressed in terms of percentage contribution by generating source.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 10, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 10, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Whalen).

**SCRep. 1398 Commerce, Consumer Protection and Housing on H.B. No. 96**

The purpose of this measure is to prohibit the Public Utilities Commission (PUC) from imputing an organization's telephone directory advertising revenues when establishing rates for an affiliated telecommunications carrier.

Verizon Hawaii testified in support of the measure. The PUC and the Consumer Advocate opposed the measure.

Generally, in regulating public utility rates, the PUC may distribute, apportion, or allocate income and deductions between two or more organizations controlled by the same interests. This measure would establish an exception thereto by prohibiting the consideration of an organization's telephone directory advertising revenues when establishing rates for an affiliated telecommunications carrier.

The proponent of the measure submits that this measure would enable the carrier's telephone directory business to compete in the marketplace without its revenues being utilized to subsidize rate regulated services. Opponents of the measure contend that there is a unique and interdependent relationship between a telecommunications carrier and its affiliated directory publishing business that has historically justified imputation of the latter's revenues, and that this issue should be considered by the PUC on a case-by-case basis.

Your Committee finds that this measure raises significant issues that warrant further consideration in conference committee. Therefore, your Committee has amended this measure to insert a delayed effective date of July 1, 3000.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 96, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 96, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Whalen).

**SCRep. 1399 Commerce, Consumer Protection and Housing on H.B. No. 139**

The purpose of this measure is to allow the payment or receipt of direct commissions on the sale of collision damage waivers in motor vehicle rental transactions.

Testimony in support of this measure was submitted by Catrala-Hawaii, The Hertz Corporation, Cendant Car Rental Group, Inc., Enterprise Rent-A-Car, Dollar Rent A Car, ANC Rental Corporation, and Avis Rent A Car. The Department of Commerce and Consumer Affairs submitted comments on the measure.

Hawaii is the only state that does not allow the payment of commissions on the sale of collision damage waivers in motor vehicle rental transactions. This measure prohibits the payment of direct commissions, but allows the payment of commissions where the sale of collision damage waivers is one of many factors in determining the payment of commissions.

Your Committee has amended this measure by:

- (1) Deleting references to direct commissions;
- (2) Defining "sales location";
- (3) Clarifying in the measure's purpose section that abusive collision damage waiver sales practices are still subject to section 480-2, Hawaii Revised Statutes;
- (4) Inserting an effective date of July 1, 2003; and
- (5) Making a technical amendment for clarification.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 139, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 139, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Whalen).

**SCRep. 1400 Commerce, Consumer Protection and Housing on H.B. No. 595**

The purpose of this measure is to increase the length of time the deposit of a customer's check by a check cashing service may be deferred and the limit on check transaction amounts.

Written and oral testimonies in support of the measure were submitted by Kamaaina Loan and Advance Til Payday, respectively. The Office of Consumer Protection submitted comments on the measure.

This measure authorizes check cashing services to defer the deposit of checks received from customers for up to thirty-two days from the date of the execution of a contract, an increase from the current thirty-one day maximum. This measure also authorizes check cashers to accept a check with a face value of up to \$600, or double the current maximum of \$300.

Your Committee finds that state law allows pawnbrokers to contract for finance charges of up to twenty per cent per month on pawn transactions. Your Committee further finds that a check cashing transaction is essentially a pawn transaction, sometimes referred to as a "pawn-a-check". However, this type of transaction is generally riskier than a pawn transaction because the check casher holds no security in the form of collateral and there is a high loss rate. Therefore, in order to establish greater equity in the law as between check cashing services and pawnbrokers, your Committee has amended this measure by increasing the maximum fee chargeable by a check casher from fifteen per cent to twenty per cent of the check's face value.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 595, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 595, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Whalen).

**SCRep. 1401 Commerce, Consumer Protection and Housing on H.B. No. 730**

The purpose of this measure is to make permanent the regulation of occupational therapists, authorize an audit of the regulatory program, clarify the scope of regulatory law relating to occupational therapist qualifications, and repeal the authority for the issuance of temporary practice permits.

Testimony in support of this measure was received from the Department of Labor and Industrial Relations, Department of Education, Occupational Therapy Association of Hawaii, Hawaii Chapter-American Physical Therapy Association, Hawaii Medical Service Association, and numerous health care professionals and consumers. The Department of Commerce and Consumer Affairs presented comments on the measure.

The regulation of occupational therapists is scheduled to terminate on December 31, 2003. This measure repeals the sunset date and makes permanent the registration of occupational therapists. Your Committee finds that continuing to require registration will facilitate the provision of quality occupational therapy services since persons who seek to represent themselves as occupational therapists will be required to meet national standards of education and experience or be subject to sanctions.

Additionally, this measure requires the Auditor to submit a report to the Legislature prior to the 2007 regular session that recommends modification or repeal of the occupational therapy practice program, deletes reference to occupational therapy assistants in the law establishing qualifications for registered occupational therapists, repeals the law authorizing temporary permits for the practice of occupational therapy, and deletes the definition of "direct supervision".

Your Committee finds that the Auditor has already completed two evaluations of occupational therapy regulation and a third study is not warranted. Your Committee further finds that there is a need to clarify the regulatory law to avoid precluding the use of qualified occupational therapy support personnel in the practice of occupational therapy. Accordingly, your Committee has amended this measure by:

- (1) Eliminating the requirement for an Auditor's study;
- (2) Amending section 457G-1.5, Hawaii Revised Statutes, relating to the practice of occupational therapy, to provide that the Occupational Therapy Practice Act does not preclude the utilization of occupational therapy support personnel who meet national certification requirements;
- (3) Conforming the purpose section of this measure to reflect the above amendments; and
- (4) Making technical amendments to reflect preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 730, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Whalen).

**SCRep. 1402 Commerce, Consumer Protection and Housing on H.B. No. 1160**

The purpose of this measure is to allow the Board of Public Accountancy to administer a computer-based certified public accountant licensing examination and to require the use of the American Institute of Certified Public Accountants (AICPA) examination.

Testimony in support of this measure was submitted by the Hawaii Association of Public Accountants, Niwao and Roberts, Horwath Kam and Company, Executive Director and Board of Directors of the Hawaii Society of Certified Public Accountants, Wachi and Watanabe, CPA, Inc., and an individual. The Department of Commerce and Consumer Affairs, Board of Public Accountancy (Board), and an individual testified in opposition to the measure.

Your Committee finds that in the spring of 2004, the AICPA will replace the written Uniform CPA Examination with a computer-based format. This format will enable the examination to be administered more often and more efficiently. This measure authorizes the Board to utilize the AICPA's computer-based examination by repealing the requirement that the licensing examination be in written format.

This measure also mandates the use of the AICPA examination. Your Committee finds that the majority of states do not mandate a specific licensing examination, but provide their respective regulatory bodies with flexibility and discretion in this matter. Therefore, your Committee has amended this measure by replacing its language with the contents of a similar and previously-approved measure, S.B. No. 1313. As amended, this measure allows, but does not require the Board to utilize the AICPA examination.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1160, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1160, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Whalen).

**SCRep. 1403 Ways and Means on H.B. No. 1532**

The purpose of this measure is to appropriate funds for the annual celebration of Martin Luther King, Jr. Day.

Your Committee finds that the observance of Martin Luther King, Jr. Day in Hawaii rightfully perpetuates Dr. King's values of peace for all mankind, his principles of interracial cooperation, gender and racial equity, social change through nonviolent conflict

resolution, global peace and social justice, economic security, and the elimination of poverty. As a multicultural state with residents that reflect a greater ethnic and racial diversity than any other state, Dr. King's message is particularly relevant in Hawaii.

Your Committee believes that this bill is an important and appropriate recognition of the significance of Dr. King, the values that he held passionately and attempted to share with others, and the national holiday that honors and celebrates his memory.

Upon further consideration, your Committee has amended the measure by changing the amount of the appropriation from \$1 to \$2 to facilitate continued discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1532, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1532, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, 1 (Kawamoto).

**SCRep. 1404      Ways and Means on H.B. No. 662**

The purpose of this measure is to ensure for all time that Hawaii's athletes whose competitive spirit and accomplishments have focused national and international attention on Hawaii will be forever preserved.

Specifically, this bill enacts a new statutory section to designate the Hawaii Sports Hall of Fame, a private nonprofit corporation, as the State of Hawaii Museum of Sports History in the Islands. This concept is modeled upon existing law establishing the Bernice Pauahi Bishop Museum as the State of Hawaii Museum of Natural and Cultural History (section 6E-40, Hawaii Revised Statutes). The Hawaii Sports Hall of Fame may select one or more sites for a museum, with preference given to a recreational facility having convenient access to tourists.

Upon further consideration, your Committee has made several technical amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 662, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 662, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1405      Ways and Means on H.B. No. 1400**

The purpose of this measure is to extend the hotel construction and remodeling tax credit for two years.

Your Committee finds that since the enactment of the hotel construction and remodeling tax credit in 2001, the State has moved forward economically in several ways. First, the tax credit has provided a boost to the construction industry and the economy in general, resulting in an economic multiplier effect locally. Second, the tax credit has provided an incentive for hotels to refurbish and renovate their establishments so that they can more effectively compete with other tourist destination areas. Third, the tax credit has promoted foreign investment in the State and has added needed capital into Hawaii's economy. Finally, the tax credit has sent a positive economic message to the world that Hawaii is ready to do business and is willing to provide substantial tax incentives in that regard.

Based on these findings, your Committee concurs with your Committees on Tourism and Economic Development that the hotel construction and remodeling tax credit should be continued.

Your Committee has amended the bill by:

- (1) Limiting the tax credit extension to one year;
- (2) Changing the effective date to June 29, 2050 to promote further discussion; and
- (3) Making other technical amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1400, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1400, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1406      Ways and Means on H.B. No. 704**

The purpose of this measure is to establish procurement policies and procedures that promote greater public confidence in the integrity of the procurement process.

In particular, this measure:

- (1) Requires a pre-bid conference to be held for every construction or design-build project with an estimated contract value of \$100,000 or more. Your Committee finds that requiring a pre-bid conference for large construction and design-build projects will enable potential bidders to have their questions answered prior to bidding and will enable protests to be resolved quickly;
- (2) Establishes a Hawaii Procurement Institute at the University of Hawaii, in conjunction with the William S. Richardson School of Law, to conduct procurement education, training, and research. Your Committee finds that the institute will promote and develop a professional acquisition workforce and improve and enhance the State's contractor industrial base through education and training;
- (3) Amends section 103D-304, Hawaii Revised Statutes, relating to the procurement of professional services, by:
  - (A) Providing that design professional services are only to be procured under section 103D-304 or emergency procurement procedures;
  - (B) Amending the composition of the review committee;
  - (C) Specifying that the review committee members' names are to be public information placed in the contract file;
  - (D) Requiring that an independent selection committee rank professional service providers according to specified criteria;
  - (E) Requiring the head of the purchasing agency to negotiate with providers according to their ranking; and
  - (F) Requiring an equal distribution of work among providers that have the same qualifications.

Your Committee agrees that professional services contracts must be awarded based on professional qualifications only, and finds that this amendment will help to ensure that all qualified professional service providers are granted state contracts;

- (4) Amends section 103D-310, Hawaii Revised Statutes, relating to the responsibility of offerors, to require all offerors on state contracts to be incorporated or organized under the laws of the State of Hawaii and to demonstrate compliance with all state employment laws, including the general excise tax law, the disability compensation law, the employment security law, the temporary disability insurance law, and the prepaid health care law. Your Committee finds that this amendment will give local contractors an equal opportunity at state contracts. Your Committee further finds that requiring contractors to be incorporated or organized under the laws of the State will allow for better monitoring and greater accountability; and
- (5) Repeals section 103D-1007, Hawaii Revised Statutes, the so-called state taxpayer preference. Your Committee finds that requiring all offerors to be organized under the laws of the State and to comply with all applicable employment laws, as provided in the amendments to section 103D-310, renders the state taxpayer preference unnecessary.

Your Committee has amended this measure by changing the effective date to July 1, 3003 in order to promote continuing discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 704, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 704, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1407      Ways and Means on H.B. No. 1230**

The purpose of this measure is to provide an emergency appropriation to fund security concerns throughout the state airports and harbors systems.

The bill also provides funds for other Department of Transportation projects.

Your Committee finds that the funds appropriated during fiscal year 2002-2003 were sufficient for state airports and harbors security purposes. The Iraqi war, however, has resulted in elevated security requirements (Conditions Orange and Red) for the State by the Office of Homeland Security. Due to increased security measures instituted by the Department of Transportation, funds allocated for security measures will run out before the end of the current fiscal year.

This bill will provide the necessary funds for the Department of Transportation to meet its airport and harbors security needs.

Your Committee has amended the bill by removing appropriations not related to the emergency appropriations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1230, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1230, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

**SCRep. 1408      Ways and Means on H.B. No. 1247**

The purpose of this measure is to appropriate funds for the Department of Transportation to establish a contraflow lane or other traffic easing measures on Farrington Highway during morning and evening rush hours.

Your Committee finds that population growth on the leeward side of Oahu has exacerbated traffic conditions along the two-lane Farrington Highway. This measure will enable the Department of Transportation to address commuter traffic concerns in congested areas along the Waianae Coast.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1247, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (English, Kawamoto, Sakamoto).

**SCRep. 1409      Ways and Means on H.B. No. 1363**

The purpose of this measure is to demonstrate a commitment from the State, in partnership with the City and County of Honolulu and private landowners, to fund the clean-up of the Salt Lake Waterway.

Specifically, this bill appropriates funds in fiscal year 2003-2004 to the City and County of Honolulu for the clean-up, provided that the City and County of Honolulu matches the appropriation on a dollar-for-dollar basis.

Upon further consideration, your Committee has amended this bill by changing the appropriated amount to \$2 and changing the effective date to July 1, 2013, for the purpose of promoting further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1363, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1363, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

**SCRep. 1410      (Majority) Ways and Means on H.B. No. 1554**

The purpose of this measure is to permit counties with a population of two hundred thousand or more to impose a retail sales tax on tangible personal property in an amount not to exceed one per cent.

The bill further provides that if the city and county of Honolulu, the only county with a population exceeding two hundred thousand, does adopt the tax, this tax will replace its share of the transient accommodations tax.

Currently, the counties are dependent on receiving state funds, as the counties' only consistent independent source of revenue is the real property tax, which does not suffice to cover all the services the counties provide. However, continually raising the real property tax unduly burdens real property owners. Your Committee believes that it would be more equitable to authorize a county-level tax that applies more broadly.

Your Committee also finds that all counties, not just Honolulu, grapple with the issue of finding sufficient revenue to maintain basic health and safety services, as well as preserving and enhancing the quality of life for our residents.

Your Committee has amended the bill by:

- (1) Allowing each county to adopt the retail sales tax;
- (2) Setting the tax at a uniform rate of one per cent. A uniform rate will make Hawaii's entry into the national Streamlined Sales Tax Project substantially simpler;
- (3) Setting a timetable by which counties must adopt the tax to take advantage of the legislation: before August 1, 2003, for a county with a population of two hundred thousand or more, and by October 1, 2003, for counties with a smaller population;
- (4) Changing the percentage of the transient accommodations tax that the counties, other than the city and county of Honolulu, would receive if the city and county of Honolulu adopts the tax as follows: 16.0 per cent for Kauai county, 20.0 per cent for Hawaii county, and 24.0 per cent for Maui county; and
- (5) Changing the effective date to July 1, 2020, for the purposes of promoting further discussion.

Your Committee realizes that, under this formula, the neighbor island counties' share of the transient accommodations tax is reduced if they and the city and county of Honolulu adopt the retail sales tax, whereas it is not reduced if they adopt the tax but the city and county does not. Your Committee believes this provision needs further discussion and therefore is leaving the provision for further

consideration. Your Committee will continue to look at alternative formulas in the event that Honolulu does not adopt the tax, but other counties do.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1554, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1554, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

**SCRep. 1411 Ways and Means on H.B. No. 83**

The purpose of this measure is to authorize an exchange of private lands owned by the Aloha Council, Boy Scouts of America in Waikele, Oahu, for public lands located on the islands of Oahu, Kauai, and Hawaii.

Presently, the Aloha Council, Boy Scouts of America (Council) operates three campsites, on the islands of Oahu, Kauai, and Hawaii, on public lands under long-term leases at nominal rent. The Council owns in fee simple three potential income producing parcels of property in the Mill Town Center and Industrial Park in Waipahu, Waikele, Oahu. The Council would like to make improvements to the three campsites it operates on the public lands but would require the fee simple title to the public lands to make the improvements feasible.

Your Committee finds that independent appraisals of the Council's parcels and the public lands set their values at \$1,209,000 and \$1,150,000, respectively.

Your Committee further finds that an expedited exchange is in the public interest.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 83, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Hemmings).

**SCRep. 1412 Ways and Means on H.B. No. 155**

The purpose of this measure is to appropriate funds for various pineapple research projects.

Your Committee finds that, in the past, pineapple was Hawaii's most valuable crop. In 2001, pineapple had a farm value of more than \$96,000,000 in Hawaii. Despite a recent decline in the volume and value of the State's pineapple crop, the industry remains a vital contributor to our agricultural revenues, employing nearly three thousand individuals and generating \$53,000,000 of ancillary support businesses. Your Committee further finds that global competition requires Hawaii's pineapple industry to pursue research projects to remain a competitive and vital industry. This measure will facilitate continuation of various pineapple research projects.

Upon further consideration, your Committee has amended the measure by changing the effective date to promote continued discussion on this issue.

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

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Hemmings).

**SCRep. 1413 (Majority) Ways and Means on H.B. No. 293**

The purpose of this measure is to appropriate funds for the Department of Agriculture to assess the economic feasibility of establishing a world-class farmers' market in Hawaii.

Your Committee finds that the concept of a world-class farmers' market could provide a unique opportunity for local industries to showcase Hawaii's products and produce.

Your Committee has amended this measure by changing its effective date to July 1, 2050 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 293, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 293, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (Kawamoto, Hemmings).

**SCRep. 1414 (Majority) Ways and Means on H.B. No. 426**



The purpose of this measure is to direct the Department of Land and Natural Resources to issue new long-term leases for certain parcels of public lands on Kauai.

Your Committee finds that certain lessees of public lands used for hotel and other uses on Kauai have been severely impacted by prevailing economic conditions, including the devastating results of Hurricane Iniki and the September 11 tragedy.

Certain lessees are prepared to make substantial improvements to their leasehold properties, but are precluded from obtaining the financing to do so due to the short terms that are left on their leases. This measure will permit the Board of Land and Natural Resources to cancel existing leases and issue new long-term leases, thereby permitting the lessees to finance the proposed improvements and providing a greater economic benefit to the State. This measure will also delete the shared appreciation assignment premium for certain new leases to encourage the new investment by the lessees.

Your Committee has amended this measure by making the following technical changes for purposes of clarity:

- (1) Changing the word "department" to "board" at page 3, line 17; and
- (2) Changing the word "infrastructure" to "improvements" at page 5, line 22.

Your Committee has also made a few technical nonsubstantive corrections.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 426, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 426, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, 1 (Trimble). Excused, none.

**SCRep. 1415 (Majority) Ways and Means on H.B. No. 1509**

The purpose of this measure is to establish and create a management plan for a South Kona wilderness area on the island of Hawai'i.

The Department of Land and Natural Resources, pursuant to legislative request, submitted a report to the Legislature in December 2001 that identified areas proposed to be included in a South Kona park and discussed issues related to making such a park. Your Committee finds that there is limited development in the adjacent ahupua'a of Honomalino, Okoe, Kapu'a, Kaulanamauna, and Manuka, extending from South Kona to Ka'u, and that a wilderness park would safeguard the natural and cultural assets in the area. Your Committee further finds that there are significant archeological sites and native plants and animals within the proposed wilderness area and that the creation and management of a South Kona wilderness park to protect them is appropriate.

Your Committee has amended this bill by changing its effective date to July 1, 2050, for the purposes of promoting further discussion, and by making technical changes for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1509, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1509, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Sakamoto).

**SCRep. 1416 Ways and Means on H.B. No. 1613**

The purpose of this measure is to make an appropriation to acquire lands adjacent to the Kohala historical sites state monument.

Your Committee finds that Act 166, Session Laws of Hawaii 1992, now codified as section 6E-38.5, Hawaii Revised Statutes, established the Kohala historical sites state monument, a collection of historic sites in North Kohala, Hawaii, including the Mo'okini Luakini, Kamehameha birthsite, Kukuipahu Heiau, and historic sites at Mahukona. Act 166 further mandated that certain additional parcels of land were to be acquired through gifts or land exchanges to provide access and buffer areas for the monument.

Over the years, the State has been unsuccessful in its efforts to acquire these properties through gifts or land exchanges. This measure will appropriate funds for the acquisition of certain specific listed parcels of real property to ensure adequate access and buffer areas are afforded the Kohala historic sites state monument.

Your Committee further finds that the Mo'okini Luakini Corporation, a nonprofit entity established in 1979 to promote, develop, and preserve the Mo'okini Heiau, is the most qualified organization to protect and care for the Mo'okini Heiau.

Your Committee has amended this bill by inserting a specific amount to be appropriated to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1613, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1613, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Kawamoto, Hemmings).

**SCRep. 1417      Ways and Means on H.B. No. 1175**

The purpose of this measure is to base the delivery of administrative and instructional support services to public schools on school complexes rather than departmental school districts.

In addition, this measure:

- (1) Allows the Board of Education to set the salary of the deputy superintendent;
- (2) Changes the title of "district superintendent" to "administrative superintendent", and makes administrative superintendents responsible for supervising the delivery of administrative and instructional support services to school complexes; and
- (3) Caps the salaries of the deputy superintendent, assistant superintendents, and administrative superintendents at eighty per cent of the Superintendent of Education's salary.

Your Committee finds that this measure will increase operational efficiency by enabling the Superintendent of Education to "flatten" (i.e., decentralize) the administrative infrastructure of the Department of Education by converting "deputy district superintendent" positions into "administrative superintendent" positions and placing several school complexes under the direct supervision of an administrative superintendent.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1175, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1418      (Majority) Ways and Means on H.B. No. 512**

The purpose of this measure is to:

- (1) Allow a patient's next of kin access to the patient's records;
- (2) Allow the disclosure of a mental health patient's medical records for insurance reimbursement claim purposes; and
- (3) Make appropriations from the emergency and budget reserve fund for various programs, services, and projects essential to the public health, safety, and welfare.

Upon further consideration, your Committee has amended this bill by:

- (1) Removing the requirement that a health care provider must consider indicators, suspicion, or substantiation of abuse in deciding to release patient records in section 2 of the bill;
- (2) Deleting two categories of next of kin and adding one new category consisting of reciprocal beneficiary as defined in section 572C-3, Hawaii Revised Statutes, in section 2 of the bill;
- (3) Adding an exception for records subject to Title 42 Code of Federal Regulations Part 2, confidentiality of alcohol and drug abuse patient records, to disclosure of patient records in section 4 of the bill;
- (4) Adding language in section 5 of the bill clarifying the justification for appropriating funds from the emergency and budget reserve fund;
- (5) Adding language to clarify that various appropriations in Part III of the bill are grants and subsidies made pursuant to chapter 42F, Hawaii Revised Statutes;
- (6) Making all appropriated amounts for only fiscal year 2003-2004;
- (7) Changing the appropriated amounts as follows:
  - (A) Molokai General Hospital: from \$850,000 to \$750,000;
  - (B) Waianae District Comprehensive Health Center: from \$1,236,260 to \$965,841; and
  - (C) Wahiawa General Hospital: from \$1,200,000 to \$600,000;
- (8) Deleting the appropriation for St. Francis Medical Center Maui renal dialysis;
- (9) Adding two appropriations:

- (A) \$300,000 for an adolescent treatment center to treat poly-drug abuse on island of Hawaii; and
- (B) \$200,000 for community anti-drug efforts aimed at preventing crystal methamphetamine use on island of Hawaii; and
- (10) Repealing the sunset schedule for June 30, 2003, of Act 121, Session Laws of Hawaii 1999, as amended by Act 243, section 8 paragraph 2 Session Laws of Hawaii 2000, regarding mental health parity.

Due to the various additions of new sections to the bill and the deletions of existing sections from the bill, your Committee has also renumbered the sections of the bill accordingly.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 512, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 512, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Aduja, English, Kim).

**SCRep. 1419      Ways and Means on H.B. No. 282**

The purpose of this measure is to establish an audit revolving fund in the Office of the Auditor.

This fund will be funded by auditing fees and legislative appropriations, and will be used by the Auditor to conduct audits of agencies and funds.

Furthermore, this measure authorizes the Auditor to charge state and county agencies fees for the audits and deems expenditures from the fund to be expenditures by the audited agencies. This measure also transfers general funds to the revolving fund and appropriates funds from the revolving fund.

Your Committee finds that this measure may provide a mechanism to maximize the underwriting of audits from sources other than the general fund. Furthermore, your Committee finds that it is the constitutional duty of the Auditor to conduct financial and management audits of all state and county agencies.

Your Committee has amended this measure by clarifying that the general funds that are being transferred into the audit revolving fund in sections 3 and 5 of the measure are being transferred for different purposes. Specifically, the transfer in section 3 reflects seed moneys to advance the costs of audits that will later be reimbursed by the federal government. The transfer in section 5 reflects amounts currently budgeted to the state agencies for their own audit costs.

The Department of Accounting and General Services submitted comments expressing concern that this measure may conflict with the Separation of Powers Doctrine. Accordingly, your Committee believes additional review of this issue is warranted.

Your Committee has amended this measure by changing the appropriation figures to blank amounts and by changing the effective date to July 1, 2053, for the purposes of continuing discussions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 282, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 282, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Kanno, Kim, Tsutsui).

**SCRep. 1420      Ways and Means on H.B. No. 433**

The purpose of this measure is to authorize the issuance of general obligation bonds, reimbursable general obligation bonds, and refunding general obligation bonds to finance projects authorized in the General Appropriations Act of 2003 and the Judiciary Appropriations Act of 2003.

In addition, this measure includes a declaration by the Legislature that the total amount of principal and interest on the general obligation bonds authorized by the abovementioned laws and prior laws, both estimated and calculated, will not cause the State's debt limit to be exceeded at the time of issuance. This legislative declaration is required by article VII, section 13 of the state constitution.

Your Committee has amended this measure by changing its effective date to July 1, 2030.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 433, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 433, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Kanno, Kim, Hemmings).

**SCRep. 1421      (Majority) Ways and Means on H.B. No. 1152**

The purpose of this measure is to repeal certain revolving and special funds and transfer unexpended and unencumbered balances in the repealed funds to the state general fund.

In addition, this measure further directs the Director of Finance to transfer certain amounts in excess of the requirement of existing funds that are not repealed to the state general fund.

Your Committee finds that certain revolving and special funds no longer serve the purpose for which they were established, are not appropriate means of financing programs, or are not financially self-sustaining. This measure repeals the Petroleum Products Control Fund, Hawaii Film Facility Special Fund, Clean Hawaii Fund, Homes Revolving Fund, Hawaii Innovation Development Fund, Statewide Planning and Geographic Information System Special Fund, and Boiler and Elevator Safety Revolving Fund. The Director of Finance is directed to transfer any unexpended and unencumbered balances remaining in these funds to the state general fund.

Your Committee amended this bill by:

- (1) Leaving intact the State Disaster Revolving Loan Fund;
- (2) Adjusting certain amounts being transferred from existing special or revolving funds to the state general fund;
- (3) Repealing sections 201G-341, 201G-343, 201G-344, 201G-345 and 201G-422, Hawaii Revised Statutes, following the repeal of section 201G-342 and 201G-421, Hawaii Revised Statutes, by Act 178, Session Laws of Hawaii 2002;
- (4) Amending section 328L-2, Hawaii Revised Statutes, to provide that any excess tobacco settlement moneys provided for the University of Hawaii health and wellness center shall be transferred to: the emergency and budget reserve fund (eighty per cent of the excess); and the Hawaii Tobacco Prevention and Control Trust Fund (twenty per cent of the excess);
- (5) Adding a new section to chapter 261, Hawaii Revised Statutes, that: establishes a passenger facility charge special fund, into which shall be deposited all proceeds from any passenger facility charge, to be used for capital improvement projects approved by the Legislature; and exempts the passenger facility charge special fund from sections 36-30 and 103-8.5, Hawaii Revised Statutes; and
- (6) Amending section 502-8, Hawaii Revised Statutes, to provide that all moneys in excess of \$500,000 in the bureau of conveyances special fund on June 30 of each year shall lapse to the state general fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1152, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1152, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, 1 (Slom). Excused, 1 (Aduja).

**SCRep. 1422 (Majority) Ways and Means on H.B. No. 1225**

The purpose of this measure is to correct an inadvertent error created by Act 190, Session Laws Hawaii 2002, that adversely affected taxpayers with adjusted gross incomes of \$50,000 or less.

The bill also conforms Hawaii's tax laws to the Internal Revenue Code by lowering the estimated tax payment requirements to one hundred per cent of the preceding taxable year. Additionally, the bill clarifies the circumstances under which the Department of Taxation may grant an extension of time to file a state tax return.

Your Committee finds that this bill will clarify state tax laws and allow the Department of Taxation to provide better and more efficient service to state taxpayers.

Your Committee notes that the federal Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) amended the federal estate tax. These amendments, among others, reduce the state estate tax credit by one-fourth until 2005 when the states will not receive any portion of the federal estate tax. The result of these amendments means that those states that have a pick-up tax (a share of the federal estate tax), such as Hawaii, will lose their share of the federal estate tax. Numerous states have decoupled from the federal estate tax 2001 amendments so that they will continue to receive a portion of the federal estate tax. Your Committee has amended chapter 236D, Hawaii Revised Statutes, to ensure that Hawaii continues to receive a portion of the federal estate tax. These amendments fix the dates of certain definitions in chapter 236D, Hawaii Revised Statutes, as of December 31, 2001. Your Committee made these amendments applicable to transfers occurring after December 31, 2002.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1225, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1225, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (English, Kawamoto, Kim).

**SCRep. 1423 Ways and Means on H.B. No. 297**

The purpose of this measure is to establish the Drug Strike Force Program within the Department of Public Safety and provide funding for the Drug Strike Force Program, crystal methamphetamine treatment and an adolescent treatment center on the island of Hawaii, and crystal methamphetamine prevention efforts. The measure also establishes the Office of the Drug Czar within the Office of the Lieutenant Governor.

In addition, this bill establishes the temporary Coordinated Council on Drug Control in the Department of Public Safety for the purpose of reviewing existing coordinating bodies and statutes and proposing a model comprehensive coordinating body to address drug abuse in this State.

This bill further creates the cigarette tax stamp treatment special fund in the Department of Health for use in poly-drug abuse treatment. The special fund is to receive an unspecified percentage of the denominated value of the cigarette stamp fee. Payment of expenses arising in connection with enforcement pursuant to the drug strike force program is to be partially funded from the criminal forfeiture fund in the Department of the Attorney General.

This bill also appropriates unspecified funds from the cigarette tax stamp treatment special fund and the criminal forfeiture fund for their respective purposes, as detailed in the previous paragraph.

In addition, this bill appropriates unspecified amounts for fiscal year 2003-2004 for:

- (1) Education programs aimed at preventing crystal methamphetamine use among middle and high school students;
- (2) Establishment of an adolescent treatment center to treat poly-drug abuse on the island of Hawaii; and
- (3) Community anti-drug efforts aimed at preventing crystal methamphetamine use on the island of Hawaii.

Upon further consideration, your Committee has amended this bill by deleting its entire contents except for the appropriations of unspecified amounts for fiscal year 2003-2004 for:

- (1) Establishment of an adolescent treatment center to treat poly-drug abuse on the island of Hawaii; and
- (2) Community anti-drug efforts aimed at preventing crystal methamphetamine use on the island of Hawaii.

Your Committee has also added a new appropriation for fiscal year 2003-2004, as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to the police departments of the various counties for programs to prevent and treat crystal methamphetamine use on a statewide basis. Finally, your Committee has added a provision to repeal the June 30, 2003 sunset of Act 203, Session Laws of Hawaii 1995, which enacted the Drug Dealer Liability Act, now codified as chapter 663D, Hawaii Revised Statutes, thereby making the law permanent; and a new section containing the appropriate Ramseyer language to conform to the amendment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 297, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 297, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Kawamoto, Kim, Hemmings).

**SCRep. 1424 (Majority) Ways and Means on H.B. No. 298**

The purpose of this measure is to direct the executive branch to initiate the process to develop additional correctional facilities on the undeveloped portion of the Halawa correctional facility.

Your Committee finds that, due to the overcrowding of the existing state correctional facilities, additional facilities must be developed. Transporting inmates to mainland facilities has worked as a temporary solution; however, the State cannot afford to transport inmates to mainland facilities indefinitely.

One of the possible scenarios under consideration is the development of additional correctional facilities on an undeveloped portion of the existing Halawa correctional facility to replace the existing Oahu community correctional center.

Your Committee has amended this measure by directing the executive branch to initiate a feasibility and planning study for the future disposition or development of the existing Oahu community correctional center site in anticipation of the correctional center's possible relocation to Halawa.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 298, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 298, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 2 (Slom, Trimble). Excused, 4 (English, Kawamoto, Kim, Hemmings).

**SCRep. 1425 (Majority) Ways and Means on H.B. No. 391**

The purpose of this measure is to exclude administrative and other expenses from the health benefits plan and long-term care plan rates set by the Hawaii Employer-Union Health Benefits Trust Fund.

The bill also delays the transfer of civil service employees from the Public Employees Health Fund to the Hawaii Employer-Union Health Benefits Trust Fund and requires the employer base composite monthly contribution for retirees to be adjusted annually beginning July 1, 2002. The bill also appropriates funds for unanticipated and unbudgeted increases in Public Employees Health Fund payments.

Your Committee has amended the bill by removing its contents and replacing it with a provision to repeal part II of Act 90, Session Laws of Hawaii 2001, relating to privatization.

Your Committee finds that the philosophy behind privatization is contrary to several recent statutory and political developments over the past five years. First, under Act 230, Session Laws of Hawaii 1998, the State adopted the policy of "managed competition" that enabled state and county government to implement public-private competition for government services. Second, two years later under Act 253, Session Laws of Hawaii 2000, the Office of Collective Bargaining was renamed to allow the Office to implement the managed competition process through collective bargaining. Third, under Act 90, Session Laws of Hawaii 2001, the counties were authorized to coordinate and negotiate the terms and conditions of the managed competition process. Finally, the Governor has publicly promised not to lay off public workers and has reaffirmed a commitment to a process of joint decision making to determine wages, hours, and terms and conditions of employment.

Considering these developments, your Committee finds that privatization is inconsistent with the managed competition process and is also an unconstitutional infringement of the right of public employees to engage in collective bargaining. Accordingly, this bill repeals the privatization process under Part II, Act 90, Session Laws of Hawaii 2001.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 391, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 391, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 1 (Trimble). Excused, 5 (English, Kawamoto, Kim, Hemmings, Slom).

**SCRep. 1426 (Majority) Ways and Means on H.B. No. 510**

The purpose of this measure is to repeal Part II of Act 90, Session Laws of Hawaii 2001, that provides authorization for the State and counties to engage in privatization.

Your Committee has replaced the contents of the bill with provisions to raise the general excise tax by one-half per cent and appropriating the proceeds to finance necessary programs in lower and higher education.

Since the beginning of the Regular Session of 2003, your Committee has remained firm in its commitment and support of education. Despite a fragile economy that is tied to world events, especially the Iraqi War, your Committee is convinced, more than ever, that now is the time for the State to move boldly forward and provide the financing sorely needed by public education in the State.

Your Committee finds that the proceeds derived from the increase in the general excise tax will provide \$108 million to lower education and \$12 million to higher education in each fiscal year of 2004-2005 and 2005-2006. Of the \$108 million designated for lower education, it is the intent of your Committee that these funds be allocated on a per pupil basis which should cost approximately \$45 million per year.

The balance is appropriated as follows:

(1) School repair and maintenance	\$10,000,000;
(2) The 3Rs program	\$ 100,000;
(3) High school coaches	\$ 500,000;
(4) Teacher tuition	\$ 200,000;
(5) ISPED clerks	\$ 3,000,000;
(6) Safety officer training	\$ 100,000;
(7) Business managers	\$ 800,000;
(8) Nation board certified teachers (\$5,000/year bonus)	\$ 375,000;
(9) Teacher standard board	\$ 450,000;
(10) Security officers	\$ 2,000,000;

(11) Teacher retention	\$ 4,475,000;
(12) EDN100-500 budget cut restoration	\$ 3,000,000;
(13) EDN407 budget cut restoration	\$ 1,000,000;
(14) EDN400 school custodial services	\$ 3,000,000.

The \$5.9 million for higher education is appropriated as follows:

(1) College of Tropical Agriculture and Human Resources	\$ 500,000;
(2) College of Education for 23.5 positions	\$ 1,400,000;
(3) School of Nursing	\$ 1,200,000;
(4) Department of Information and Computer Sciences	\$ 1,000,000;
(5) UOH 100 budget cut restoration	\$ 1,800,000.

Your Committee is confident that these appropriations will ensure the academic integrity of lower and higher education in the State and will provide the quality education demanded and deserved by the taxpaying public.

To offset the increase in the general excise tax, your Committee has added a food tax credit that is based on a taxpayer's income and increased the standard deduction. Your Committee has also provided a repeal date of December 31, 2013.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 510, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 510, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

**SCRep. 1427 (Majority) Ways and Means on H.B. No. 659**

The purpose of this measure is to transfer responsibility for the sale and distribution of legislative journals from the Lieutenant Governor to the Senate and House of Representatives.

Specifically, this bill:

- (1) Makes each house of the Legislature responsible for the publication, sale, and distribution of their respective legislative journals;
- (2) Requires the Senate President and the Speaker of the House of Representatives to fix the price of their respective legislative journals and determine who shall receive their respective legislative journals free of charge; and
- (3) Allows money received from the sale of the legislative journals to be used by each house of the Legislature to defray any and all expenses of their respective houses.

Your Committee finds that the sale and distribution of the House and Senate journals are more appropriately placed with their respective legislative bodies.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 659, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, 2 (Slom, Trimble). Excused, none.

**SCRep. 1428 (Majority) Ways and Means on H.B. No. 1182**

The purpose of this measure is to require the Department of Health to establish an aeromedical emergency medical services system as part of its state comprehensive emergency medical services system.

Furthermore, this bill appropriates general funds in fiscal year 2003-2004 to the Department of Health to match county funds for various emergency helicopter aeromedical services or ambulance services for Waianae Coast Comprehensive Health Center and the counties of Maui and Hawaii.

Your Committee is cognizant that the rapid response of emergency medical services is critical to positive outcomes for emergency patients. Your Committee finds that the need to provide sufficient emergency medical care to residents of rural areas, particularly on

the neighbor islands, is long overdue. Your Committee further finds that funding has been a critical issue in financing the aeromedical services system established in this measure. User fees for emergency medical services are deposited into the general fund, but are not an adequate source of funding the services.

Accordingly, your Committee has amended this measure by:

- (1) Establishing an emergency medical services special fund for the Department of Health to use in operating the state comprehensive emergency medical services system, including emergency aeromedical services;
- (2) Requiring the counties to impose additional fees for motor vehicle registrations;
- (3) Requiring the counties to deposit a portion of the additional fees into the special fund;
- (4) Requiring that the counties use the remainder of the additional fees for their administrative costs in providing emergency aeromedical services;
- (5) Appropriating funds to the Department of Health out of the special fund rather than the general fund;
- (6) Changing the year of the appropriation from fiscal year 2003-2004 to fiscal year 2004-2005; and
- (7) Eliminating the county matching funds requirement for all appropriations except that for emergency helicopter aeromedical services for the county of Maui.

Your Committee considered various funding sources to provide emergency medical services, and your Committee finds that the best method is to increase the motor vehicle registration fees. Your Committee further finds that there may be a direct nexus between increasing motor vehicle fees and the provision of emergency medical services. For example, the County of Hawaii's Fire Chief noted in his testimony that the County of Hawaii experienced an increase in the number of motor vehicles registered and a corresponding increase in vehicular accidents.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1182, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1182, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (English, Kim).

#### **SCRep. 1429      Ways and Means on H.B. No. 200**

The purpose of this bill is to appropriate for the Executive branch's operating and capital improvement expenditures for the fiscal biennium July 1, 2003, through June 30, 2005.

#### **Overview**

Never has your Committee been faced with the level of fiscal uncertainty it has this session. Declining projected State revenues and tenuous geopolitical issues, coupled with increasing needs throughout the State, have had a great impact on the manner in which your Committees constructed this Biennium Budget. Your Committee performed the painful task of choosing among competing valid needs and sets forth, herein, its priorities.

#### **Economic Backdrop**

##### Outlook Prior to War

On March 17, 2003, just two days before the start of the war with Iraq, the Department of Business, Economic Development, and Tourism's (DBEDT) Quarterly Forecast reported:

"The fourth quarter of 2002 contributed more evidence that Hawaii is climbing back toward pre-2001 levels, but conditions in early 2003 have tempered expectations. Visitor arrivals, tax revenues, construction and home sales improved during 2002. However, sluggish conditions prevailed in the Mainland and Japan economies and consumer uncertainty caused by the possibility of a war on Iraq are retarding business activity."

The visitor industry plays a large role in the health of Hawaii's economy. Consequently, the State's growth is strongly correlated to the rate of economic expansion in U.S. and international visitor markets. Consensus projections of U.S. economic performance continued to weaken even before the war with Iraq had begun. The Blue Chip Economic Forecast, based on an average of 50 major U.S. forecasts, adjusted the forecast for growth in real U.S. GDP in 2003 downward in February 2003 from 2.8 percent to 2.7 percent.

In 2003, total visitor arrivals were predicted to grow 5.3 percent with visitor expenditures forecast to increase 6.8 percent. Positive growth in visitor arrivals was expected to come from a stronger recovery of tourism from Japan together with growth from Mainland areas. Visitor arrivals were projected to regain their 2000 levels in 2004 with an additional 4.2 percent increase over 2003 and subsequently return to its historical growth level in the 2 percent range. However, as an example of the immediate impact the war has had on visitor arrivals, the number of passengers on international flights to Hawaii fell 29 percent on the first day of the war. State figures also show that Mainland visitors are staying home.



The majority of the above economic forecasts attempted to recognize changed national and international security conditions. None, however, assumed that the U.S. would be at war. While the State's leading economists continue to disagree on the war's future economic impact on the State, your Committee believes that Hawaii will experience a decline in revenues, at least in the short-term. As such, your Committee took a proactive approach in formulating the budget. Your Committee believes that many of the reductions made throughout the budget are necessary to provide for the most critical of services should revenues continue to fall.

#### The Situation in Other States

According to the National Conference on State Legislatures' "State Budget Update: November 2002" report:

- Thirty-one states reported budget gaps in the early months of fiscal year 2002-2003. Some already have taken action to close them. Seventeen report no gap or indicate that it is too early to specify the size of a potential budget gap. Two states did not provide information.
- The current cumulative budget gap for all states is approximately \$17.5 billion for fiscal year 2002-2003 (3.6 percent of original fiscal year 2002-2003 appropriations). This amount has grown since the fiscal year began. When developing their fiscal year 2002-2003 budgets, States faced an aggregate gap of \$49.1 billion. Most of that amount was resolved by the time States began the new fiscal year.
- State revenue collections continue to be anemic. Thirty-three States report that revenue collections are below forecasted levels through October.
- Twenty-nine states revised their revenue estimates for fiscal year 2002-2003. The revenue forecast was lowered in 26 states.
- The revenue outlook for the remainder of the fiscal year does not reflect confidence for a strong recovery. Twenty-nine States are concerned about revenue performance, and nine are pessimistic. Eight States report a stable outlook, and two are optimistic.
- Twenty-nine states report that spending is exceeding budgeted levels. Twenty-four states report that Medicaid or health care programs are over budget.

#### Budget Shortfalls and Solutions

Last year, many states were able to use rainy day funds and other measures to address the \$49.1 billion shortfall. States raised taxes by \$9.1 billion in the aggregate—breaking a trend of annual tax cuts that began in 1994. Only Hawaii cut taxes by more than 1 percent while 18 states raised taxes more than 1 percent.

For the current fiscal year ending June 30, states must address a collective \$17.5 billion budget gap. The list of states with expected deficits is extensive. Hawaii's budget deficit stood at approximately \$165 million. Hawaii was one of only two states optimistic about revenue performance.

State legislatures around the country are currently experiencing common problems. Declining revenues and growing demands will necessitate intense scrutiny of State budgets. Other states are dealing with their shortfalls in ways similar to the choices made by your Committee. For example, 31 states are imposing budget cuts, 28 states are tapping various state funds, 14 states are tapping rainy day funds, and 21 states are using tobacco settlement funds.

Revenue collections have been sluggish during the first four months of the fiscal year, and overruns, particularly in Medicaid programs, are already being reported in at least 24 states. Massachusetts will cut 50,000 people from its Medicaid rolls and still faces a \$300 million dollar gap in the program. Georgia reports a \$417 million shortfall in Medicaid. States may be looking at raising the standards for Medicaid eligibility.

#### Council on Revenues

At its meeting on January 7, 2003, the Council on Revenues forecast a growth rate of 6.1 percent for fiscal year 2002-2003. This estimate did not take into account the geopolitical uncertainty the nation faced at the time, namely, the impending war with Iraq.

During its March 13, 2003 meeting, the Council revised its estimated growth rate of 6.1 percent down to 4.3 percent. The Council stated that this downward revision was due almost entirely to tax credits claimed in 2001. The credits that had the greatest unanticipated impact were high technology investment, research activities, and residential and remodeling tax credits. This 1.8 percent drop in estimated revenues for the current fiscal year amounted to a loss of approximately \$56 million. Again, the Council's projections did not take into account war with Iraq or potential losses of federal allocations (as a result of the war). Also, it only considered existing tax laws.

#### Budget chronology

A key component of balancing the prior administration's six-year financial plan was the transfer of \$175 million from the Hawaii Hurricane Relief Fund (HHRF) to the general fund. The current administration's approach to balancing the budget does not allow for the transfer of any monies from the HHRF, reductions in force, or any tax increases. Consequently, the current administration looked at alternatives such as a 5 percent reduction to "discretionary" general fund expenditures, transferring balances from various non-general funds, imposing a statewide hiring freeze, and reductions in previously submitted budget requests for additional funding to

balance the budget. The process of working through these alternatives took a great deal of time for both the new administration and your Committee.

As a result of the March 13, 2003, Council on Revenues meeting and its revised forecast, the new administration suggested that the legislature plan for the projected decline in revenues by taking the following actions:

- Shift special funds to the general fund, providing an estimated \$24 million;
- Restructure debt and revise the interest rate assumption, providing an estimated \$50.8 million;
- Revisit Act 221 Tax Credit Adjustments and make adjustments, providing an estimated \$55.5 million;
- Reduce the Department of Education's "Adult Education" program, providing an estimated \$2.7 million; and
- Supplanting \$8 million in general funds for the Department of Education with \$8 million in federal funds.

#### Setting priorities

The State's fiscal situation has required your Committee to carefully set priorities. Your Committee has focused particularly on public education. In setting its priorities, your Committee has tried to accommodate the current administration's priorities of not laying off public employees, not using the hurricane relief fund, increasing the standard deduction, and other tax measures. In order to meet these seemingly mutually exclusive goals, your Committee in HB 510, raises the general excise tax one-half percent, dedicating two-thirds or \$120 million in anticipated revenue to public education. The general excise tax increase allows your Committee to reduce or eliminate some of the reductions proposed by the administration. It also allows, in some instances, increases in appropriations. Absent the general excise tax increase, education, particularly lower education, would be hard pressed to deliver the level of service expected of it, meet the requirements of Felix, and meet the requirements of No Child Left Behind. Both of these federal mandates increase costs to the State without adequate federal support.

Your Committee has prudently reviewed the budget, made further reductions, and tried to permit flexibility in allowing the administration to implement the budget.

Your Committee continues to make education its top priority. Given present economic uncertainties, your Committee sought to earmark additional funding for education through HB 510. This measure creates the Education special fund, whereby all monies deposited would be earmarked for additional funding for each of the forty-two school complexes on a per pupil basis and additional repair and maintenance for each of these schools. In addition, a portion of the revenue derived from HB 510 would be set aside for the University of Hawaii. In total, the additional funding would amount to \$120 million more for our public schools.

Your Committee has also passed HB 1554, which allows the counties to adopt a one percent retail sales tax that would be collected by the state department of taxation. The retail sales tax will assist the counties in balancing their budgets without increasing the real property taxes. The real property tax falls on real property owners, while a retail sales tax would be shared by everyone, including visitors to Hawaii. In return, counties adopting a retail sales tax would allow the State to retain and place in the general fund all or part of the transient accommodations taxes now shared with the county. This will assist the State in meeting its general fund requirements.

#### Non-General Funds

As previously mentioned, 28 states have tapped various state funds to meet budget shortfalls. Given the current fiscal crisis, your Committee has examined these funds as well. Your Committee has identified \$63.3 million in non-general fund cash balances to be transferred to general fund via HB 1152. With the magnitude of transfers your Committee proposes, fund administrators will need to closely monitor revenues and expenditures. While your Committee finds no pleasure in taking this course of action, it believes it is necessary in order to ensure that priority programs in departments such as Education, Health, Human Services, and the University of Hawaii are, and will continue to be, funded at a level deserving of these core goals.

#### **Non-Discretionary Costs**

As a result of the growing needs reflected in the budget, your Committee recognizes increases of approximately \$56 million in fiscal year 2003-2004 and \$161 million in fiscal year 2004-2005 in non-discretionary costs.

#### Health Fund

Your Committee notes that among the non-discretionary additions contained in the budget, over \$20 million in fiscal year 2003-2004 and over \$50 million in fiscal year 2004-2005 is required for health premiums for active and retired state employees. In addition, over \$12 million in fiscal year 2003-2004 and over \$17 million in fiscal year 2004-2005 is required for the employer's portion of Social Security and Medicare.

#### Pension Accumulation

Your Committee also feels it important to note that due to the condition of the stock market, the Employees' Retirement System has realized negative returns on the market value of retirement assets of 6.9% in fiscal year 2000-2001 and 5.9% in fiscal year 2001-2002. These negative market conditions resulted in increases of over \$24 million in fiscal year 2003-2004 and over \$94 million in fiscal year 2004-2005 in required pension accumulation for the State.

#### Bond Restructuring and Refinancing

There is at least one positive aspect in relation to the State's non-discretionary cost items. Lower interest rates have presented the State with an opportunity to realize savings in debt service. Due to previous general obligation bond restructuring and refinancing transactions, the State is projected to have a net savings of \$55.2 million in fiscal year 2003-2004 and \$24.8 million in fiscal year 2004-2005. Furthermore, the administration is proposing another restructuring and refinancing transaction that would provide additional estimated savings of \$24.9 million in fiscal year 2003-2004 and \$23.4 million in fiscal year 2004-2005. These two transactions have the potential to save the State \$80.1 million in fiscal year 2003-2004 and \$48.3 million in fiscal year 2004-2005.

### **Reductions to the Budget**

Without the use of the HHRF funds, increases in taxes, or reductions in force to assist in balancing the budget, the current administration found it necessary to propose a 5 percent reduction to the discretionary general fund budgets of the majority of departments.

#### Vacant Positions

Your Committee had a difficult time trying to work within the framework established by the current administration. Given this limitation, your Committee carefully examined positions identified as vacant since December 31, 2001. Your Committee's position is that although the departments may still prefer to maintain these positions, they have made great strides in adjusting to the vacancies. Workloads have been redistributed and savings have been realized. In these uncertain economic times, lower budget allocations will not permit departments to fill these vacancies. It is your Committee's hope that when Hawaii's economy recovers, these vacancies may be restored.

### **Education**

Your Committee has adopted the prior administration's instructions to state directors regarding their preparation of department Fiscal Biennium 2003-2005 budgets, when evaluating the requests of the department of education (DOE) and the Hawaii State Public Library System (HSPLS). These instructions emphasized that this biennium budget proposals be "prudent yet relevant . . . accurate but flexible." Your Committee's approved budgets for the department of education and the HSPLS are prudent, accurate, and flexible.

#### Department of Education

Your Committee acted prudently by adopting most of the prior administration's budget proposals, which internally reallocated resources, both within and between department of education programs, to address specific departmental needs. Your Committee readily approved prior administration proposals to transfer funds from various programs and other cost categories to address department salary shortfalls within Regular Education (EDN100) and Comprehensive School Support Services (EDN150).

Your Committee has approved the reduction of approximately \$9.2 million for fiscal year 2003-2004 and \$10.6 million in fiscal year 2004-2005 in general funds for the Food Services program. Utilizing the funds reduced in the department's Food Services program, your Committee has approved the transfer of lump sum general fund adjustments to Regular Education (EDN100), which includes \$2.4 million in fiscal year 2003-2004 and \$2.3 million in fiscal year 2004-2005 for textbooks, equipment and supplies; \$1.2 million in fiscal year 2004-2005 for workers' compensation costs; and \$1 million in fiscal year 2003-2004 and \$2.4 million in fiscal year 2004-2005 for charter school funding. Utilizing the same funds, your Committee has also approved the transfer of approximately \$5.9 million in fiscal year 2003-2004 and fiscal year 2004-2005 to Comprehensive School Support Services (EDN150) to offset a projected salary shortfall. The proposed reductions and transfer of funds are based on projected increases of Food Services special and federal funds, expenditures from which are expected to take the place of or supplant the amount of general fund appropriations reduced. Your Committee believes that, given the uncertainty of the State's economy, it is prudent to allow the proposed reductions to the Food Services program. However, your Committee will remain flexible in order to possibly address the feasibility of reduction during the supplemental budget legislative session.

#### The Felix Consent Decree and Special Education

Your Committee has approved the prior administration's proposed transfer of resources from the department of health (DOH) to DOE, which would supplement the department's Special Education and Felix Consent Decree services. The DOE's Comprehensive School Support Services (EDN150) budget has been augmented by the addition of approximately \$250,000 for fiscal year 2003-2004 and fiscal year 2004-2005, which reflects the transfer of DOH's Childrens Community Council Office to DOE's School Based Behavioral Health program. The DOE's EDN150 budget has also been increased with the addition of (24) temporary positions, (28.50) permanent positions and \$11.9 million in general funds for fiscal year 2003-2004 and fiscal year 2004-2005, which will be transferred from DOH to DOE's Services for Children with Autism, a mandated Felix Response Plan program. The current administration has followed the lead of the previous executive and has brokered an agreement between the DOH and DOE, which allows for the transfer of \$14.6 million, in fiscal year 2003-2004 and fiscal year 2004-2005, to DOE's Services for Children with Autism program, primarily to fund contract services. Your Committee has approved this request to transfer autism contract services funding to the DOE's Special Education budget.

In addition, your Committee has approved the conversion of (275) temporary Comprehensive School Support Services (EDN150) positions, which are primarily Felix Response Plan (FRP) and School Based Behavioral Health (SBBH) positions, to permanent status. Although, the prior administration requested the conversion of (1,686.50) temporary positions to permanent, your Committee believes it was prudent, at this writing, to convert only a specific number of positions. In the 2002 Supplemental Appropriations Act, i.e., Act 177, SLH 2002, your Committee requested that the DOE complete a comprehensive needs assessment of the FRP and SBBH programs. After examination of the submitted information and discussions with DOE Special Education and Human Resources staff, your Committee has determined that (275.00) temporary positions require immediate conversion to permanent status based on the critical services they provide to Felix and Special Education students. Your Committee has selected the type and number of positions

to be converted, which includes (226) SBBH Specialist positions, (46) School and Complex Psychologist positions, and (3) Integrated Special Education Data program (ISPED) positions. Your Committee has included a proviso which, among other requirements, requests the DOE to continue its ongoing needs assessment and report to the legislature prior to convening of the 2004 and 2005 legislative sessions, in order that your Committee may continue its efforts to determine the appropriate number of additional positions to convert to permanent status in the future.

In summary, your Committee has increased resources for the DOE's Felix and Special Education programs by approving the transfer of DOH general funds and positions for Services for Autistic Children and, utilizing an exacting and deliberate procedure, approving the addition of (275) permanent Felix Response Plan (FRP) and School Based Behavioral Health Services (SBBH) positions. Although, your Committee did not fully approve the executive's request to convert all (1,686.5) positions, complete funding for these positions remains in the DOE's budget. While your Committee continues to scrutinize the department for waste and/or excess, the DOE's Felix and Special Education programs base resources (EDN150), in general, remain intact. The Special Education budget approved in this bill clearly demonstrates your Committee's commitment to maintaining compliance under the Felix Consent Decree and, more importantly, providing the requisite educational services to students with disabilities.

#### Reductions

Your Committee decided to adopt the current administration's proposed 5 percent discretionary general fund reduction for the department of education. Your Committee has approved the reduction of approximately \$3 million, in general funds, for fiscal year 2003-2004 and fiscal year 2004-2005, which are reflected in percentage reductions to Regular Education (EDN100) (approximately \$2.7 million per year); School Instructional Support (EDN200) (approximately \$94,000 per year); State and District Administration (EDN300) (approximately \$144,000 per year); and School Community Service (EDN500) (approximately \$38,000 per year). Although your Committee has reluctantly accepted this reduction to the department's overall budget, your Committee is relying on the wisdom and flexibility of the 2003 Legislature and current administration to approve the passage of HB510, which would increase the general excise tax (GET) by ½ percent, allowing \$120 million for education. Passage of the bill would allow for the restoration of the department funding lost by this reduction.

Your Committee has considered the current administration's requests to reduce discretionary general funds from the base budgets of Regular Education (EDN100) and School Support (EDN400). Specifically, the current administration requests the reduction of \$5 million in fiscal year 2003-2004 and fiscal year 2004-2005 in EDN100 and the reduction of \$3 million in fiscal year 2003-2004 and fiscal year 2004-2005 in EDN400. Based on information provided by DOE, the requested \$5 million per year reduction in EDN100 would eliminate three (3) lump sum additions requested by the previous administration and approved by your Committee in this budget. The approved lump-sum additions to the EDN100 budget include: approximately \$2.5 million and \$2.9 million in fiscal year 2003-2004 and fiscal year 2004-2005, respectively, for New Century Charter Schools; approximately \$2 million in fiscal year 2003-2004 and fiscal year 2004-2005 for the School Safety Manager program; and approximately \$405,000 in fiscal year 2003-2004 for lease rent for Nanaikapono School. Your Committee has deliberated over the requested reduction to EDN100 and has decided to deny this request.

Your Committee based its decision on the following. New Century Charter School funding remains a statutorily mandated obligation for the State, and the approved lump-sum adjustment would address a portion of this required cost. The New Century Charter School program has been historically under-funded. The DOE has informed your Committee that Act 177, the Supplemental Appropriations Budget for fiscal year 2002-2003, provided approximately \$6 million in charter school funding. This resulted in a \$5.5 million shortfall for the program in fiscal year 2002-2003. Currently, there is only the \$6 million in the DOE's base budget for charter schools. Therefore, without increased funding, the State's charter schools, which are defined as State public schools, may again face deficits in fiscal year 2003-2004 and fiscal year 2004-2005. As such, your Committee has approved the prior administration's request for additional charter school funding and denied the current administration's request to retract this funding.

To further insure the solvency of the charter school program your Committee has included a budget proviso that clarifies, for the DOE, that any funds allocable to the charter schools are determined via statute and, therefore any reduction to the statutorily determined amount must be explicitly stated in and justified under current Hawaii charter school law. Your Committee believes that the lump-sum adjustment for rental payment for Nanaikapono School also qualifies as a fixed and mandated cost for the State. Additionally, your Committee believes that school safety remains a major priority for the department and therefore, the school safety manager program should continue to receive the approved lump sum funding.

Your Committee reviewed the requested \$3 million general fund reduction for School Support (EDN400). Your Committee is cognizant that the reduction represents a retraction of the previous administration's request for a lump-sum general fund addition to address increased custodial needs, e.g., supplies and equipment, for multi-track schools as well as other pressing school maintenance requirements. Your Committee decided that it could not, in good conscience, restore both the Regular Education (EDN100) reduction of \$5 million and the \$3 million reduction for School Support (EDN400). Therefore, your Committee, being well aware of the hygiene needs of our schools, has decided to err on the side of fiscal caution and approve the \$3 million reduction to School Support. Your Committee is hopeful that the approved \$3 million reduction will be addressed and, hopefully, restored by the passage of HB510 via an increase in the general excise tax.

Your Committee has also received two late-hour requests from the current administration to reduce the base general fund budgets for Regular Education (EDN100) and the Adult Education program in School Community Service (EDN500). Both reductions include associated requests to increase other related fund ceilings, i.e., the Federal Impact Aid Fund in EDN100 and the Adult Basic Education Special Fund in EDN500. These intentionally paired executive reduction and addition requests reflect the administration's intent to supplant the respective general fund reductions with increased federal and special fund expenditures. Specifically, the administration requests an \$8 million general fund reduction for fiscal year 2003-2004 and fiscal year 2004-2005 for EDN100 and an associated \$8 million increase to the federal fund ceiling for both years for Federal Impact Aid funding. Additionally, the administration requests a \$2.7 million general fund reduction to Adult Education (EDN500) and a concomitant \$2.7 million increase to the Adult Basic

Education Special Fund ceiling in fiscal year 2003-2004 and fiscal year 2004-2005. Your Committee, after considering the late hour of the requests, the lack of details on the practicality of implementing the suggested supplanting of the program general funds with federal and special funds, and conflicting administration and DOE accounts on the efficacy of the proposed reductions and supplanting, has decided to deny the requests.

#### Additions

Your Committee has approved numerous additions to the DOE's base operating budget. However, most of your Committee's approved funding increases have been added to meet mandated costs, which are requested by the previous and current administrations. To meet collective bargaining agreed-to increments, your Committee has approved a total of approximately \$85.7 million in fiscal year 2003-2004 and fiscal year 2004-2005 (this includes increased collective bargaining funding for the Hawaii State Public Library System's (HSPLS) of approximately \$2.1 million per year), in general funds. Additionally, your Committee has added approximately \$14.4 million in fiscal year 2003-2004 and \$43.8 million in fiscal year 2004-2005, in general funds for employee pension accumulation costs. To meet rising Social Security and Medicare costs, your Committee approved approximately \$9.5 million, in fiscal year 2003-2004 and \$12 million in fiscal year 2004-2005, in general funds, for these mandated expenses. In addition, your Committee has added approximately \$6.4 million in fiscal year 2003-2004 and \$18.6 million in fiscal year 2004-2005, in general funds, to meet the increased cost of DOE employee health premiums. In total, your Committee has added approximately \$116 million in fiscal year 2003-2004 and \$160 million in fiscal year 2004-2005 to fund executive requested mandated program costs.

Your Committee has also responded favorably to the prior administration's requests to provide additional resources for new facilities (EDN100). Specifically, your Committee has added approximately \$3 million in fiscal year 2003-2004 and \$1 million in fiscal year 2004-2005, in general funds, for textbooks, equipment and supplies for newly constructed regular education facilities. Your Committee has also added approximately \$127,000 in fiscal year 2003-2004 and \$100,000 in fiscal year 2004-2005, in general funds, for books, equipment and supplies for new school library facilities; approximately \$128,000 in fiscal year 2003-2004 and \$38,000 in fiscal year 2004-2005, in general funds, for textbooks, equipment and supplies for new Special Education facilities; and approximately \$27,000 in fiscal year 2003-2004 and \$23,000 in fiscal year 2004-2005, in general funds, for equipment and supplies for new school administration facilities.

Your Committee has also approved the prior administration's requests for additional resources, which result from projected department workload increases. Specifically, your Committee has approved the prior administration's request to add (14) custodial positions and approximately \$276,000 in general funds in fiscal year 2003-2004 and (20.5) custodial positions and approximately \$458,000 in general funds in fiscal year 2004-2005 for new classrooms and facilities (EDN400).

Your Committee shares the DOE's concern for school safety. Creating safe schools is one of the first steps in establishing effective learning environments. To address this concern, your Committee resurrected and approved a 2003 Board of Education request, not submitted by the executive, to add (10) school safety attendants (SSA's) and approximately \$141,000 in general funds in fiscal year 2003-2004 and (12) SSA's and \$197,000 in general funds for (11) existing schools due to increased enrollment. This addition is reflected in the EDN100's campus supervision and patrol program.

#### Hawaii State Public Library System

Your Committee has taken a bifurcated approach to crafting the Hawaii State Public Library System (HSPLS) budget. Your Committee remained committed to the establishment of the New Kapolei Public Library by approving the prior administration's request to add (19) permanent positions and approximately \$1.6 million in general funds in fiscal year 2003-2004 and (19) positions and \$1.5 million in general funds in fiscal year 2004-2005 to support the Kapolei Library. This appropriation is consistent with the Legislature's previous addition of (5) positions and approximately \$266,000 in general funds in fiscal year 2002-2003 for Kapolei Library.

Your Committee adopted the current administration's request to reduce two positions and approximately \$1 million in general funds in fiscal year 2003-2004 and fiscal year 2004-2005 from the overall HSPLS budget. This reduction represents a 5 percent discretionary general fund reduction.

#### Summary

Your Committee has approved a total education budget (which includes state libraries) of approximately \$1.437 billion in general funds in fiscal year 2003-2004 and \$1.486 billion in general funds in fiscal year 2004-2005. This budget also appropriates (18,966.15) general funded FTEs in fiscal year 2003-2004 and (18,953.65) general funded FTEs in fiscal year 2004-2005. By comparison, the prior and current administration education budget appropriates (20,369.65) general funded FTEs and approximately \$1.425 billion in general funds in fiscal year 2003-2004 and (20,357.15) general funded FTEs and \$1.471 billion in general funds in fiscal year 2004-2005. Except for differences in appropriated general funded positions, which have been explained previously, your Committee's education budget and the executive budget are relatively close in total general funds appropriated. This similarity reflects your Committee's intent to be prudent and adopt many of the executive's budget reduction requests. The differences in the appropriated general funds demonstrate the flexibility exercised by your Committee in providing additional resources (approximately \$12 million in fiscal year 2003-2004 and \$15 million in fiscal year 2004-2005) for identified education needs.

Finally, your Committee has determined that the requirements imposed on the State by the federal No Child Left Behind Act (NCLB) need additional investigation. Your Committee's has included a proviso, authored by the State House of Representatives, in H.D.1 of this appropriations bill, which requests the DOE to complete a comprehensive needs assessment associated with the department's efforts toward meeting and maintaining compliance under NCLB, which would identify resources necessary for the department to maintain NCLB compliance. In the future, your Committee will utilize the information contained in the department's

NCLB needs assessment to determine whether the necessary level of resources, needed to maintain federal NCLB compliance, can be cost effectively provided by the State.

### Health

Your Committee remains fully committed to ensuring that essential health related services remain a priority despite the current fiscal state of the Hawaii's economy. To this end, your Committee affirms its commitment to health related issues by supporting the general practice dental residency program for disabled patients and restoring funds for equipment for the Emergency Medical Services. Your Committee commends the department for pursuing and receiving federal funding totaling \$8.4 million to support and strengthen its capacity to respond to threats of bioterrorism and other public health emergencies resulting from terrorism thus strengthening Hawaii's public health infrastructure.

Your Committee recognizes that the previous administration deleted positions and funding for the Developmental Disabilities Services Branch (DDSB) due to the closure of the crisis shelter and Waimano Training School and Hospital. Your Committee was informed that the DDSB, since 1999, has been providing safety net transition supports as well as monitoring activities relating to residential settings for persons with developmental disabilities that are consistent with best practices nationally. Upon reviewing a white paper submitted by the Developmental Disabilities Division, which serves as a blueprint to determine the revised mission as well as clarify the functions required for the proposed Disability Supports Branch (DSB), your Committee supports the restoration of 24 positions and \$1.63 million in fiscal year 2003-2004 and \$1.49 million in fiscal year 2004-2005.

### The Community & Remedial Plan and the Adult Mental Health Division

On January 23, 2003, Chief District Judge David Ezra accepted the Community Plan, which was made an order of the court replacing the Implementation Plan for Service Development (IPSD). The Plan for Community Mental Health Services is designed to assure appropriate community services for individuals discharged, transferred, or diverted from Hawaii State Hospital and for individuals at risk of hospitalization at the Hawaii State Hospital.

Your Committee affirms its full support of and commitment to the mentally ill population residing in Hawaii by approving and providing the Adult Mental Health Division (AMHD) with its full funding request totaling \$2.68 million in the upcoming biennium to meet essential Community Plan requirements. Your Committee notes that the additional requests for the next two years increase the total base-funding amount for community outpatient services to \$99.56 million. Your Committee, after reviewing the proposed methodology used by the AMHD to determine the number of additional staff requirements, provided temporary position counts in lieu of the 79 permanent positions requested. Further your Committee was informed that the AMHD has developed a statistical model to predict risk of hospitalization using logistic regression. Using this utilization management model, the AMHD believes that it will be able to determine its annual target population, which in turn will result in a better caseload analysis for its staffing requirements. Your Committee believes that supporting permanent positions would be warranted at that time.

Moreover, since 1991, the State of Hawaii has been under a Settlement Agreement with the United States District Court to comply with various stipulations and orders, which included the Hawaii State Hospital (HSH) Remedial Plan for Compliance and the HSH Space Utilization Plan. The HSH Remedial Plan was made an order of the court on February 21, 2002, relative to the treatment and services at the Hawaii State Hospital. Your Committee notes that the Community Plan in conjunction with the HSH Remedial Plan were found to meet the requirements of the court ordered Omnibus Plan and permits the State to meet its legal obligation in an efficient and accountable manner.

Your Committee provided a total of \$23.70 million over the next two years to address the compliance issues with the court-ordered HSH Remedial Plan. Your Committee further notes that the additional funding request for the fiscal biennium brings the adult mental health – inpatient services' total base budget to over \$86.05 million. Your Committee reaffirms its commitment to ensure that the mentally ill population is afforded the opportunity to receive the best available care. Based on AMHD's current assumptions on identifying all vacant positions that could be used to cover projected workload, your Committee found it more prudent to provide funding for temporary positions at this time. Your Committee is reassured that the AMHD will develop a better framework for its actual caseload analysis after reviewing its utilization management in the upcoming months to form a better basis for approving future permanent position counts.

### Felix Costs – Department of Health

Your Committee is committed to the initiatives implemented under the Felix Consent Decree of December 31, 2001, which required meeting various fundamental benchmarks and measures including effective service coordination and appropriate family/child participation in the delivery of services and in the area of early intervention.

Your Committee acknowledges that the Child and Adolescent Mental Health Division (CAMHD) has achieved substantial compliance with the terms of the decree and in meeting the mandates and your Committee commends the division for reaching this milestone. Your Committee supports CAMHD, during this sustainability period, and appropriates \$600,000 in each year of the biennium for the Office of the Felix Court Monitor. Your Committee is further cognizant that due to the decreased number of registered children and youth from 3,000 to 1,457 and lower utilization of residential programs and intensive services, CAMHD was able to realize a total cost savings of \$17.14 million in each year of the biennium by reducing its purchase of service contracts; of this amount, \$14.6 million was transferred to the Department of Education for contract services for youth with Autism Spectrum Disorders.

### Human Services

In an effort to minimize the impact to the department's programs and recipients, your Committee has been as judicious as possible in its reductions to the Department of Human Services.

### Compacts of Free Association

First, your Committee looked to reduce funding to groups where the State receives little or no federal fund assistance in the form of a match. One of the larger budgeted items reduced is the funding (\$7.3 million) for Compacts of Free Association recipients in the Med-QUEST program.

Prior to the Welfare Reform Act of 1996, citizens of the countries with Compacts of Free Association (CFA) were allowed to participate in federally funded Medicaid. The Welfare Reform Act failed to address CFA migrants, when prohibiting the participation of other aliens in federally funded public assistance programs. The result of the omission is the exclusion of CFA aliens from federally funded Medicaid participation. The State has been requesting federal funds for the CFA's medical and other costs annually through the governor's office. The Bush administration recently offered \$15 million a year over the next two decades to help those areas most impacted. Hawaii and Guam have the largest number of CFA migrants and should divide the bulk of the \$15 million. Your Committee believes a large portion of these federal funds should be directed to the medical care of the CFA migrants.

### Temporary Assistance to Needy Families

In program areas where there are anticipated decreases in program population or costs, your Committee has reprojected program-funding costs in an attempt to mimic expenditure expectations.

For example, under welfare reform there has been a strong emphasis on employment. The department's intent is to encourage individuals on welfare assistance to move toward self-sufficiency. The focus is to maximize income to the household and remove disincentives for working. To encourage employment, the department has increased the income disregards and the asset exemption limits, as well as extending eligibility for medical and childcare assistance for those who have become employed. While, your Committee did reduce TANF by approximately \$1 million to reflect the minimum maintenance of effort level, your Committee agrees with the direction of the department and encourages the continuance of this effort.

### Medicaid

Despite the fiscal constraints on the State, your Committee did increase funding to program areas where population growth and rising costs impacted program needs.

Soaring medical costs, especially prescription drugs costs have impacted several programs in different departments throughout the State, prompting a large increase in expenditures. These escalating medical costs are not limited to Hawaii, as the nation as a whole continues to be plagued by this crisis.

The Med QUEST program, which provides medical care to the State's low-income population through the Title XIX Medicaid program has been beset by these cost increases, necessitating your Committee to appropriate an additional \$38 million and \$49 million in general funds for fiscal year 2003-2004 and fiscal year 2004-2005 and another \$75 million and \$90 million in federal funds for fiscal year 2003-2004 and fiscal year 2004-2005.

### Childcare Payments

Another area facing cost and population increases is childcare services. There has been a marked rise in the number of children requiring maintenance outside of their family home due to abuse, neglect or the inability of the family to provide them with adequate care and supervision. Your Committee has thus increased funding by approximately \$4.2 million in fiscal year 2003-2004 and \$6.8 million in fiscal year 2004-2005 for child placement board and related payments to provide these children with an adequate standard of living.

## **Higher Education**

Your Committee notes that over the last five years, the University of Hawaii has absorbed approximately \$8.4 million in executive restrictions. The Governor proposed additional reductions of \$3,478,000 or five percent of the university's discretionary general fund for fiscal years 2003-2004 and 2004-2005.

The approximate \$3.4 million reduction affects the purchase of needed supplies, the replacement of equipment, the repair and maintenance of equipment and facilities, the hiring of lecturers and regular faculty and staff, the number of classes that can be offered, the level of State effort for federal fund matching, and the continuance or expansion of outreach programs. Your Committee supports the university's goal of becoming a world-class institution and therefore, in good conscience, cannot concur with the governor's proposal.

Your Committee noted that in fiscal year 1997-1998, in anticipation of a proposed payroll lag, the Governor restricted approximately \$10.5 million in general funds. Although the university faculty union successfully blocked the payroll lag action, the restriction was never released. The university was forced to meet the June 30, 1998, payroll of approximately \$6.4 million with funds designated for other purposes. To date, the university is still feeling the effects of the \$6.4 million restriction, as the moneys have not been restored. With various executive restrictions in previous years, and other payroll shortfalls, the university is currently experiencing approximately \$19 million in unfunded vacant positions.

To address these accumulated funding gaps, your Committee immediately proposes to initially restore \$1,678,000 of the Governor's 5 percent discretionary general fund reductions to the University of Hawaii.

Ideally, your Committee desires to restore all of the fiscal year 2003-2004 and fiscal year 2004-2005 proposed executive reductions to the university. However, your Committee realizes that in the face of the Council of Revenues' lower projections, the stagnant economy, and the unstable political situations in the Middle East and Asian regions, the restoration and maintenance in levels of funding becomes increasing difficult. Your Committee also had a difficult time in keeping with the Governor's wishes of not using the Hawaii Hurricane Relief Fund, no State employee layoffs, and providing tax relief. However, even the Governor admitted that Hawaii is currently facing a difficult fiscal reality. Given the fiscal limitations, your Committee feels that a modest general excise tax increase of one-half percent dedicated primarily to educational purposes will assist in meeting shortfalls.

Lastly, the previous administration's budget that was submitted by the current administration included a \$5 million lump sum increase in the university's general fund appropriation. The current Governor subsequently retracted the request. Again, with the current economic situation, your Committee has agreed with the new administration's decision in not providing the requested additional funding. It is again hoped that with House Bill 510, education can be provided for at the financial level that your Committee intends.

### Conclusion

Your Committee believes that it may be a long and hard road ahead to economic recovery. Even in these challenging times, your Committee provides the resources necessary to meet all of the State's critical needs. Your Committee's commitment to higher and lower education, health, and human services is clearly evidenced in its actions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 200, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 200, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (English, Kawamoto, Kim).

#### **SCRep. 1430      Transportation, Military Affairs, and Government Operations on S.C.R. No. 49**

The purpose of this measure is to request the Legislative Reference Bureau (LRB) to assist an advisory committee concerning the establishment of an Office of International Affairs (OIA).

Testimony in support of this measure was submitted by the State Representative from District 4. LRB submitted comments.

Your Committee finds that establishing an OIA may be appropriate for Hawaii, to strengthen our ties with foreign governments, promote international goodwill, and potentially to diversify our economy. Therefore, your Committee supports the intent of this measure.

Your Committee amended this measure by replacing its contents with the contents of H.C.R. No. 47, H.D. 1, a substantially similar measure. As amended, this measure calls for LRB to study this issue and make a recommendation, rather than convening an advisory committee. This measure also requests the Governor, House Speaker, and the Senate President to each designate at least one person to work with LRB.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 49, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 49, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

#### **SCRep. 1431      Transportation, Military Affairs, and Government Operations on S.R. No. 28**

The purpose of this measure is to request the Legislative Reference Bureau (LRB) to assist an advisory committee concerning the establishment of an Office of International Affairs (OIA).

Testimony in support of this measure was submitted by the State Representative from District 4. LRB submitted comments.

Your Committee finds that establishing an OIA may be appropriate for Hawaii, to strengthen our ties with foreign governments, promote international goodwill, and potentially to diversify our economy. Therefore, your Committee supports the intent of this measure.

Your Committee amended this measure by replacing its contents with the contents of H.C.R. No. 47, H.D. 1, a substantially similar measure. As amended, this measure calls for LRB to study this issue and make a recommendation, rather than convening an advisory committee. This measure also requests the Governor, House Speaker, and the Senate President to each designate at least one person to work with LRB.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 28, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 28, S.D. 1.

Signed by the Chair on behalf of the Committee.



Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1432      Transportation, Military Affairs, and Government Operations on S.C.R. No. 144**

The purpose of this measure is to establish a wireless enhanced 911 interim working group.

Your Committee received testimony in support of this measure from the Department of Health (DOH), the Department of Commerce and Consumer Affairs, the Honolulu Police Department, T-Mobile, AT&T Wireless, Verizon Wireless, and Sprint. The Legislative Reference Bureau (LRB) submitted comments.

Your Committee finds that it is in the public interest to ensure adequate ongoing funding to support enhanced 911 service. Therefore, your Committee supports this measure as a means to bring all interested parties together, including the State, counties, wireless communications carriers, and consumers, to propose an ongoing funding source from wireless subscribers who represent a growing group of users of the enhanced 911 system.

Your Committee amended this measure to remove the DOH from the working group. All parties agreed that the subject matter of this working group is not within the DOH's area of expertise. Your Committee also designated the Consumer Advocate as chair of the working group.

In addition, your Committee included a member of the Public Utilities Commission (PUC) on the working group. As the agency most likely to administer any new funding system, your Committee finds that the inclusion of the PUC is appropriate.

Your Committee also inserted a provision to request that the Department of the Attorney General provide assistance as necessary.

Finally, your Committee amended this measure to specify that LRB will be responsible for drafting the final report of the working group for submission to the Legislature.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 144, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 144, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1433      Transportation, Military Affairs, and Government Operations on S.R. No. 96**

The purpose of this measure is to establish a wireless enhanced 911 interim working group.

Your Committee received testimony in support of this measure from the Department of Health (DOH), the Department of Commerce and Consumer Affairs, the Honolulu Police Department, T-Mobile, AT&T Wireless, Verizon Wireless, and Sprint. The Legislative Reference Bureau (LRB) submitted comments.

Your Committee finds that it is in the public interest to ensure adequate ongoing funding to support enhanced 911 service. Therefore, your Committee supports this measure as a means to bring all interested parties together, including the State, counties, wireless communications carriers, and consumers, to propose an ongoing funding source from wireless subscribers who represent a growing group of users of the enhanced 911 system.

Your Committee amended this measure to remove the DOH from the working group. All parties agreed that the subject matter of this working group is not within the DOH's area of expertise. Your Committee also designated the Consumer Advocate as chair of the working group.

In addition, your Committee included a member of the Public Utilities Commission (PUC) on the working group. As the agency most likely to administer any new funding system, your Committee finds that the inclusion of the PUC is appropriate.

Your Committee also inserted a provision to request that the Department of the Attorney General provide assistance as necessary.

Finally, your Committee amended this measure to specify that LRB will be responsible for drafting the final report of the working group for submission to the Legislature.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 96, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 96, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1434      (Joint) Economic Development and Transportation, Military Affairs, and Government Operations on S.C.R. No. 198**

The purpose of this measure is to request a study on the feasibility of implementing an electronic visa system.

Testimony supporting this measure was received from the Department of Business, Economic Development, and Tourism.

Your Committees find that local, national, and international economic, social, and political events have drastically curtailed the amount of travel throughout the world. Travel to Hawaii has been seriously curtailed, severely affecting the State's economy at all levels. Your Committees believe that facilitating the granting of visas to international travelers to Hawaii through an electronic visa system may be one way to stimulate Hawaii's tourism industry and overall economy.

Your Committees have amended this measure by also requesting the State of Hawaii's congressional delegation and Department of Business, Economic Development, and Tourism to participate in determining the feasibility of implementing an electronic visa system for international travelers to the United States, including Hawaii.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 198, as amended herein, recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.C.R. No. 198, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Ige, Ihara, Kanno, Menor, Whalen).

**SCRep. 1435 (Joint) Economic Development and Transportation, Military Affairs, and Government Operations on S.R. No. 138**

The purpose of this measure is to request a study on the feasibility of implementing an electronic visa system.

Testimony supporting this measure was received from the Department of Business, Economic Development, and Tourism.

Your Committees find that local, national, and international economic, social, and political events have drastically curtailed the amount of travel throughout the world. Travel to Hawaii has been seriously curtailed, severely affecting the State's economy at all levels. Your Committees believe that facilitating the granting of visas to international travelers to Hawaii through an electronic visa system may be one way to stimulate Hawaii's tourism industry and overall economy.

Your Committees have amended this measure by also requesting the State of Hawaii's congressional delegation and Department of Business, Economic Development, and Tourism to participate in determining the feasibility of implementing an electronic visa system for international travelers to the United States, including Hawaii.

As affirmed by the records of votes of the members of your Committees on Economic Development and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 138, as amended herein, recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.R. No. 138, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Ige, Ihara, Kanno, Menor, Whalen).

**SCRep. 1436 (Joint) Health and Human Services on S.C.R. No. 116**

The purpose of this measure is to request an actuarial study on health insurance parity for the treatment of alcohol dependency and drug dependency.

Testimony supporting this measure was received from the Department of Health and Hawaii Psychological Association. Opposing testimony was received from Hawaii Medical Service Association. The Department of Commerce and Consumer Affairs submitted comments on this measure.

Your Committees find that individuals in need of alcohol or drug dependency treatment are provided health insurance benefits that are limited and not in parity with insurance coverage for other health conditions. Fortunately, the State has mandated, through chapter 431M, Hawaii Revised Statutes (Chapter 431M), that health insurance providers provide insurance coverage for a minimum array of treatment services for these individuals. However, in most cases, the treatment services covered by insurance under Chapter 431M are not sufficient. Therefore, your Committees believe that a thorough study on this issue is necessary to ensure that individuals that require treatment for substance abuse receive the treatment they need.

Your Committees have amended this measure by:

- (1) Providing additional background information and statistics estimating possible consequences if full insurance parity is provided for individuals who require treatment for substance abuse; and
- (2) Clarifying that the study should address the substance abuse treatment needs that exceed the minimum mandated under Chapter 431M;
- (3) Requesting that the Insurance Commissioner solicit, collect, and report data according to substance abuse treatment utilization by children, adolescents, and adults;

- (4) Requesting that the Insurance Commissioner conduct an analysis of those who have exhausted their substance abuse treatment benefits; and
- (5) Providing that the Insurance Commissioner shall consult with the Department of Health, and with all interested parties, including the Board of Medical Examiners, the Board of Psychology, and representatives of insurance carriers, nonprofit mutual benefit associations, health maintenance organizations, public and private providers, consumers, employers and labor organizations, and State agencies which implement policies under Chapter 431M.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 116, as amended herein, recommend that it be referred to the Committee on Commerce, Consumer Protection and Housing, in the form attached hereto as S.C.R. No. 116, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Ige, Hogue).

**SCRep. 1437 Commerce, Consumer Protection and Housing on S.R. No. 63**

The purpose of this measure is to request the Legislative Reference Bureau to study lease rent amounts and other major problems facing commercial lessees and other land lessees and to submit findings and recommendations to the Legislature no later than twenty days before the convening of the Regular Session of 2004.

Although a task force that was established by the Legislature during the regular session of 1993 examined the problems of lessees, your Committee finds that some of the problems identified by the task force remain. Inflated lease rents have negatively impacted businesses, individuals, and ultimately, Hawaii's economy. Your Committee believes that this measure may provide additional assistance with the problems faced today by lessees and provide recommendations to eliminate or alleviate those problems.

Upon further consideration, your Committee has amended this measure to:

- (1) Request the Legislative Reference Bureau to consult with representatives of specific agencies and other interested individuals or organizations affected by this issue; and
- (2) Request the Legislative Bureau to consult with the Attorney General for legal issues, opinions, and advice relating to constitutional issues in the study.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 63, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 63, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Baker, Whalen).

**SCRep. 1438 (Joint) Human Services, Health and Education on S.C.R. No. 56**

The purpose of this measure is to request adequate federal financial impact assistance for services provided to citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau, with which the United States has formed an agreement through the Compact of Free Association.

Testimony in support of this measure was submitted by the University of Hawaii and the Healthcare Association of Hawaii. The Department of Human Services and the Hawaii Government Employees Association submitted testimony supporting the intent of this measure.

Your Committees find that many citizens of the Freely Associated States, drawn by the promise of better medical care, education, and Hawaii's similar climate, culture, and lifestyle, have migrated and continue to migrate to Hawaii. Currently, over six thousand Freely Associated States citizens are residing in Hawaii. Because they are not eligible under federal law for federal medical and financial assistance programs, the State of Hawaii must bear the full cost of providing such assistance to Freely Associated States citizens residing within the State. Between 1998 and 2002, medical and financial assistance costs for Freely Associated States citizens totaled \$28,340,119. Moreover, Hawaii's current healthcare crisis is exacerbated by operating losses directly attributable to the provision of healthcare for Freely Associated States citizens residing in Hawaii. Between 1998 and 2001, operating losses totaling \$10.1 million were reported by three (of Hawaii's twenty-three) hospitals; all Hawaii hospitals experienced similar losses. In addition, since 1988, the State has spent more than \$78 million to educate students from the Freely Associated States residing in Hawaii, with over \$13 million spent in school year 2001-2002 alone.

Your Committees find that it is imperative that Hawaii be granted immediate and substantial assistance to mitigate the significant impacts resulting from Freely Associated States citizens residing in Hawaii. Hawaii's geographic proximity and similar climate, Pacific Island culture, and lifestyle are attractive to many Freely Associated States citizens. As a result, your Committees believe, Hawaii, perhaps more than any other state in the union, is disproportionately impacted by the sheer volume of Freely Associated States citizens who migrate to Hawaii with the intent to reside permanently.

Your Committees have amended this measure by:

- (1) Adding information about the Compact of Free Association and its provisions;

- (2) Updating the data about the financial impacts to Hawaii, in terms of healthcare, education, and medical and financial assistance costs, as a result of Freely Associated States citizens residing in the state;
- (3) Requesting Hawaii's congressional delegation to introduce legislation on the federal level calling for a further review of the migration issue and for increased financial impact assistance under the Compact of Free Association and any renegotiated Compact;
- (4) Adding the President of the University of Hawaii to the distribution list;
- (5) Amending the title of the measure to reflect the amendments; and
- (6) Making other technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 56, as amended herein, recommend that it be referred to the Committee on Transportation, Military Affairs, and Government Operations, in the form attached hereto as S.C.R. No. 56, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 4 (Fukunaga, Ige, Kawamoto, Hogue).

**SCRep. 1439 (Joint) Human Services, Health and Education on S.R. No. 36**

The purpose of this measure is to request adequate federal financial impact assistance for services provided to citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau, with which the United States has formed an agreement through the Compact of Free Association.

Testimony in support of this measure was submitted by the University of Hawaii and the Healthcare Association of Hawaii. The Department of Human Services and the Hawaii Government Employees Association submitted testimony supporting the intent of this measure.

Your Committees find that many citizens of the Freely Associated States, drawn by the promise of better medical care, education, and Hawaii's similar climate, culture, and lifestyle, have migrated and continue to migrate to Hawaii. Currently, over six thousand Freely Associated States citizens are residing in Hawaii. Because they are not eligible under federal law for federal medical and financial assistance programs, the State of Hawaii must bear the full cost of providing such assistance to Freely Associated States citizens residing within the State. Between 1998 and 2002, medical and financial assistance costs for Freely Associated States citizens totaled \$28,340,119. Moreover, Hawaii's current healthcare crisis is exacerbated by operating losses directly attributable to the provision of healthcare for Freely Associated States citizens residing in Hawaii. Between 1998 and 2001, operating losses totaling \$10.1 million were reported by three (of Hawaii's twenty-three) hospitals; all Hawaii hospitals experienced similar losses. In addition, since 1988, the State has spent more than \$78 million to educate students from the Freely Associated States residing in Hawaii, with over \$13 million spent in school year 2001-2002 alone.

Your Committees find that it is imperative that Hawaii be granted immediate and substantial assistance to mitigate the significant impacts resulting from Freely Associated States citizens residing in Hawaii. Hawaii's geographic proximity and similar climate, Pacific Island culture, and lifestyle are attractive to many Freely Associated States citizens. As a result, your Committees believe, Hawaii, perhaps more than any other state in the union, is disproportionately impacted by the sheer volume of Freely Associated States citizens who migrate to Hawaii with the intent to reside permanently.

Your Committees have amended this measure by:

- (1) Adding information about the Compact of Free Association and its provisions;
- (2) Updating the data about the financial impacts to Hawaii, in terms of healthcare, education, and medical and financial assistance costs, as a result of Freely Associated States citizens residing in the state;
- (3) Requesting Hawaii's congressional delegation to introduce legislation on the federal level calling for a further review of the migration issue and for increased financial impact assistance under the Compact of Free Association and any renegotiated Compact;
- (4) Adding the President of the University of Hawaii to the distribution list;
- (5) Amending the title of the measure to reflect the amendments; and
- (6) Making other technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health and Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 36, as amended herein, recommend that it be referred to the Committee on Transportation, Military Affairs, and Government Operations, in the form attached hereto as S.R. No. 36, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 4 (Fukunaga, Ige, Kawamoto, Hogue).

**SCRep. 1440      Transportation, Military Affairs, and Government Operations on S.C.R. No. 35**

The purpose of this measure is to request that the Department of Transportation and the County of Hawaii review the causes of accidents on Highway 11 near Pahala, Hawaii, and to make any necessary traffic improvements to increase safety.

Your Committee received testimony from the Department of Transportation (DOT) in opposition to this measure.

Your Committee finds that public safety should be the State's top priority. Apparently, the intersection of Highway 11 and the entry road to the town of Pahala on the Big Island is the site of numerous vehicle collisions, and your Committee agrees that the DOT should examine this intersection to determine if roadway improvements can lessen the risk for drivers.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 35 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1441      Transportation, Military Affairs, and Government Operations on S.R. No. 22**

The purpose of this measure is to request that the Department of Transportation and the County of Hawaii review the causes of accidents on Highway 11 near Pahala, Hawaii, and to make any necessary traffic improvements to increase safety.

Your Committee received testimony from the Department of Transportation (DOT) in opposition to this measure.

Your Committee finds that public safety should be the State's top priority. Apparently, the intersection of Highway 11 and the entry road to the town of Pahala on the Big Island is the site of numerous vehicle collisions, and your Committee agrees that the DOT should examine this intersection to determine if roadway improvements can lessen the risk for drivers.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 22 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1442      Transportation, Military Affairs, and Government Operations on S.C.R. No. 66**

The purpose of this measure is to authorize and urge the Governor to take all necessary steps to establish a sister state-prefecture relationship between Hawaii and the Ehime prefecture of Japan.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Japan-America Society of Hawaii, and two concerned citizens.

Your Committee finds that the tragic accident off Diamond Head, in which many crew members from the Ehime Maru training ship lost their lives, has actually brought together the people of Hawaii and the people of Ehime prefecture. There are memorials in both locations, and last year a youth baseball team from Hawaii went to Japan for a goodwill baseball tournament.

Your Committee supports the concept of formalizing this relationship, and believes that the two cultures can develop a lasting business and personal friendship.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 66 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1443      Transportation, Military Affairs, and Government Operations on S.C.R. No. 99**

The purpose of this measure is to request the Department of Transportation (DOT) to convene a traffic advisory task force to study Oahu traffic congestion issues and recommend solutions.

Your Committee received testimony from the DOT and the Department of Transportation Services of the City and County of Honolulu in support of the intent of this measure, but opposing the study as unnecessary and redundant.

Despite the fact that every resident of Oahu agrees that the automobile traffic congestion here is unbearable, your Committee finds that our island still lacks any viable, broad-scale mass transit system.

Your Committee is aware that the City and County of Honolulu has accelerated plans to implement the Bus Rapid Transit system, but there is much disagreement in the transportation engineering community about whether such a system is practical for Oahu, and whether such a system will actually decrease traffic congestion.

Therefore, your Committee supports this measure, which will create a task force to examine the traffic issue and hopefully propose solutions. Your Committee is aware that numerous task forces have studied this issue in the past to no avail, but hopes that the outcome this time will be more productive.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 99 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1444      Transportation, Military Affairs, and Government Operations on S.R. No. 68**

The purpose of this measure is to request the Department of Transportation (DOT) to convene a traffic advisory task force to study Oahu traffic congestion issues and recommend solutions.

Your Committee received testimony from the DOT and the Department of Transportation Services of the City and County of Honolulu in support of the intent of this measure, but opposing the study as unnecessary and redundant.

Despite the fact that every resident of Oahu agrees that the automobile traffic congestion here is unbearable, your Committee finds that our island still lacks any viable, broad-scale mass transit system.

Your Committee is aware that the City and County of Honolulu has accelerated plans to implement the Bus Rapid Transit system, but there is much disagreement in the transportation engineering community about whether such a system is practical for Oahu, and whether such a system will actually decrease traffic congestion.

Therefore, your Committee supports this measure, which will create a task force to examine the traffic issue and hopefully propose solutions. Your Committee is aware that numerous task forces have studied this issue in the past to no avail, but hopes that the outcome this time will be more productive.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 68 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1445      Transportation, Military Affairs, and Government Operations on S.C.R. No. 110**

The purpose of this measure is to determine the economic feasibility of constructing a fixed rail system around the island of Hawaii.

Your Committee received testimony in opposition to this measure from the Department of Transportation and a concerned citizen.

Your Committee finds that urban planning requires the foresight to anticipate future transportation needs of a growing population. For example, Honolulu and the surrounding area developed haphazardly and no effective mass transit system was instituted to accommodate the large number of people concentrated on Oahu. That lack of foresight has had a devastating effect, as it is much more difficult to construct a fixed rail system once the population has grown so dramatically. Therefore, your Committee supports this measure, in an effort to prevent the same sort of problems on the island of Hawaii that currently exist on Oahu.

Your Committee amended this measure to include Oahu in the feasibility study. Your Committee finds that Oahu's traffic woes have been reviewed and discussed often in the past. Although no broad-scale mass transit system has been implemented, your Committee believes that a viable mass transit system is long overdue. Therefore, your Committee believes that it is appropriate to include Oahu in the feasibility study.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 110, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 110, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1446      Transportation, Military Affairs, and Government Operations on S.R. No. 77**

The purpose of this measure is to determine the economic feasibility of constructing a fixed rail system around the island of Hawaii.

Your Committee received testimony in opposition to this measure from the Department of Transportation and a concerned citizen.

Your Committee finds that urban planning requires the foresight to anticipate future transportation needs of a growing population. For example, Honolulu and the surrounding area developed haphazardly and no effective mass transit system was instituted to accommodate the large number of people concentrated on Oahu. That lack of foresight has had a devastating effect, as it is much more difficult to construct a fixed rail system once the population has grown so dramatically. Therefore, your Committee supports this measure, in an effort to prevent the same sort of problems on the island of Hawaii that currently exist on Oahu.

Your Committee amended this measure to include Oahu in the feasibility study. Your Committee finds that Oahu's traffic woes have been reviewed and discussed often in the past. Although no broad-scale mass transit system has been implemented, your Committee believes that a viable mass transit system is long overdue. Therefore, your Committee believes that it is appropriate to include Oahu in the feasibility study.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 77, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 77, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1447      Health on S.C.R. No. 132**

The purpose of this measure is to request the Department of Health to implement a public educational campaign on the dangers of crystal methamphetamine.

Testimony supporting this measure was received from the Department of Education and the City and County of Honolulu Department of the Prosecuting Attorney. The Department of Health opposed this measure citing its possible impact on the executive budget.

Your Committee finds that use of crystal methamphetamine in Hawaii has reached epidemic proportions. Abuse of this drug is so prevalent that it is associated with ninety per cent of child and domestic abuse cases, thirty-six per cent of all arrests of males, and thirty-nine per cent of adult admissions for treatment by the Department of Health in Hawaii. Its ill effects on children, adults, relationships, the family structure, and society are known and uncontroverted. However, use of this devastating addictive drug continues. As with any health epidemic, informing the public as to how to prevent, manage, and eliminate drug abuse is essential to stemming the epidemic. The Department of Health must redouble its public education efforts to ensure that this drug abuse epidemic does not reach proportions that are beyond control.

Your Committee has amended this measure by eliminating the requirement that the Department of Health report to the Legislature on the effectiveness of past public educational campaigns and by requesting the participation of the Coalition for a Drug Free Hawaii.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 132, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 132, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hogue).

**SCRep. 1448      Health on S.R. No. 86**

The purpose of this measure is to request the Department of Health to implement a public educational campaign on the dangers of crystal methamphetamine.

Testimony supporting this measure was received from the Department of Education and the City and County of Honolulu Department of the Prosecuting Attorney. The Department of Health opposed this measure citing its possible impact on the executive budget.

Your Committee finds that use of crystal methamphetamine in Hawaii has reached epidemic proportions. Abuse of this drug is so prevalent that it is associated with ninety per cent of child and domestic abuse cases, thirty-six per cent of all arrests of males, and thirty-nine per cent of adult admissions for treatment by the Department of Health in Hawaii. Its ill effects on children, adults, relationships, the family structure, and society are known and uncontroverted. However, use of this devastating addictive drug continues. As with any health epidemic, informing the public as to how to prevent, manage, and eliminate drug abuse is essential to stemming the epidemic. The Department of Health must redouble its public education efforts to ensure that this drug abuse epidemic does not reach proportions that are beyond control.

Your Committee has amended this measure by eliminating the requirement that the Department of Health report to the Legislature on the effectiveness of past public educational campaigns and by requesting the participation of the Coalition for a Drug Free Hawaii.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 86, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 86, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hogue).

**SCRep. 1449 (Joint) Health and Transportation, Military Affairs, and Government Operations on S.C.R. No. 143**

The purpose of this measure is to urge the City and County of Honolulu to do everything possible to expedite implementation of the Pacific Health Center (PHC) Master Plan.

Testimony supporting this measure was received from the City and County of Honolulu Department of Planning and Permitting, Wahiawa General Hospital, Wahiawa Hospital Association, Pacific Sports Medicine & Research Center, Inc., Wahiawa-Central Oahu Health Center, Pyrus, Incorporated, and Pacific Health Community, Inc.

Your Committees find that the innovative PHC medical mall project in Central Oahu is edging closer to fruition. PHC will be comprised of several health care facilities that will provide a wide array of specialized medical and wellness services to Hawaii residents. The Legislature recognized the need and value of the PHC project in 1999, when it authorized the issuance of special purpose revenue bonds for the various not-for-profit entities that would populate PHC. Unfortunately, procedural project development issues have delayed groundbreaking and the commencement of construction. Your Committees continue to support this project and urges state and city agencies to expedite execution and completion of the Pacific Health Center Master Plan.

Your Committees have amended the title and text of this measure by clarifying its intent as an expression of support for the Pacific Health Center project and further requesting the Governor and Land Use Commission to do everything in their power to expedite implementation of the Pacific Health Center Master Plan.

As affirmed by the records of votes of the members of your Committees on Health and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 143, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 143, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Inouye, Kanno, Menor, Hogue, Whalen).

**SCRep. 1450 (Joint) Health and Transportation, Military Affairs, and Government Operations on S.R. No. 95**

The purpose of this measure is to urge the City and County of Honolulu to do everything possible to expedite implementation of the Pacific Health Center (PHC) Master Plan.

Testimony supporting this measure was received from the City and County of Honolulu Department of Planning and Permitting, Wahiawa General Hospital, Wahiawa Hospital Association, Pacific Sports Medicine & Research Center, Inc., Wahiawa-Central Oahu Health Center, Pyrus, Incorporated, and Pacific Health Community, Inc.

Your Committees find that the innovative PHC medical mall project in Central Oahu is edging closer to fruition. PHC will be comprised of several health care facilities that will provide a wide array of specialized medical and wellness services to Hawaii residents. The Legislature recognized the need and value of the PHC project in 1999, when it authorized the issuance of special purpose revenue bonds for the various not-for-profit entities that would populate PHC. Unfortunately, procedural project development issues have delayed groundbreaking and the commencement of construction. Your Committees continue to support this project and urges state and city agencies to expedite execution and completion of the Pacific Health Center Master Plan.

Your Committees have amended the title and text of this measure by clarifying its intent as an expression of support for the Pacific Health Center project and further requesting the Governor and Land Use Commission to do everything in their power to expedite implementation of the Pacific Health Center Master Plan.

As affirmed by the records of votes of the members of your Committees on Health and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 95, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 95, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Inouye, Kanno, Menor, Hogue, Whalen).

**SCRep. 1451 (Joint) Health and Human Services on S.C.R. No. 172**

The purpose of this measure is to encourage and express support for the efforts of the Executive Office on Aging and the Department of Health to develop the Self-Determination Demonstration Project, whereby services are directed by the consumer.

Testimony supporting this measure was received from Project Dana and one individual.

Your Committees find that as the number of elders increase at a rate faster than the provision of available elder services, new approaches toward the delivery of aging services must be explored. Long-term care and related services demand a tremendous amount of resources from the elder population and government. However, there are indications that resources are more efficiently and effectively utilized when elder consumers have more control over the services being provided to them. The Executive Office on Aging and the Department of Health are pursuing further study on this approach, and your Committees express wholehearted support for their efforts.



As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 172 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Ige, Hogue).

**SCRep. 1452 (Joint) Health and Human Services on S.R. No. 120**

The purpose of this measure is to encourage and express support for the efforts of the Executive Office on Aging and the Department of Health to develop the Self-Determination Demonstration Project, whereby services are directed by the consumer.

Testimony supporting this measure was received from Project Dana and one individual.

Your Committees find that as the number of elders increase at a rate faster than the provision of available elder services, new approaches toward the delivery of aging services must be explored. Long-term care and related services demand a tremendous amount of resources from the elder population and government. However, there are indications that resources are more efficiently and effectively utilized when elder consumers have more control over the services being provided to them. The Executive Office on Aging and the Department of Health are pursuing further study on this approach, and your Committees express wholehearted support for their efforts.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 120 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Ige, Hogue).

**SCRep. 1453 (Joint) Health and Commerce, Consumer Protection and Housing on S.C.R. No. 175**

The purpose of this measure is to request the Patient Safety Task Force of the Healthcare Association of Hawaii to submit to the Legislature a second report on its efforts to reduce medical errors.

Testimony supporting this measure was received from the Healthcare Association of Hawaii and Hawaii Nurses' Association.

Your Committees find that medical errors result in numerous injuries and fatalities every year. Every effort must be made by the health care industry to enhance patient safety by reducing and eliminating these medical errors. Your Committees recognize and applaud the ongoing efforts of the Patient Safety Task Force (Task Force) of the Healthcare Association of Hawaii. In its recent report submitted to the Legislature, the Task Force documented its past efforts and future plans to improve patient safety, including a proposal to develop a medical error reporting system. However, your Committees believe that the Legislature must continue to monitor the progress of the Task Force and the implementation of its recommendations by Hawaii's health care industry to ensure medical error reduction continues to be a priority.

As affirmed by the records of votes of the members of your Committees on Health and Commerce, Consumer Protection and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 175 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Ige, Sakamoto, Hogue, Whalen).

**SCRep. 1454 (Joint) Health and Commerce, Consumer Protection and Housing on S.R. No. 123**

The purpose of this measure is to request the Patient Safety Task Force of the Healthcare Association of Hawaii to submit to the Legislature a second report on its efforts to reduce medical errors.

Testimony supporting this measure was received from the Healthcare Association of Hawaii and Hawaii Nurses' Association.

Your Committees find that medical errors result in numerous injuries and fatalities every year. Every effort must be made by the health care industry to enhance patient safety by reducing and eliminating these medical errors. Your Committees recognize and applaud the ongoing efforts of the Patient Safety Task Force (Task Force) of the Healthcare Association of Hawaii. In its recent report submitted to the Legislature, the Task Force documented its past efforts and future plans to improve patient safety, including a proposal to develop a medical error reporting system. However, your Committees believe that the Legislature must continue to monitor the progress of the Task Force and the implementation of its recommendations by Hawaii's health care industry to ensure medical error reduction continues to be a priority.

As affirmed by the records of votes of the members of your Committees on Health and Commerce, Consumer Protection and Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 123 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Ige, Sakamoto, Hogue, Whalen).

**SCRep. 1455 (Joint) Education, Economic Development and Labor on S.C.R. No. 90**

The purpose of this measure is to request the Career and Technical Education Coordinating Advisory Council (Council) of the University of Hawaii to review and report on the capacity and alignment of public workforce education programs and services, and to recommend to the Department of Education (DOE) and the Board of Education general policy and program measures to respond to current and future economic and workforce needs.

Testimony in support of this measure was received from the DOE.

The DOE agrees that education must be a part of workforce and economic development. Having a highly skilled workforce is vital to the State's efforts to attract new industries and support the growth of the economy. The DOE's current Career and Technical Education reform efforts are focused on creating and implementing a Career Pathway System to provide a P-20 educational framework.

Your Committees note that the DOE has agreed to work closely with the Career and Technical Education Coordinating Advisory Council of the University of Hawaii to address the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Education and Economic Development and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 90 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 6 (Ige, Kawamoto, Menor, Taniguchi, Hogue, Trimble).

**SCRep. 1456 (Joint) Education and Human Services on S.C.R. No. 78**

The purpose of this measure is to request the Board of Regents and the President of the University of Hawaii to fully implement the Senior Citizen Visitor Program on a systemwide basis.

Testimony in support of this measure was submitted by the University of Hawaii.

Your Committees find that, prior to 1995, Hawaii law required the University of Hawaii to allow Hawaii residents aged sixty or older to enroll in courses without payment of tuition or fees. Since the 1995 repeal of the senior citizen tuition waivers, however, each campus has developed its own program. The University of Hawaii at Manoa campus has developed the Senior Citizen Visitor Program, which allows senior citizens to visit university courses free of charge, provided they are not awarded university credits and there is space available in the course.

Your Committees find that senior citizens benefit from lifelong learning and also contribute to the campuses. Your Committees further find that implementation of a systemwide program will allow senior citizens to participate in university courses at all campuses.

As affirmed by the records of votes of the members of your Committees on Education and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 78 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Fukunaga, Ige, Kawamoto, Tsutsui, Hogue).

**SCRep. 1457 (Joint) Education and Human Services on S.R. No. 53**

The purpose of this measure is to request the Board of Regents and the President of the University of Hawaii to fully implement the Senior Citizen Visitor Program on a systemwide basis.

Testimony in support of this measure was submitted by the University of Hawaii.

Your Committees find that, prior to 1995, Hawaii law required the University of Hawaii to allow Hawaii residents aged sixty or older to enroll in courses without payment of tuition or fees. Since the 1995 repeal of the senior citizen tuition waivers, however, each campus has developed its own program. The University of Hawaii at Manoa campus has developed the Senior Citizen Visitor Program, which allows senior citizens to visit university courses free of charge, provided they are not awarded university credits and there is space available in the course.

Your Committees find that senior citizens benefit from lifelong learning and also contribute to the campuses. Your Committees further find that implementation of a systemwide program will allow senior citizens to participate in university courses at all campuses.

As affirmed by the records of votes of the members of your Committees on Education and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 53 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Fukunaga, Ige, Kawamoto, Tsutsui, Hogue).

**SCRep. 1458 (Joint) Human Services and Education on S.C.R. No. 45**

The purpose of this measure is to recognize and endorse as state policy the Hawaii State Preschool Content Standards developed by the Good Beginnings Interdepartmental Council's School Readiness Task Force.

Testimony in support of this measure was submitted by the University of Hawaii at Manoa, College of Education; Maui Community College; and the Good Beginnings Alliance. The Department of Human Services submitted testimony in support of the intent of this measure.

Your Committees find that early childhood education is the foundation for all other levels of education, and that significant learning occurs before children enter school. Your Committees find that the Hawaii State Preschool Content Standards address the social-emotional, physical, and cognitive development of young children, and are intended to assist in shaping a well-rounded daily program that will provide children with the skills and abilities to succeed in school.

Your Committees further find that the Hawaii State Preschool Content Standards were developed based on a review of national subject area standards and early childhood standards from other states, informed by the Hawaii and external evaluators, local Department of Education standards, and national Head Start Performance Outcomes, and guided by principles published by the National Association for the Education of Young Children. As such, the Hawaii State Preschool Content Standards incorporate the most current research and guidelines for developmentally appropriate early childhood education programs.

Your Committees also find that the Hawaii State Preschool Content Standards establish developmentally appropriate preschool standards that support the statewide goal, adopted by the Legislature in 1998, that "All of Hawaii's children are safe, healthy, and ready to succeed" in school. In addition, this measure outlines guiding principles for standards and assessment to ensure that the standards are used appropriately.

Your Committees have amended this measure by:

- (1) Deleting the word "alliance" from the title;
- (2) Correcting the statutory reference on page 2, line 2, by inserting the year "2002" after "Session Laws of Hawaii"; and
- (3) Making a technical, nonsubstantive amendment to correct a typographical error.

As affirmed by the records of votes of the members of your Committees on Human Services and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 45, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 45, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Fukunaga, Ige, Kawamoto, Tsutsui, Hogue).

**SCRep. 1459 (Joint) Human Services and Transportation, Military Affairs, and Government Operations on S.C.R. No. 113**

The purpose of this measure is to:

- (1) Request that the Governor ensure the availability of sufficient resources to provide individuals with limited English proficiency with meaningful access to federally-assisted programs and services; and
- (2) Encourage all executive departments to review existing policies and practices and address any deficiencies within ninety days.

Testimony in support of the intent of this measure was submitted by the Departments of Health and Human Services.

Your Committees find that federal law requires entities that receive federal financial assistance to provide individuals with limited English proficiency with meaningful access to federally-assisted programs and services. "Meaningful access" means, at a minimum, timely access to trained and competent interpreters; translation of application forms, notices, and letters in a language understood by the individual with limited English proficiency; and notice of the right to free language assistance provided in a language understood by the recipient.

Your Committees find that many state programs receive federal financial assistance. Your Committees further find that providing meaningful language access is especially important in multicultural Hawaii, with its relatively high population of immigrants and individuals with limited English proficiency. Accordingly, it is important that each state agency ensure that its policies and practices regarding language access are both adequate and appropriately implemented, so as not to jeopardize federal funding. Your Committees further find that, in order to ensure language access is provided for individuals with limited English proficiency, the State should dedicate resources for language access in the executive budget.

As affirmed by the records of votes of the members of your Committees on Human Services and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 113 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 6 (Baker, Fukunaga, Ige, Kanno, Menor, Tsutsui).

**SCRep. 1460 (Joint) Economic Development and Water, Land, and Agriculture on S.C.R. No. 199**

The purpose of this measure is to request:

- (1) The Parks Division of the Department of Land and Natural Resources (DLNR) to consider strategic partnerships with non-profit entities, such as the Friends of Malaekahana, to enhance selected park properties while applying a community-based cultural tourism model; and
- (2) DLNR to offer long-term leases to their non-profit partners in enhancing state parks.

Testimony supporting this measure was received from Kahuku 2000 and one individual.

Your Committees find that Hawaii's ecotourism market is growing. Proper development and maintenance of state parks is key to sustaining growth in ecotourism and is necessary to ensure that Hawaii's resources and culture are preserved for enjoyment in the future. Fortunately, there are community-based programs where non-profit entities dedicate their efforts toward enhancing, maintaining, and preserving state parks, and promoting cultural tourism. Your Committees find that these partnerships have been extremely successful and encourage DLNR to continue to form these partnerships for the benefit of Hawaii.

As affirmed by the records of votes of the members of your Committees on Economic Development and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 199 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 5 (English, Ihara, Kanno, Kawamoto, Whalen).

**SCRep. 1461 (Joint) Economic Development and Water, Land, and Agriculture on S.R. No. 139**

The purpose of this measure is to request:

- (1) The Parks Division of the Department of Land and Natural Resources (DLNR) to consider strategic partnerships with non-profit entities, such as the Friends of Malaekahana, to enhance selected park properties while applying a community-based cultural tourism model; and
- (2) DLNR to offer long-term leases to their non-profit partners in enhancing state parks.

Testimony supporting this measure was received from Kahuku 2000 and one individual.

Your Committees find that Hawaii's ecotourism market is growing. Proper development and maintenance of state parks is key to sustaining growth in ecotourism and is necessary to ensure that Hawaii's resources and culture are preserved for enjoyment in the future. Fortunately, there are community-based programs where non-profit entities dedicate their efforts toward enhancing, maintaining, and preserving state parks, and promoting cultural tourism. Your Committees find that these partnerships have been extremely successful and encourage DLNR to continue to form these partnerships for the benefit of Hawaii.

As affirmed by the records of votes of the members of your Committees on Economic Development and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 139 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 5 (English, Ihara, Kanno, Kawamoto, Whalen).

**SCRep. 1462 Economic Development on S.C.R. No. 46**

The purpose of this measure is to request a study on the feasibility of developing Hawaii markets for wood waste.

Testimony commenting on this measure was received from the Department of Business, Economic Development, and Tourism (DBEDT).

Your Committee finds that wood waste in Hawaii is an untapped resource for new economic and recycling opportunities. Wood waste is generated when contractors and developers cut down trees, including kiawe and ironwood trees, to clear land for development and construction projects. The generated wood waste could be used by local businesses in the conduct of their operations or for new ventures.

Your Committee also finds that DBEDT has already recognized the economic and recycling potential. Therefore, your Committee has amended this measure by recasting its purpose and directives to entail requesting DBEDT to conduct an educational briefing for contractors that clear sites of trees or trim trees, developers, and the construction industry on Hawaii's markets for wood waste and to report the outcome of that briefing to the 2004 Legislature.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 46, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 46, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Ihara, Kanno).

**SCRep. 1463 Judiciary and Hawaiian Affairs on S.C.R. No. 54**

The purpose of this measure is to request the Department of Hawaiian Home Lands to form a coalition to discuss the pending needs of the Hawaiian community regarding documentation needed to support Hawaiian identity to qualify for federal recognition, and to determine how the State can assist and participate.

Testimony in support of this measure was received from the Department of Health and the Office of Hawaiian Affairs. The Department of Hawaiian Home Lands supported the intent of the measure and provided comments.

Your Committee finds that there are bills pending in the United States Congress that propose federal recognition for Hawaiians, and encourage self-determination and self-government. If these bills pass, access to vital statistics records held by the Department of Health will be crucial to verifying enrollment qualification. For these reasons, your Committee agrees that the coalition should be convened.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 54 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kawamoto, Hogue).

**SCRep. 1464      Judiciary and Hawaiian Affairs on S.R. No. 34**

The purpose of this measure is to request the Department of Hawaiian Home Lands to form a coalition to discuss the pending needs of the Hawaiian community regarding documentation needed to support Hawaiian identity to qualify for federal recognition, and to determine how the State can assist and participate.

Testimony in support of this measure was received from the Department of Health and the Office of Hawaiian Affairs. The Department of Hawaiian Home Lands supported the intent of the measure and provided comments.

Your Committee finds that there are bills pending in the United States Congress that propose federal recognition for Hawaiians, and encourage self-determination and self-government. If these bills pass, access to vital statistics records held by the Department of Health will be crucial to verifying enrollment qualification. For these reasons, your Committee agrees that the coalition should be convened.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 34 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kawamoto, Hogue).

**SCRep. 1465      Judiciary and Hawaiian Affairs on S.C.R. No. 85**

The purpose of this measure is to support the efforts of the Anahola Homesteaders Council in developing the Project Faith multi-purpose community center in Anahola, Kaua'i.

Testimony in support of this measure was received from the Department of Hawaiian Home Lands and the Office of Hawaiian Affairs.

Your Committee finds that in September 2002, the Hawaiian Homes Commission approved the issuance of a twenty-five year license to the Anahola Homesteaders Council to use a twenty acre parcel of land in Anahola for the development of a multi-phase, multi-use project in Anahola, Kaua'i. This license may be extended, and certain parcels may be converted to a general lease if substantial progress is made toward certain agreed upon milestones. Your Committee fully supports the project because if successful, the Anahola project will provide the Anahola native Hawaiian population with commercial, cultural, educational, and health care and kupuna housing program opportunities.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 85 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kawamoto, Hogue).

**SCRep. 1466      Judiciary and Hawaiian Affairs on S.R. No. 59**

The purpose of this measure is to support the efforts of the Anahola Homesteaders Council in developing the Project Faith multi-purpose community center in Anahola, Kaua'i.

Testimony in support of this measure was received from the Department of Hawaiian Home Lands and the Office of Hawaiian Affairs.

Your Committee finds that in September 2002, the Hawaiian Homes Commission approved the issuance of a twenty-five year license to the Anahola Homesteaders Council to use a twenty acre parcel of land in Anahola for the development of a multi-phase, multi-use project in Anahola, Kaua'i. This license may be extended, and certain parcels may be converted to a general lease if

substantial progress is made toward certain agreed upon milestones. Your Committee fully supports the project because if successful, the Anahola project will provide the Anahola native Hawaiian population with commercial, cultural, educational, and health care and kupuna housing program opportunities.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 59 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kawamoto, Hogue).

**SCRep. 1467 Commerce, Consumer Protection and Housing on S.C.R. No. 89**

The purpose of this measure is to request the Legislative Reference Bureau to study lease rent amounts and other major problems facing commercial lessees and other land lessees and to submit findings and recommendations to the Legislature no later than twenty days before the convening of the Regular Session of 2004.

Although a task force that was established by the Legislature during the regular session of 1993 examined the problems of lessees, your Committee finds that some of the problems identified by the task force remain. Inflated lease rents have negatively impacted businesses, individuals, and ultimately, Hawaii's economy. Your Committee believes that this measure may provide additional assistance with the problems faced today by lessees and provide recommendations to eliminate or alleviate those problems.

Upon further consideration, your Committee has amended this measure to:

- (1) Request the Legislative Reference Bureau to consult with representatives of specific agencies and other interested individuals or organizations affected by this issue; and
- (2) Request the Legislative Bureau to consult with the Attorney General for legal issues, opinions, and advice relating to constitutional issues in the study.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 89, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 89, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Baker, Whalen).

**SCRep. 1468 Transportation, Military Affairs, and Government Operations on S.C.R. No. 20**

The purpose of this measure is to request that the Department of Transportation conduct a cost-effectiveness study of TheBus and a bus rapid transit system.

Your Committee received testimony in support of the intent of this measure from the Department of Transportation. Testimony in opposition was submitted by a concerned citizen. The Department of Transportation Services of the City and County of Honolulu provided comments.

Your Committee finds that Oahu's traffic woes have been reviewed and discussed often in the past. Although no broad-scale mass transit system has been implemented, your Committee believes that the establishment of a viable public transportation system is imminent. Therefore, your Committee supports this measure at this time, so that the efficiency and cost-effectiveness of TheBus and a Bus Rapid Transit System can be thoroughly analyzed.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 20 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1469 Transportation, Military Affairs, and Government Operations on S.C.R. No. 101**

The purpose of this measure is to urge the United States Congress to support legislation that will improve federal benefits for Filipino veterans of World War II.

Your Committee finds that the men and women who serve the United States in times of war deserve our utmost honor and respect. Filipino veterans of World War II played a vital role in preserving freedom and democracy, and saving the United States and the world from tyranny.

Several measures that have been referred to your Committee in recent years have addressed this issue, and your Committee continues to support the provision of full veterans' benefits for Filipino veterans of World War II.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 101 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1470      Transportation, Military Affairs, and Government Operations on S.R. No. 70**

The purpose of this measure is to urge the United States Congress to support legislation that will improve federal benefits for Filipino veterans of World War II.

Your Committee finds that the men and women who serve the United States in times of war deserve our utmost honor and respect. Filipino veterans of World War II played a vital role in preserving freedom and democracy, and saving the United States and the world from tyranny.

Several measures that have been referred to your Committee in recent years have addressed this issue, and your Committee continues to support the provision of full veterans' benefits for Filipino veterans of World War II.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 70 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1471      Transportation, Military Affairs, and Government Operations on S.C.R. No. 100**

The purpose of this measure is to urge the United States Congress to support legislation that will improve federal benefits for Filipino veterans of World War II.

Your Committee finds that the men and women who serve the United States in times of war deserve our utmost honor and respect. Filipino veterans of World War II played a vital role in preserving freedom and democracy, and saving the United States and the world from tyranny.

Several measures that have been referred to your Committee in recent years have addressed this issue, and your Committee continues to support the provision of full veterans' benefits for Filipino veterans of World War II.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 100 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1472      Transportation, Military Affairs, and Government Operations on S.R. No. 69**

The purpose of this measure is to urge the United States Congress to support legislation that will improve federal benefits for Filipino veterans of World War II.

Your Committee finds that the men and women who serve the United States in times of war deserve our utmost honor and respect. Filipino veterans of World War II played a vital role in preserving freedom and democracy, and saving the United States and the world from tyranny.

Several measures that have been referred to your Committee in recent years have addressed this issue, and your Committee continues to support the provision of full veterans' benefits for Filipino veterans of World War II.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 69 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1473      Transportation, Military Affairs, and Government Operations on S.C.R. No. 44**

The purpose of this measure is to urge the President of the United States to issue an Executive Order granting federal veterans equity benefits to Filipino World War II veterans and their family members.

Your Committee finds that the men and women who serve the United States in times of war deserve our utmost honor and respect. Filipino veterans of World War II played a vital role in preserving freedom and democracy, and saving the United States and the world from tyranny.

Several measures that have been referred to your Committee in recent years have addressed this issue, and your Committee continues to support the provision of full veterans' benefits for Filipino veterans of World War II.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 44 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1474 Human Services on S.C.R. No. 195**

The purpose of this measure is to establish a task force to study the feasibility of creating public-private partnerships to provide cost-effective rehabilitation services to low income and Medicaid-eligible individuals and government employees.

Testimony in support of this measure was submitted by Hawaii Services for the Disabled, Inc.; Legislative Information Services of Hawaii; and two concerned citizens. The Department of Human Services submitted comments on this measure.

Your Committee finds that increases in health care costs, and concomitant increases in insurance premiums and worker's compensation payments, are a matter of great concern. With the uncertainty that war causes, the ensuing economic downturn will further shrink the state budget. The State must consider new and innovative ways to control spiraling health care costs for State employees and for uninsured, underinsured, and low income Medicaid and QUEST participants. Your Committee further finds that there are organizations in the community that have successfully implemented innovative approaches to providing cost-effective health care services that could be informative to the State's efforts in this area.

To facilitate further discussion and collaboration to address this important issue, your Committee recommends the measure's adoption with the following amendments:

- (1) Deleting the requirement for a task force;
- (2) Requesting the Departments of Human Resources Development, Human Services, and Labor and Industrial Relations to collaboratively explore the feasibility of entering into public-private partnerships for the purposes of providing cost-effective health care services to low income and Medicaid-eligible individuals and government employees;
- (3) Deleting All-Star Sports and Therapy Center, from the list of entities with which the Departments are requested to collaborate;
- (4) Requiring the Departments to submit a summary of findings and recommendations, rather than a formal report, to the 2004 Legislature; and
- (5) Making other technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 195, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 195, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Tsutsui).

**SCRep. 1475 Human Services on S.R. No. 135**

The purpose of this measure is to establish a task force to study the feasibility of creating public-private partnerships to provide cost-effective rehabilitation services to low income and Medicaid-eligible individuals and government employees.

Testimony in support of this measure was submitted by Hawaii Services for the Disabled, Inc.; Legislative Information Services of Hawaii; and two concerned citizens. The Department of Human Services submitted comments on this measure.

Your Committee finds that increases in health care costs, and concomitant increases in insurance premiums and worker's compensation payments, are a matter of great concern. With the uncertainty that war causes, the ensuing economic downturn will further shrink the state budget. The State must consider new and innovative ways to control spiraling health care costs for State employees and for uninsured, underinsured, and low income Medicaid and QUEST participants. Your Committee further finds that there are organizations in the community that have successfully implemented innovative approaches to providing cost-effective health care services that could be informative to the State's efforts in this area.

To facilitate further discussion and collaboration to address this important issue, your Committee recommends the measure's adoption with the following amendments:

- (1) Deleting the requirement for a task force;



- (2) Requesting the Departments of Human Resources Development, Human Services, and Labor and Industrial Relations to collaboratively explore the feasibility of entering into public-private partnerships for the purposes of providing cost-effective health care services to low income and Medicaid-eligible individuals and government employees;
- (3) Deleting All-Star Sports and Therapy Center, from the list of entities with which the Departments are requested to collaborate;
- (4) Requiring the Departments to submit a summary of findings and recommendations, rather than a formal report, to the 2004 Legislature; and
- (5) Making other technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 135, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 135, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ige, Tsutsui).

**SCRep. 1476 (Joint) Human Services and Labor on S.C.R. No. 130**

The purpose of this measure is to establish an awards program to recognize businesses with parent-friendly policies.

Testimony in support of this measure was submitted by the Good Beginnings Alliance; Hawaii Coalition for Dads; Parents and Children Together; and the Healthy Mothers, Healthy Babies Coalition of Hawaii. Two students from Niu Valley Middle School and Baldwin High School participating in the Legislative Shadowing Program offered comments on this measure.

Your Committees find that workers in the United States have the longest annual average hours of work in the industrialized world. At the same time, the number of workers with children under six and single fathers raising children are increasing dramatically. Not surprisingly, a 2001 Families and Work Institute study found that employees who felt they did not have sufficient flexibility in their work time to manage personal and family responsibilities were the most stressed and unhappy.

Your Committees find that many parents – fathers as well as mothers – find it increasingly difficult to balance their roles as provider and nurturing parent. In today’s difficult economic climate, parents are often hesitant to ask for leave from work to attend a parent-teacher conference or other important events in their child’s life, fearing that such actions may be seen as “unprofessional” and adversely impact their employer’s formal or informal evaluation of their competence. Yet, numerous studies show that parent-friendly policies make bottom line sense.

Your Committees find that parent-friendly policies help create a work environment that is supportive of parental responsibilities while recognizing business needs. Businesses with parent-friendly policies have discovered that employees are more committed and productive, with lower absenteeism and reduced turnover, which can result in significant cost savings in human resources recruitment and training expenses, promote competitiveness, and increase the profitability of the company. Your Committees further find that, by strengthening parent-friendly policies, Hawaii’s business leaders strengthen the quality of their employees, now and in the future, and increase the competitiveness and profitability of their business.

Your Committees believe that it is important for the State to take the lead in encouraging parent-friendly workplace policies by establishing an awards program to recognize businesses with parent-friendly policies. Your Committees further find that such a program would demonstrate the State’s commitment to supporting parents, critical partners in achieving the State’s goal that “all of Hawaii’s children will be safe, healthy, and ready to succeed.” Students concurred that a legislative awards program would have a significant positive impact on Hawaii businesses.

As affirmed by the records of votes of the members of your Committees on Human Services and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 130, S.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 4 (Fukunaga, Ihara, Kawamoto, Trimble).

**SCRep. 1477 (Joint) Education and Health on S.C.R. No. 124**

The purpose of this measure is to request the University of Hawaii to establish a Rural Health Science Center at the Hilo campus.

Testimony supporting this measure was received from the University of Hawaii at Hilo.

Your Committees find that Hawaii is home to many rich cultures and ethnic-based practices. This variety is most evident in the health and treatment methods practiced in rural areas by native Hawaiians and other cultures resident in the State. As a result of the mix of these and Western influences, as well as family traditions, a unique form of rural health care exists in rural Hawaii. Therefore, your Committees believe that the State of Hawaii, particularly Hilo, Hawaii, is the ideal place for centralizing research, education, and training on rural health science.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 124 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 1 (Hogue).

**SCRep. 1478 (Joint) Education and Health on S.R. No. 83**

The purpose of this measure is to request the University of Hawaii to establish a Rural Health Science Center at the Hilo campus.

Testimony supporting this measure was received from the University of Hawaii at Hilo.

Your Committees find that Hawaii is home to many rich cultures and ethnic-based practices. This variety is most evident in the health and treatment methods practiced in rural areas by native Hawaiians and other cultures resident in the State. As a result of the mix of these and Western influences, as well as family traditions, a unique form of rural health care exists in rural Hawaii. Therefore, your Committees believe that the State of Hawaii, particularly Hilo, Hawaii, is the ideal place for centralizing research, education, and training on rural health science.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 83 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 1 (Hogue).

**SCRep. 1479 (Joint) Transportation, Military Affairs, and Government Operations and Human Services on H.C.R. No. 28**

The purpose of this measure is to request the United States Congress to fully fund the Millennium Challenge Account and involve women as full and active participants in economic development assistance programs in their nations.

Your Committees received testimony in support of this measure from the Hawaii State Commission on the Status of Women.

Your Committees find that in September, 2000, the United Nations General Assembly adopted the United Nations Millennium Declaration, a resolution establishing international development goals to reduce poverty and improve lives throughout the world.

In March 2002, President George W. Bush unveiled the Millennium Challenge Account, designed to increase developmental assistance to poor, developing countries.

Your Committees agree that the Millennium Challenge Account should be fully funded, and that women should fully participate in economic development assistance programs in countries benefiting from the Account.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 28, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 6 (Baker, Fukunaga, Ige, Kanno, Menor, Tsutsui).

**SCRep. 1480 (Joint) Energy and Environment and Water, Land, and Agriculture on S.C.R. No. 125**

The purpose of this measure is to request further inquiry with respect to the designation of lands on the island of Hawaii as critical habitat.

Testimony supporting this measure was submitted by three County of Hawaii Council members, ILWU Local 142, Willocks Construction Corporation, Pig Hunters of Hawaii, and sixteen individuals. The Department of Land and Natural Resources submitted testimony in support of the intent of this measure. Earthjustice, Conservation Council for Hawaii, KAHEA, Sierra Club Hawaii Chapter, and The Audubon Society submitted testimony opposing this measure.

Your Committees find that adequate time is necessary for state and county agencies to study the critical habitat areas under consideration. The proposed areas are huge and in many cases arbitrary. Their designation as critical habitat areas will have a significant impact on hunters as well as other public land users.

Your Committees have amended this measure by:

- (1) Requesting the inquiry be made with respect to critical habitat designations throughout the State rather than just the island of Hawaii;
- (2) Deleting the clause referring to the Department of Interior providing notice to only the Department of Land and Natural Resources about their proposed rule (page 3, lines 6-12);
- (3) Deleting all references to the Commerce Clause;
- (4) Deleting the request of the Department of the Interior to postpone the process of designating lands as critical habitat;

- (5) Adding the Office of Environmental Quality Control of the Department of Health to the list of agencies to receive certified copies of this measure; and
- (6) Requesting the U.S. Fish and Wildlife Service to report to the Legislature the basis for the critical habitat designations throughout the State.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 125 [sic], as amended herein, and recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs in the form attached hereto as S.C.R. No. 125 [sic], S.D. 1.

Signed by the Vice Chair and Chair on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 1481 (Joint) Energy and Environment and Water, Land, and Agriculture on S.R. No. 84**

The purpose of this measure is to request further inquiry with respect to the designation of lands on the island of Hawaii as critical habitat.

Testimony supporting this measure was submitted by three County of Hawaii Council members, ILWU Local 142, Willocks Construction Corporation, Pig Hunters of Hawaii, and sixteen individuals. The Department of Land and Natural Resources submitted testimony in support of the intent of this measure. Earthjustice, Conservation Council for Hawaii, KAHEA, Sierra Club Hawaii Chapter, and The Audubon Society submitted testimony opposing this measure.

Your Committees find that adequate time is necessary for state and county agencies to study the critical habitat areas under consideration. The proposed areas are huge and in many cases arbitrary. Their designation as critical habitat areas will have a significant impact on hunters as well as other public land users.

Your Committees have amended this measure by:

- (1) Requesting the inquiry be made with respect to critical habitat designations throughout the State rather than just the island of Hawaii;
- (2) Deleting the clause referring to the Department of Interior providing notice to only the Department of Land and Natural Resources about their proposed rule (page 3, lines 6-12);
- (3) Deleting all references to the Commerce Clause;
- (4) Deleting the request of the Department of the Interior to postpone the process of designating lands as critical habitat;
- (5) Adding the Office of Environmental Quality Control of the Department of Health to the list of agencies to receive certified copies of this measure; and
- (6) Requesting the U.S. Fish and Wildlife Service to report to the Legislature the basis for the critical habitat designations throughout the State.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 84 [sic], as amended herein, and recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs in the form attached hereto as S.C.R. No. 84 [sic], S.D. 1.

Signed by the Vice Chair and Chair on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 1482 (Joint) Water, Land, and Agriculture and Energy and Environment on S.C.R. No. 153**

The purpose of this measure is to request an Auditor's investigation of current land use policies being used to determine sites for landfills in the State.

Testimony in support of this resolution was submitted by the Board of Water Supply of the City and County of Honolulu. Life of the Land submitted comments.

Your Committees find that Hawaii's solid waste management challenges should be addressed comprehensively, with an examination of existing solid waste management and landfill policies. Your Committees also find that the Auditor should expand the requested investigation to include other concerns related to the location and management of solid waste facilities on islands with limited land space and sole-source aquifers.

Your Committees have amended the measure to reflect the above concerns. As amended, the measure also requests examinations of the federal Safe Drinking Water Act, State and county codes focusing on landfill locations, potential risks of placing landfills over sole-source aquifers, the compliance record of public and private waste disposal programs, and environmental justice issues.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 153, as amended herein, recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 153, S.D. 1.

Signed by the Chair and Vice Chair on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 1483 (Joint) Water, Land, and Agriculture and Science, Arts, and Technology on S.C.R. No. 55**

The purpose of this measure is to request the Office of Hawaiian Affairs to establish a temporary Bioprospecting Advisory Commission, which will then create a plan to preserve and conserve the natural resources of Hawaii's trust lands.

Testimony in support of this measure was submitted by the Maui County Council, the `Iioulakalani Coalition, the Waikiki Hawaiian Civic Club, and six concerned citizens. Testimony in support of the intent of the measure was submitted by the Department of Business, Economic Development, and Tourism; the Office of Hawaiian Affairs; and the O`ahu Council of the Hawaiian Civic Clubs. The Pacific Basin Indigenous Expert for the United Nations Permanent Forum on Indigenous Issues submitted comments.

Your Committees find that one of Hawaii's most valuable resources is its biodiversity, with 8,850 species in these islands not found anywhere else in the world. The State of Hawaii has a trust obligation to ensure the preservation, sustainable use, and equitable sharing of benefits of Hawaii's biological resources. The Office of Hawaiian Affairs has the statutory responsibility to foster the betterment of the conditions of native Hawaiians and Hawaiians, and is therefore the correct place to house a commission to study the preservation of Hawaii's natural resources, which will also serve to preserve the Native Hawaiian culture.

Your Committees have amended the resolution to reflect the international policy that Native Hawaiians, as indigenous peoples, have ownership and first rights to natural resources in Hawaii, to create a sharing mechanism for those rights between Native Hawaiians and other Hawaii residents, and to add an expert in indigenous peoples' rights to the commission.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 55, as amended herein, recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.C.R. No. 55, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 1484 (Joint) Water, Land, and Agriculture and Science, Arts, and Technology on S.R. No. 35**

The purpose of this measure is to request the Office of Hawaiian Affairs to establish a temporary Bioprospecting Advisory Commission, which will then create a plan to preserve and conserve the natural resources of Hawaii's trust lands.

Testimony in support of this measure was submitted by the Maui County Council, the `Iioulakalani Coalition, the Waikiki Hawaiian Civic Club, and six concerned citizens. Testimony in support of the intent of the measure was submitted by the Department of Business, Economic Development, and Tourism; the Office of Hawaiian Affairs; and the O`ahu Council of the Hawaiian Civic Clubs. The Pacific Basin Indigenous Expert for the United Nations Permanent Forum on Indigenous Issues submitted comments.

Your Committees find that one of Hawaii's most valuable resources is its biodiversity, with 8,850 species in these islands not found anywhere else in the world. The State of Hawaii has a trust obligation to ensure the preservation, sustainable use, and equitable sharing of benefits of Hawaii's biological resources. The Office of Hawaiian Affairs has the statutory responsibility to foster the betterment of the conditions of native Hawaiians and Hawaiians, and is therefore the correct place to house a commission to study the preservation of Hawaii's natural resources, which will also serve to preserve the Native Hawaiian culture.

Your Committees have amended the resolution to reflect the international policy that Native Hawaiians, as indigenous peoples, have ownership and first rights to natural resources in Hawaii, to create a sharing mechanism for those rights between Native Hawaiians and other Hawaii residents, and to add an expert in indigenous peoples' rights to the commission.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 35, as amended herein, recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.R. No. 35, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 1485 (Joint) Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture on S.C.R. No. 186**

The purpose of this measure is to establish a commission to oversee the transfer of Kaho`olawe from the United States Navy to the State.

Your Committees received testimony in opposition to this measure from the Kaho`olawe Island Reserve Commission (KIRC), the Office of Hawaiian Affairs, the Protect Kaho`olawe `Ohana and its co-coordinator separately, the American Friends Service Committee, and four concerned citizens.

Your Committees find that the State will legally assume control of Kaho`olawe on November 12, 2003. For one hundred twenty days after that date the Navy will maintain access while KIRC implements its action plan.

Your Committees believe that since the State will be legally responsible and liable for the island as of November 12, it is vitally important that state officials ensure that the KIRC has taken all necessary steps to ensure the public safety and protect the State from any potential liability.

That being said, at the hearing on this measure there was substantial opposition to the creation of an oversight commission at this late stage of the process. Therefore, your Committees amended this measure and its title to create an advisory commission, rather than an oversight commission. The advisory commission will advise KIRC regarding areas within the advisory commission members' expertise.

Your Committees also amended this measure to require the KIRC to draft a comprehensive master plan for the transfer of the island, and to provide the Legislature with the master plan by August 31, 2003.

In addition, your Committees amended this measure to request that the Auditor conduct an audit of KIRC, so that the State can better review and understand KIRC's expenditures relating to its administration of the island. Your Committees also included a provision to request that the United States Navy provide the Auditor with all relevant materials relating to its administration of Kaho`olawe, so that the Auditor will have all necessary information when conducting its investigation.

Finally, your Committees also deleted three "resolved" clauses that were inconsistent with the amendments discussed above.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 186, as amended herein, recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.C.R. No. 186, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1486 (Joint) Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture on S.R. No. 132**

The purpose of this measure is to establish a commission to oversee the transfer of Kaho`olawe from the United States Navy to the State.

Your Committees received testimony in opposition to this measure from the Kaho`olawe Island Reserve Commission (KIRC), the Office of Hawaiian Affairs, the Protect Kaho`olawe `Ohana and its co-coordinator separately, the American Friends Service Committee, and four concerned citizens.

Your Committees find that the State will legally assume control of Kaho`olawe on November 12, 2003. For one hundred twenty days after that date the Navy will maintain access while KIRC implements its action plan.

Your Committees believe that since the State will be legally responsible and liable for the island as of November 12, it is vitally important that state officials ensure that the KIRC has taken all necessary steps to ensure the public safety and protect the State from any potential liability.

That being said, at the hearing on this measure there was substantial opposition to the creation of an oversight commission at this late stage of the process. Therefore, your Committees amended this measure and its title to create an advisory commission, rather than an oversight commission. The advisory commission will advise KIRC regarding areas within the advisory commission members' expertise.

Your Committees also amended this measure to require the KIRC to draft a comprehensive master plan for the transfer of the island, and to provide the Legislature with the master plan by August 31, 2003.

In addition, your Committees amended this measure to request that the Auditor conduct an audit of KIRC, so that the State can better review and understand KIRC's expenditures relating to its administration of the island. Your Committees also included a provision to request that the United States Navy provide the Auditor with all relevant materials relating to its administration of Kaho`olawe, so that the Auditor will have all necessary information when conducting its investigation.

Finally, your Committees also deleted three "resolved" clauses that were inconsistent with the amendments discussed above.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 132, as amended herein, recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.R. No. 132, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1487 (Joint) Education and Labor on S.C.R. No. 183**

The purpose of this measure is to request a review and evaluation of the total annual compensation package of Hawaii public school teachers.

Testimony in support of the intent of this measure was submitted by the Department of Education. The Hawaii State Teachers Association submitted comments.

Your Committees find that Hawaii's public school system is faced with an ongoing critical shortage of teachers that is not unlike that in most other jurisdictions in our country. Your Committees further find that this shortage is based upon the need to attract more young people into the profession as well as retaining teachers once they enter the profession. Your Committees note that other states have developed what are considered substantial and lucrative compensation packages to attract and retain teaching professionals. Thus, your Committees agree that an independent review and comparative evaluation of Hawaii's public school teacher compensation package with other jurisdictions, using comparable data and factors, is critical to understanding how we can most effectively address our teacher shortage.

Your Committees have amended this measure by:

- (1) Including language that asserts that there is a perception that the retirement, medical, and insurance benefits of Hawaii's teachers are the best among the nation, by virtue of their status as employees of the State;
- (2) Including clarifying language that the total compensation package for Hawaii's teachers is perceived as substantial and lucrative, although cost-of-living differences are often not considered in making such comparisons;
- (3) Requesting that the Auditor, in conducting the evaluation, use published information that is widely disseminated within the State and outside the State;
- (4) Requesting the Auditor evaluate compensation packages for entry level full-time teachers holding bachelor degrees, teachers with bachelor degrees with two to ten years of service, and teachers with bachelor degrees with ten to fifteen or more years of services;
- (5) Requesting the Auditor to consider cost-of-living and differences for teachers holding advanced degrees and other professional certifications such as master teachers, in making comparisons with other jurisdictions;
- (6) Requesting the Auditor to exclude from the study one-time differentials and one-time awards, grants, and gifts; and
- (7) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 183, as amended herein, recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 183, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Kawamoto, Menor, Taniguchi, Hogue).

**SCRep. 1488 Education on S.C.R. No. 30**

The purpose of this measure is to request the Department of Education to develop and distribute informational publications about their children's educational programs.

The Department of Education (Department) testified that although it agrees with the measure's intent, it could not support it due to the indeterminate amount of human resources and fiscal requirements needed to accomplish the undertaking.

Your Committee finds that parental involvement in their child's educational program is one of the most important factors contributing to a student's achievement in school. Your Committee further finds that providing informational publications to parents about the standards and expectations for their child's educational progress in core subjects, would assist parents in gauging their own child's progress and thereby encourage increased participation by parents in their child's educational program.

Your Committee has amended this measure by:

- (1) Changing the title to request the Department to review publications designed to inform parents about their children's educational programs, and to identify partners to obtain and distribute such publications;
- (2) Changing the BE IT RESOLVED clause to request the Department to review the federal Department of Defense informational publications and those of other jurisdictions;
- (3) Changing the first BE IT FURTHER RESOLVED clause to request the Department to identify partners who can assist in obtaining and distributing such publications to the families of Hawaii public school students;

- (4) Changing the BE IT FURTHER RESOLVED clause that requests the Department to submit at least one publication to the 2004 Legislature to a request that the Department submit a report of findings and recommendations to the Legislature twenty days prior to the convening of the 2004 regular session;
- (5) Adding that military representative to the Board of Education to receive a certified copy of the measure; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 30, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 30, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1489 Education on S.R. No. 18**

The purpose of this measure is to request the Department of Education to develop and distribute informational publications about their children's educational programs.

The Department of Education (Department) testified that although it agrees with the measure's intent, it could not support it due to the indeterminate amount of human resources and fiscal requirements needed to accomplish the undertaking.

Your Committee finds that parental involvement in their child's educational program is one of the most important factors contributing to a student's achievement in school. Your Committee further finds that providing informational publications to parents about the standards and expectations for their child's educational progress in core subjects, would assist parents in gauging their own child's progress and thereby encourage increased participation by parents in their child's educational program.

Your Committee has amended this measure by:

- (1) Changing the title to request the Department to review publications designed to inform parents about their children's educational programs, and to identify partners to obtain and distribute such publications;
- (2) Changing the BE IT RESOLVED clause to request the Department to review the federal Department of Defense informational publications and those of other jurisdictions;
- (3) Changing the first BE IT FURTHER RESOLVED clause to request the Department to identify partners who can assist in obtaining and distributing such publications to the families of Hawaii public school students;
- (4) Changing the BE IT FURTHER RESOLVED clause that requests the Department to submit at least one publication to the 2004 Legislature to a request that the Department submit a report of findings and recommendations to the Legislature twenty days prior to the convening of the 2004 regular session;
- (5) Adding that military representative to the Board of Education to receive a certified copy of the measure; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 18, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 18, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1490 Education on S.C.R. No. 52**

The purpose of this measure, as received by your Committee, is to request the Board of Education to adopt a school facility use policy that establishes priority uses for the benefit of the surrounding community.

Testimony in opposition to this measure was submitted by the Department of Education.

Your Committee finds that there have been many proposals under consideration during the 2003 legislative session to address the myriad needs in our public schools, which span restructuring the entire public school system to providing resources to meet individual school's needs. Your Committee further finds that while there has been increasing public dialogue and input, there is still no clear consensus of public opinion nor amongst our elected officials regarding the best solution to address certain systemic education reforms. Your Committee further believes that systemic education reforms must not only be well-thought out with sufficient detail, but must be embraced by a majority of the stakeholders in order to be successfully implemented.

Thus, your Committee has amended this measure by deleting its substance and inserting therefor provisions requesting the convening of a 2003 interim joint legislative study group comprising legislators appointed by the legislative leadership to:

- (1) Continue the dialogue about education reform issues that were not resolved during the 2003 Regular Session;
- (2) Specifically review the ideas and recommendations from the 2002 Interim Focus Groups that were not adopted during the 2003 Regular Session, in addition to such issues as determining the adequacy of state funding levels using per pupil formulas, the feasibility of gathering longitudinal data on student achievement, and the need for a state council on education data and accountability to provide independent analysis on education policy issues;
- (3) Solicit and receive public input about the proposals from the four focus groups convened during the 2002 interim; and
- (4) Present findings and recommendations in a report to the legislature to be posted on the legislature's website prior to the convening of the 2004 Regular Session.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 52, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 52, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1491      Education on S.R. No. 32**

The purpose of this measure, as received by your Committee, is to request the Board of Education to adopt a school facility use policy that establishes priority uses for the benefit of the surrounding community.

Testimony in opposition to this measure was submitted by the Department of Education.

Your Committee finds that there have been many proposals under consideration during the 2003 legislative session to address the myriad needs in our public schools, which span restructuring the entire public school system to providing resources to meet individual school's needs. Your Committee further finds that while there has been increasing public dialogue and input, there is still no clear consensus of public opinion nor amongst our elected officials regarding the best solution to address certain systemic education reforms. Your Committee further believes that systemic education reforms must not only be well-thought out with sufficient detail, but must be embraced by a majority of the stakeholders in order to be successfully implemented.

Thus, your Committee has amended this measure by deleting its substance and inserting therefor provisions requesting the convening of a 2003 interim joint legislative study group comprising legislators appointed by the legislative leadership to:

- (1) Continue the dialogue about education reform issues that were not resolved during the 2003 Regular Session;
- (2) Specifically review the ideas and recommendations from the 2002 Interim Focus Groups that were not adopted during the 2003 Regular Session, in addition to such issues as determining the adequacy of state funding levels using per pupil formulas, the feasibility of gathering longitudinal data on student achievement, and the need for a state council on education data and accountability to provide independent analysis on education policy issues;
- (3) Solicit and receive public input about the proposals from the four focus groups convened during the 2002 interim; and
- (4) Present findings and recommendations in a report to the legislature to be posted on the legislature's website prior to the convening of the 2004 Regular Session.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 32, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 32, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1492      Education on S.C.R. No. 57**

The purpose of this measure, as received by your Committee, is to request the adoption of statewide content standards for adult education courses and programs.

Testimony in opposition to this measure was submitted by the Department of Education (Department).

Your Committee finds that adult and community education programs provide basic education such as literacy and civic responsibility for new citizens as well as support the value of life-long learning. Your Committee further finds that while the Department has reported that standards have been adopted for adult learners, there is a need to identify the costs of and revenues generated to support adult and community education, in light of the Governor's current proposal to reduce state support of these programs. Your Committee further agrees that the Department should provide some measure of effectiveness for adult and community education, in order to provide data-driven support for the continuation of these programs.



Thus, your Committee has amended this measure by:

- (1) Changing the title to request the Department to report on the costs of and revenues generated to support these programs, and the status on the adoption of state standards and outcomes for these programs;
- (2) Deleting the request for the Advisory Council on Adult and Community Education to assist in adopting standards for adult and community education;
- (3) Including a WHEREAS clause that recognizes the importance of adult and community education in life-long learning;
- (4) Changing the BE IT RESOLVED clause to request the Department to report on the personnel and related operating costs and revenues generated to support these programs and three outcome measures that can be used to measure effectiveness of the programs;
- (5) Changing the BE IT FURTHER RESOLVED clause that requests a report to the 2004 Legislature to include a status on the adoption of state standards in the report; and
- (6) Making technical nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 57, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 57, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1493 Education on S.R. No. 37**

The purpose of this measure, as received by your Committee, is to request the adoption of statewide content standards for adult education courses and programs.

Testimony in opposition to this measure was submitted by the Department of Education (Department).

Your Committee finds that adult and community education programs provide basic education such as literacy and civic responsibility for new citizens as well as support the value of life-long learning. Your Committee further finds that while the Department has reported that standards have been adopted for adult learners, there is a need to identify the costs of and revenues generated to support adult and community education, in light of the Governor's current proposal to reduce state support of these programs. Your Committee further agrees that the Department should provide some measure of effectiveness for adult and community education, in order to provide data-driven support for the continuation of these programs.

Thus, your Committee has amended this measure by:

- (1) Changing the title to request the Department to report on the costs of and revenues generated to support these programs, and the status on the adoption of state standards and outcomes for these programs;
- (2) Deleting the request for the Advisory Council on Adult and Community Education to assist in adopting standards for adult and community education;
- (3) Including a WHEREAS clause that recognizes the importance of adult and community education in life-long learning;
- (4) Changing the BE IT RESOLVED clause to request the Department to report on the personnel and related operating costs and revenues generated to support these programs and three outcome measures that can be used to measure effectiveness of the programs;
- (5) Changing the BE IT FURTHER RESOLVED clause that requests a report to the 2004 Legislature to include a status on the adoption of state standards in the report; and
- (6) Making technical nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 37, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 37, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1494 Education on S.C.R. No. 92**

The purpose of this measure is to request the gathering, analysis, and annual reporting of longitudinal data on student achievement, including the identification of key indicators of performance.

The Department of Education submitted comments on this measure.

Your Committee finds that longitudinal research on the factors contributing to student achievement is highly desirable, but requires staff resources beyond the Department of Education's present capacity. Your Committee further finds that a collaborative effort between the Department of Education, the University of Hawaii College of Education, and the Hawaii Educational Policy Center, to develop a data collection system and implementation plan would be a good place to start to address how to identify key indicators of student achievement.

Your Committee has amended this measure by:

- (1) Changing the title to request the development of a plan for the gathering, analyzing, and reporting of longitudinal data on student achievement;
- (2) Changing the BE IT RESOLVED clause to request the Department of Education to work with the University of Hawaii College of Education and the Hawaii Educational Policy Center on the development of the plan for the gathering, analyzing, and reporting of longitudinal data on student achievement;
- (3) Deleting three BE IT FURTHER RESOLVED clauses that ask for the reports to include comparative analyses of specific data sets and indicators; and
- (4) Deleting the BE IT FURTHER RESOLVED clause requesting the College of Education and the Hawaii Educational Policy Center to assist the Department in the collection, analysis, and reporting of longitudinal data.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 92, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 92, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1495      Education on S.R. No. 65**

The purpose of this measure is to request the gathering, analysis, and annual reporting of longitudinal data on student achievement, including the identification of key indicators of performance.

The Department of Education submitted comments on this measure.

Your Committee finds that longitudinal research on the factors contributing to student achievement is highly desirable, but requires staff resources beyond the Department of Education's present capacity. Your Committee further finds that a collaborative effort between the Department of Education, the University of Hawaii College of Education, and the Hawaii Educational Policy Center, to develop a data collection system and implementation plan would be a good place to start to address how to identify key indicators of student achievement.

Your Committee has amended this measure by:

- (1) Changing the title to request the development of a plan for the gathering, analyzing, and reporting of longitudinal data on student achievement;
- (2) Changing the BE IT RESOLVED clause to request the Department of Education to work with the University of Hawaii College of Education and the Hawaii Educational Policy Center on the development of the plan for the gathering, analyzing, and reporting of longitudinal data on student achievement;
- (3) Deleting three BE IT FURTHER RESOLVED clauses that ask for the reports to include comparative analyses of specific data sets and indicators; and
- (4) Deleting the BE IT FURTHER RESOLVED clause requesting the College of Education and the Hawaii Educational Policy Center to assist the Department in the collection, analysis, and reporting of longitudinal data.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 65, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 65, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1496      Education on S.C.R. No. 146**

The purpose of this measure is to request the formation of a strategic plan to address the future of public and school libraries.

Testimony in support of this measure was submitted by the Hawaii State Public Library System and the Department of Education.

Your Committee finds that there are one dozen public and school libraries that are colocated within the same facility, and thereby serving not only public school students but the surrounding community. Your Committee further finds that there have been preliminary discussions regarding the separation of these colocated facilities, which will require community input and dialogue to ensure that all constituents needs are met and that sufficient resources are available to meet these needs.

Your Committee has amended this measure by:

- (1) Changing the title to request the development of a strategic plan, to match the body of the measure; and
- (2) Inserting an additional BE IT FURTHER RESOLVED clause requesting that as part of the development of the plan, there be included a process for soliciting and receiving community input about any adverse impacts of the proposed separation, and discussion of measures to remedy such impacts during the transition period.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 146, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 146, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1497 Education on S.R. No. 98**

The purpose of this measure is to request the formation of a strategic plan to address the future of public and school libraries.

Testimony in support of this measure was submitted by the Hawaii State Public Library System and the Department of Education.

Your Committee finds that there are one dozen public and school libraries that are colocated within the same facility, and thereby serving not only public school students but the surrounding community. Your Committee further finds that there have been preliminary discussions regarding the separation of these colocated facilities, which will require community input and dialogue to ensure that all constituents needs are met and that sufficient resources are available to meet these needs.

Your Committee has amended this measure by:

- (1) Changing the title to request the development of a strategic plan, to match the body of the measure; and
- (2) Inserting an additional BE IT FURTHER RESOLVED clause requesting that as part of the development of the plan, there be included a process for soliciting and receiving community input about any adverse impacts of the proposed separation, and discussion of measures to remedy such impacts during the transition period.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 98, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 98, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1498 Energy and Environment on S.C.R. No. 88**

The purpose of this measure is to request the Director of Business, Economic Development, and Tourism to assess the level of light pollution in the State and develop a strategy for reducing the amount of electricity consumed by excess illumination.

The University of Hawaii and an individual submitted testimony in support of this measure and the Department of Business, Economic Development, and Tourism (DBEDT) submitted testimony supporting the intent of this measure.

Your Committee finds that there is considerable potential for reducing light pollution in Hawaii. The creation of a "dark skies" design in Hawaii would enhance the performance of the world-class astronomy facilities atop Mauna Kea and Haleakala. Already, DBEDT has been working with the Illuminating Engineering Society and the International Dark-Sky Association regarding new lighting technologies that can achieve dark skies in a manner that satisfies diverse stakeholders.

Your Committee believes that such an assessment will result in providing information that will guide policy development in this area for the future benefit of the State.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 88 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 1499 Energy and Environment on S.R. No. 62**

The purpose of this measure is to request the Director of Business, Economic Development, and Tourism to assess the level of light pollution in the State and develop a strategy for reducing the amount of electricity consumed by excess illumination.

The University of Hawaii and an individual submitted testimony in support of this measure and the Department of Business, Economic Development, and Tourism (DBEDT) submitted testimony supporting the intent of this measure.

Your Committee finds that there is considerable potential for reducing light pollution in Hawaii. The creation of a "dark skies" design in Hawaii would enhance the performance of the world-class astronomy facilities atop Mauna Kea and Haleakala. Already, DBEDT has been working with the Illuminating Engineering Society and the International Dark-Sky Association regarding new lighting technologies that can achieve dark skies in a manner that satisfies diverse stakeholders.

Your Committee believes that such an assessment will result in providing information that will guide policy development in this area for the future benefit of the State.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 62 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 1500 (Joint) Energy and Environment and Water, Land, and Agriculture on S.C.R. No. 157**

The purpose of this measure is to request the Hawaii Community Development Authority (HCDA) to conduct an analysis of its current efforts to determine to what extent it is utilizing promising energy efficiency and renewable energy technology in its development districts.

HCDA and Makai Ocean Engineering, Inc., submitted testimony in support of this measure.

Your Committees find that in Kakaako, HCDA is working toward the development of a pedestrian friendly, mixed-use urban community that can also support the growth of a biotechnology industry in Hawaii. HCDA recognizes that the incorporation of promising new energy technologies into the redevelopment of Kakaako is important to its ultimate success. In fact, the new University of Hawaii John A. Burns School of Medicine currently under construction in Kakaako is working with the U.S. Green Building Council to achieve certification under the Leadership in Energy & Environmental Design (LEED) Green Building Rating System. This system is a voluntary, consensus-based national standard for developing high-performance, sustainable buildings. The certification requires measures such as erosion and sedimentation control, minimum energy performance, storage and collection of recyclables, and environmental tobacco smoke control.

Your Committees have amended this measure to include the Department of Business, Economic Development, and Tourism (DBEDT) to assist in the analysis. HCDA does not have the expertise to independently carry out the type of analysis cited in this measure, however DBEDT has conducted several studies in relation to alternative energy and energy efficiency.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 157, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 157, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 1501 (Joint) Energy and Environment and Water, Land, and Agriculture on S.R. No. 106**

The purpose of this measure is to request the Hawaii Community Development Authority (HCDA) to conduct an analysis of its current efforts to determine to what extent it is utilizing promising energy efficiency and renewable energy technology in its development districts.

HCDA and Makai Ocean Engineering, Inc., submitted testimony in support of this measure.

Your Committees find that in Kakaako, HCDA is working toward the development of a pedestrian friendly, mixed-use urban community that can also support the growth of a biotechnology industry in Hawaii. HCDA recognizes that the incorporation of promising new energy technologies into the redevelopment of Kakaako is important to its ultimate success. In fact, the new University of Hawaii John A. Burns School of Medicine currently under construction in Kakaako is working with the U.S. Green Building Council to achieve certification under the Leadership in Energy & Environmental Design (LEED) Green Building Rating System. This system is a voluntary, consensus-based national standard for developing high-performance, sustainable buildings. The certification requires measures such as erosion and sedimentation control, minimum energy performance, storage and collection of recyclables, and environmental tobacco smoke control.

Your Committees have amended this measure to include the Department of Business, Economic Development, and Tourism (DBEDT) to assist in the analysis. HCDA does not have the expertise to independently carry out the type of analysis cited in this measure, however DBEDT has conducted several studies in relation to alternative energy and energy efficiency.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 106, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 106, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 1502 (Joint) Energy and Environment and Water, Land, and Agriculture on S.C.R. No. 166**

The purpose of this measure is to urge a joint effort between the Department of Agriculture (DOA) and the Department of Land and Natural Resources (DLNR) to stop the importation of alien aquatic organisms that could become invasive.

The Hawaii Audubon Society, The Nature Conservancy of Hawaii, Sierra Club Hawaii Chapter, Ocean Law & Policy Institute, Earthtrust, and Greenpeace submitted testimony supporting this measure. DOA and DLNR submitted testimony opposing this measure based on their statements that they are already fulfilling the purpose of this measure.

In particular, this measure urges DOA and DLNR to develop a joint procedure whereby no potentially invasive alien aquatic organism can be imported into the State without the approval of both DOA and DLNR.

Your Committees find that DOA and DLNR should work together to pool their resources and expertise to address the severe threat of alien aquatic species. Your Committees believe that no aquatic plant, animal, or organism that has the potential to become invasive should be allowed in the State until importers obtain approval from both DOA, which is the lead agency for determining what can and cannot come into the State, and DLNR, which has the knowledge and expertise in alien aquatic organisms.

Your Committees further find that a report to the Legislature and the citizens of Hawaii will provide adequate assurance and accountability that DOA and DLNR are making progress in preventing the importation of alien aquatic organisms. Moreover, if DOA and DLNR are in fact already making progress, they should timely report on their benchmarks and accomplishments.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 166 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 1503 (Joint) Energy and Environment and Water, Land, and Agriculture on S.R. No. 115**

The purpose of this measure is to urge a joint effort between the Department of Agriculture (DOA) and the Department of Land and Natural Resources (DLNR) to stop the importation of alien aquatic organisms that could become invasive.

The Hawaii Audubon Society, The Nature Conservancy of Hawaii, Sierra Club Hawaii Chapter, Ocean Law & Policy Institute, Earthtrust, and Greenpeace submitted testimony supporting this measure. DOA and DLNR submitted testimony opposing this measure based on their statements that they are already fulfilling the purpose of this measure.

In particular, this measure urges DOA and DLNR to develop a joint procedure whereby no potentially invasive alien aquatic organism can be imported into the State without the approval of both DOA and DLNR.

Your Committees find that DOA and DLNR should work together to pool their resources and expertise to address the severe threat of alien aquatic species. Your Committees believe that no aquatic plant, animal, or organism that has the potential to become invasive should be allowed in the State until importers obtain approval from both DOA, which is the lead agency for determining what can and cannot come into the State, and DLNR, which has the knowledge and expertise in alien aquatic organisms.

Your Committees further find that a report to the Legislature and the citizens of Hawaii will provide adequate assurance and accountability that DOA and DLNR are making progress in preventing the importation of alien aquatic organisms. Moreover, if DOA and DLNR are in fact already making progress, they should timely report on their benchmarks and accomplishments.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 115 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (Baker, Kanno).

**SCRep. 1504 (Joint) Energy and Environment and Economic Development on S.C.R. No. 205**

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism (DBEDT) to support the research and development of hydrogen fuel cell energy as an alternative energy source for next-generation automobiles.

An individual submitted testimony supporting this measure. Comments on this measure were submitted by DBEDT.

Your Committees find that, aside from soliciting automobile manufacturers to look to Hawaii as an ideal test site for hydrogen fuel cell vehicles, the State might also attract companies dealing with novel methods of hydrogen production. There are dozens of companies pursuing hydrogen production methods. Such techniques include everything from combining sea water with powered aluminum and a proprietary mixture; to hydrogen-producing algae; to combustion systems that burn almost any material, including sewage sludge and municipal waste, for hydrogen production. Additionally, Hawaii is blessed with an array of renewable energy possibilities for use in hydrogen production.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 205 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Aduja, Hooser, Ige, Ihara).

**SCRep. 1505 (Joint) Economic Development and Water, Land, and Agriculture on S.C.R. No. 73**

The purpose of this measure is to request the examination of the feasibility of dedicating ten per cent of general excise tax from ocean recreation businesses to the statewide boating program.

Testimony supporting this measure was received from the Hawaii Boaters Political Action Association, Ocean Tourism Coalition, Activities & Attractions Association of Hawaii, Paradise Cruise, Ltd., Island Marine, Expeditions, Octopus Reef, Blue Dolphin Charters, Aqua Lung, Prince Kuhio Maui-Molokai Sea Cruises, Capt. Beans' Cruises, Lahaina Dive and Surf, L.L.C., Frogman Charters, Capt. Andy's Sailing Adventures, and Pride Charters, Incorporated. The Departments of Taxation and Land and Natural Resources submitted comments on this measure.

Your Committees find that the Hawaii ocean recreation industry is one of the State's most productive economic sectors. However, its success relies on the maintenance and preservation of the State's natural resources and related facilities, particularly the small boat harbors. The funding levels currently provided for maintenance, repair, restoration, safety, and security of the State's small boat harbors is insufficient. Consequently, there is a substantial backlog of required improvements and repairs, which directly jeopardizes the sustainability and growth of Hawaii ocean recreation industry. Therefore, your Committees believe that this measure may result in the development of an appropriate and responsible solution.

Your Committees have amended this measure by:

- (1) Further clarifying the intent of this measure;
- (2) Providing in the title and text of the measure, that the feasibility study address dedicating a portion of general excise tax, rather than a specified percentage, generated by the ocean recreation industry for the statewide boating program; and
- (3) Making technical, nonsubstantive changes to correct references to the boating special fund.

As affirmed by the records of votes of the members of your Committees on Economic Development and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 73, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 73, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (English, Ihara, Kanno, Kawamoto, Whalen).

**SCRep. 1506 Economic Development on S.C.R. No. 76**

The purpose of this measure is to recognize the small business bill of rights as described in the measure and to take steps to create a more business-friendly environment for small businesses.

Testimony supporting this measure was received from the Department of Business, Economic Development, and Tourism, Chamber of Commerce of Hawaii, National Federation of Independent Business, and Hawaii Business League. Oral testimony opposing this measure was received from one individual.

Your Committee finds that small businesses in Hawaii comprise ninety-seven per cent of businesses in the State and are the primary contributors to the economy, generators of new jobs, and innovators in industry. Therefore, the State must make every effort to eliminate obstacles to the success of Hawaii's small businesses. Key to that mission is the identification and recognition of the primary and essential rights of every small business in the State. Although this measure attempts to outline the specific rights of every small business in Hawaii, your Committee finds that further development and consensus is necessary. Therefore, your Committee has amended this measure by recasting its title, purpose, and directives to:

- (1) Request the Governor to direct the Hawaii Small Business Regulatory Review Board to develop and formulate a "Small Business Bill of Rights" as an official declaration of the expectations of small businesses when dealing with state government;
- (2) Request the Governor to direct state departments and agencies to identify appropriate operational changes to make their respective agency sensitive to the concerns of small businesses; and
- (3) Request the Small Business Regulatory Review Board to submit the "Small Business Bill of Rights" to the 2004 Legislature.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 76, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 76, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Kawamoto).

**SCRep. 1507 Economic Development on S.R. No. 51**

The purpose of this measure is to recognize the small business bill of rights as described in the measure and to take steps to create a more business-friendly environment for small businesses.

Testimony supporting this measure was received from the Department of Business, Economic Development, and Tourism, Chamber of Commerce of Hawaii, National Federation of Independent Business, and Hawaii Business League. Oral testimony opposing this measure was received from one individual.

Your Committee finds that small businesses in Hawaii comprise ninety-seven per cent of businesses in the State and are the primary contributors to the economy, generators of new jobs, and innovators in industry. Therefore, the State must make every effort to eliminate obstacles to the success of Hawaii's small businesses. Key to that mission is the identification and recognition of the primary and essential rights of every small business in the State. Although this measure attempts to outline the specific rights of every small business in Hawaii, your Committee finds that further development and consensus is necessary. Therefore, your Committee has amended this measure by recasting its title, purpose, and directives to:

- (1) Request the Governor to direct the Hawaii Small Business Regulatory Review Board to develop and formulate a "Small Business Bill of Rights" as an official declaration of the expectations of small businesses when dealing with state government;
- (2) Request the Governor to direct state departments and agencies to identify appropriate operational changes to make their respective agency sensitive to the concerns of small businesses; and
- (3) Request the Small Business Regulatory Review Board to submit the "Small Business Bill of Rights" to the 2004 Legislature.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 51, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 51, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Kawamoto).

**SCRep. 1508 Economic Development on S.C.R. No. 98**

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism (DBEDT) to convene an Economic Summit in October 2003, to develop and recommend a strategic plan for increasing job creation in high-demand industries, expanding Hawaii's emerging industry clusters, and maximizing Hawaii's strategic assets for growing the State's economy.

Testimony supporting this measure was received from DBEDT, Hawaii Business League, National Association of Social Workers, Hawaii Automobile Dealers' Association, AlohaCare, Hawaii Youth Services Network, and Hale 'Opio Kaua'i, Inc.

Your Committee finds that Hawaii's economy is comprised of various sectors, including tourism, technology, agriculture, retail, and professional services. However, every economic sector remains vulnerable to current local, national, and international economic, social, and political events. Today, more than ever, there exists a need for Hawaii's businesses to come together to focus on and discuss how to expand their businesses and the overall economy of the State. Your Committee believes that an Economic Summit will provide the appropriate venue to interact with and receive input from Hawaii's businesses and business organizations to determine how the State can facilitate economic successes in Hawaii.

Your Committee has amended this measure by broadening the scope and participating sectors of the Economic Summit.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 67, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 67, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Kawamoto).

**SCRep. 1509 Economic Development on S.R. No. 67**

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism (DBEDT) to convene an Economic Summit in October 2003, to develop and recommend a strategic plan for increasing job creation in high-demand industries, expanding Hawaii's emerging industry clusters, and maximizing Hawaii's strategic assets for growing the State's economy.

Testimony supporting this measure was received from DBEDT, Hawaii Business League, National Association of Social Workers, Hawaii Automobile Dealers' Association, AlohaCare, Hawaii Youth Services Network, and Hale 'Opio Kaua'i, Inc.

Your Committee finds that Hawaii's economy is comprised of various sectors, including tourism, technology, agriculture, retail, and professional services. However, every economic sector remains vulnerable to current local, national, and international economic, social, and political events. Today, more than ever, there exists a need for Hawaii's businesses to come together to focus on and discuss how to expand their businesses and the overall economy of the State. Your Committee believes that an Economic Summit will provide the appropriate venue to interact with and receive input from Hawaii's businesses and business organizations to determine how the State can facilitate economic successes in Hawaii.

Your Committee has amended this measure by broadening the scope and participating sectors of the Economic Summit.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 98, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 98, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Kawamoto).

**SCRep. 1510 (Joint) Commerce, Consumer Protection and Housing and Human Services on S.C.R. No. 75**

The purpose of this measure is to request the formation of a task force to address the problem of a shortage of transitional housing on Oahu.

The Housing and Community Development Corporation of Hawaii (HCDCH), Hawaii Youth Services Network, and Blueprint for Change testified in support of the measure. Comments on the measure were submitted by the Judiciary, Affordable Housing and Homeless Alliance, and Homeless Solutions.

Your Committees find that HCDCH is currently involved in efforts to address the State's homelessness problem through its coordination of the Hawaii State Homeless Policy Academy (Academy). The Academy is one of several regional academies throughout the nation established as a joint initiative of the federal Departments of Health and Human Services, Housing and Urban Development, and Veterans Affairs, to improve access to mainstream services for different segments of the homeless population. Hawaii is one of eight states selected to receive technical assistance on developing an action plan to improve access to mainstream services for the chronically homeless.

Your Committees have amended this measure by replacing its contents with language that references the problem of chronic homelessness in Hawaii, describes the Academy and its mission, and requests the HCDCH to report to the Legislature on the progress of the State's action plan to address the problem of chronic homelessness in Hawaii.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 75, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 75, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 4 (Baker, Fukunaga, Inouye, Whalen).

**SCRep. 1511 (Joint) Health and Science, Arts, and Technology on S.C.R. No. 108**

The purpose of this measure is to encourage the representatives of Hawaii independent physicians and Hawaii's information technology industry to form an information technology collaborative to support the increased use of information technology by Hawaii physicians.

Your Committees find that information technology has created new industries, implemented amazing efficiencies, and changed the way individuals and organizations communicate. However, the benefits of information technology are only provided to businesses who fully adopt and integrate information technology in their operations. In the health care industry, cost containment and operational efficiencies directly affect the number and type of services available to patients. Therefore, service providers, particularly physicians, should be encouraged to adopt information technology into their practices to improve the delivery and quality of health care.

As affirmed by the records of votes of the members of your Committees on Health and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 108 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (English, Hemmings, Hogue).

**SCRep. 1512 (Joint) Science, Arts, and Technology and Education on S.C.R. No. 79**

The purpose of this measure is to support the Ralph Bunche Centenary Celebration.

Testimony in support of this measure was received from the University of Hawaii (UH).

Ralph Bunche was a diplomat, scholar, and man of peace. At this critical time in the history of all nations, Dr. Bunche's life serves as an example to people of all races and ethnic backgrounds that global peace should be the highest priority of all nations.



In honor of the Centenary Celebration of the life of Dr. Bunche, the UH will sponsor a series of educational programs focusing on the life of Dr. Bunche and his efforts to promote peace, especially in the Middle East.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 79 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 2 (Fukunaga, Hogue).

**SCRep. 1513 (Joint) Science, Arts, and Technology and Education on S.R. No. 54**

The purpose of this measure is to support the Ralph Bunche Centenary Celebration.

Testimony in support of this measure was received from the University of Hawaii (UH).

Ralph Bunche was a diplomat, scholar, and man of peace. At this critical time in the history of all nations, Dr. Bunche's life serves as an example to people of all races and ethnic backgrounds that global peace should be the highest priority of all nations.

In honor of the Centenary Celebration of the life of Dr. Bunche, the UH will sponsor a series of educational programs focusing on the life of Dr. Bunche and his efforts to promote peace, especially in the Middle East.

As affirmed by the records of votes of the members of your Committees on Science, Arts, and Technology and Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 54 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 2 (Fukunaga, Hogue).

**SCRep. 1514 Science, Arts, and Technology on S.C.R. No. 109**

The purpose of this measure is to request a study on the feasibility of using open source software versus commercial software for government operations.

Testimony in support of this measure was submitted by the Department of Accounting and General Services (Department), and eight individuals representing the information technology industry involved in the use of open source software. The Department of Accounting and General Services, however, expressed concerns about a lack of adequate resources to conduct a feasibility study of this breadth, but expressed willingness to conduct exploratory research into the use of open source software.

Your Committee finds that the potential cost savings from the use of open source software for certain state government functions is an important consideration at a time when our State is faced with ongoing fiscal constraints. Thus, your Committee agrees that the Comptroller, within available resources, should undertake an exploratory cost-benefit analysis of the use of commercial software versus open source software. Your Committee further believes that the Comptroller should adopt a statewide policy regarding the use of open source software to ensure that these applications comply with established criteria governing the use of such applications and to ensure that the integrity of secure government information and systems are not compromised.

Your Committee has amended this measure by:

- (1) Changing the title and the first BE IT RESOLVED clause to request the Department to submit a status report on the use of open source software within state government and to establish a state policy supporting the use of open source software within state government operations; and
- (2) Deleting the two BE IT FURTHER RESOLVED clauses calling for the Department to conduct a comparative study and estimate the amount of cost savings from using open source software versus commercial software applications.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 109, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 109, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 1515 Science, Arts, and Technology on S.R. No. 76**

The purpose of this measure is to request a study on the feasibility of using open source software versus commercial software for government operations.

Testimony in support of this measure was submitted by the Department of Accounting and General Services (Department), and eight individuals representing the information technology industry involved in the use of open source software. The Department of Accounting and General Services, however, expressed concerns about a lack of adequate resources to conduct a feasibility study of this breadth, but expressed willingness to conduct exploratory research into the use of open source software.

Your Committee finds that the potential cost savings from the use of open source software for certain state government functions is an important consideration at a time when our State is faced with ongoing fiscal constraints. Thus, your Committee agrees that the Comptroller, within available resources, should undertake an exploratory cost-benefit analysis of the use of commercial software versus open source software. Your Committee further believes that the Comptroller should adopt a statewide policy regarding the use of open source software to ensure that these applications comply with established criteria governing the use of such applications and to ensure that the integrity of secure government information and systems are not compromised.

Your Committee has amended this measure by:

- (1) Changing the title and the first BE IT RESOLVED clause to request the Department to submit a status report on the use of open source software within state government and to establish a state policy supporting the use of open source software within state government operations; and
- (2) Deleting the two BE IT FURTHER RESOLVED clauses calling for the Department to conduct a comparative study and estimate the amount of cost savings from using open source software versus commercial software applications.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 76, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 76, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 1516      Science, Arts, and Technology on S.C.R. No. 163**

The purpose of this measure, as received by your Committee, is to request the establishment of a “State Capitol Mural Art by Students” project within the State Capitol building.

Testimony in support of the intent of this measure was submitted by the Department of Education, the Department of Accounting and General Services, and the State Foundation on Culture and the Arts.

Your Committee finds that the study and creation of artwork is important to the overall development of a student’s knowledge, skills, and abilities. Your Committee further finds that collaboration on art projects instills a sense of teamwork, while also allowing the expression of similar or different views about a particular issue or theme. However, your Committee agrees that the literal definition of a “mural” would infer that these artwork would become permanent parts of the building structure, which would practically limit participation to a small number of students once available space was covered with the mural.

Thus, your Committee has amended this measure by:

- (1) Replacing the use of the term “mural” in the title and throughout the body of this measure with the concept of “large-scale collaborative student works of art”; and
- (2) Requesting that a certified copy of this measure be sent to the Comptroller rather than the Board of Education.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 163, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 163, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 1517      Science, Arts, and Technology on S.R. No. 112**

The purpose of this measure, as received by your Committee, is to request the establishment of a “State Capitol Mural Art by Students” project within the State Capitol building.

Testimony in support of the intent of this measure was submitted by the Department of Education, the Department of Accounting and General Services, and the State Foundation on Culture and the Arts.

Your Committee finds that the study and creation of artwork is important to the overall development of a student’s knowledge, skills, and abilities. Your Committee further finds that collaboration on art projects instills a sense of teamwork, while also allowing the expression of similar or different views about a particular issue or theme. However, your Committee agrees that the literal definition of a “mural” would infer that these artwork would become permanent parts of the building structure, which would practically limit participation to a small number of students once available space was covered with the mural.

Thus, your Committee has amended this measure by:

- (1) Replacing the use of the term “mural” in the title and throughout the body of this measure with the concept of “large-scale collaborative student works of art”; and
- (2) Requesting that a certified copy of this measure be sent to the Comptroller rather than the Board of Education.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 112, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 112, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 1518      Judiciary and Hawaiian Affairs on S.C.R. No. 17**

The purpose of this measure is to convene a task force to reevaluate the appropriate placement of the Office of the Public Guardian (OPG).

Testimony in support of this measure was received from the Office of the Public Guardian, the State Council on Developmental Disabilities, and the Hawaii Disability Rights Center.

Your Committee finds that OPG was created to serve as court appointed guardian of the person, a legal decision-maker for adult wards of the state whose family members or friends are unavailable, unwilling, or unable to act as guardian for that person. OPG was placed within the Judiciary. Between fifty to sixty percent of OPG's current wards are diagnosed as developmentally disabled. More than thirty percent are adults diagnosed with dementia, and about ten percent are diagnosed with severe mental illness, including a few committed to the Hawaii State Hospital. There are more than 850 OPG wards statewide.

Your Committee further finds that in 1998, the Judiciary commenced an internal review of its programs. An internal planning committee and a consultant made a number of recommendations, and the reorganization process was named "Achieving Court Excellence" or ACE. The planning committee concluded that a conflict of interest exists between OPG and the courts because the court appoints OPG and receives annual reports from OPG for the purpose of monitoring the guardianship. Therefore, one of the ACE initiatives is to transfer OPG to an appropriate entity external to the Judiciary.

Your Committee agrees that a task force is required to determine the proper placement of OPG in order to best serve the needs of OPG wards.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 17 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Ihara, Hogue).

**SCRep. 1519      (Joint) Judiciary and Hawaiian Affairs and Water, Land, and Agriculture on S.C.R. No. 135**

The purpose of this measure is to request that the Auditor conduct an audit of the Department of Hawaiian Home Land's (DHHL) and the Department of Land and Natural Resource's (DLNR) compliance with Act 150, 1990 Session Laws of Hawaii.

Testimony in support of this measure was received from an attorney and a concerned citizen. The Department of Hawaiian Home Lands and three concerned citizens opposed the measure. The Board of Land and Natural Resources and a concerned citizen provided comments.

Your Committees finds that Act 150, 1990 Session Laws of Hawaii, was enacted to effectuate the disposition of Kalawahine lands. Pursuant to Act 150, DLNR was authorized to enter into leases not to exceed sixty-five years with persons meeting certain criteria. Moreover, qualifying persons could elect to have their land transferred to DHHL and then obtain a lease for the land in accordance with section 208 of the Hawaiian Homes Commission Act, 1920, as amended. In 2000, ten years after the enactment of Act 150, DHHL issued four leases and DLNR issued one lease. The issuance and denial of leases has led to two lawsuits, one pending before the Hawaii Supreme Court.

Your Committees' intent in passing this Concurrent Resolution is to address certain allegations regarding DHHL and DLNR conduct and the procedures employed in reviewing Act 150 claims and awarding the associated leases. This measure is not intended to disturb the leases already issued. Your Committee amended the measure by:

- (1) Amending the title to read: REQUESTING AN AUDIT OF THE DEPARTMENT OF HAWAIIAN HOME LANDS AND THE DEPARTMENT OF LAND AND NATURAL RESOURCES REGARDING COMPLIANCE WITH ACT 150, SESSION LAWS OF HAWAII 1990;
- (2) Limiting the audit to DHHL and DLNR past processes and procedures in complying with Act 150;
- (3) Clarifying that the scope of the audit does not include review of leases already issued by the DHHL and DLNR;
- (4) Deleting the requirement that the Auditor provide implementing legislation with its report to the legislature;
- (5) Deleting the requirement that the Auditor's report include recommendations for corrective action that could have been taken in retrospect to avoid the pending litigation and that would avoid potential future litigation; and
- (6) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 135, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 135, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Chun Oakland, Ihara, Hogue, Whalen).

**SCRep. 1520 (Joint) Judiciary and Hawaiian Affairs and Water, Land, and Agriculture on S.R. No. 89**

The purpose of this measure is to request that the Auditor conduct an audit of the Department of Hawaiian Home Land's (DHHL) and the Department of Land and Natural Resource's (DLNR) compliance with Act 150, 1990 Session Laws of Hawaii.

Testimony in support of this measure was received from an attorney and a concerned citizen. The Department of Hawaiian Home Lands and three concerned citizens opposed the measure. The Board of Land and Natural Resources and a concerned citizen provided comments.

Your Committees finds that Act 150, 1990 Session Laws of Hawaii, was enacted to effectuate the disposition of Kalawahine lands. Pursuant to Act 150, DLNR was authorized to enter into leases not to exceed sixty-five years with persons meeting certain criteria. Moreover, qualifying persons could elect to have their land transferred to DHHL and then obtain a lease for the land in accordance with section 208 of the Hawaiian Homes Commission Act, 1920, as amended. In 2000, ten years after the enactment of Act 150, DHHL issued four leases and DLNR issued one lease. The issuance and denial of leases has led to two lawsuits, one pending before the Hawaii Supreme Court.

Your Committees' intent in passing this Concurrent Resolution is to address certain allegations regarding DHHL and DLNR conduct and the procedures employed in reviewing Act 150 claims and awarding the associated leases. This measure is not intended to disturb the leases already issued. Your Committee amended the measure by:

- (1) Amending the title to read: REQUESTING AN AUDIT OF THE DEPARTMENT OF HAWAIIAN HOME LANDS AND THE DEPARTMENT OF LAND AND NATURAL RESOURCES REGARDING COMPLIANCE WITH ACT 150, SESSION LAWS OF HAWAII 1990;
- (2) Limiting the audit to DHHL and DLNR past processes and procedures in complying with Act 150;
- (3) Clarifying that the scope of the audit does not include review of leases already issued by the DHHL and DLNR;
- (4) Deleting the requirement that the Auditor provide implementing legislation with its report to the legislature;
- (5) Deleting the requirement that the Auditor's report include recommendations for corrective action that could have been taken in retrospect to avoid the pending litigation and that would avoid potential future litigation; and
- (6) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Water, Land, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 89, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 89, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Chun Oakland, Ihara, Hogue, Whalen).

**SCRep. 1521 Judiciary and Hawaiian Affairs on S.C.R. No. 155**

The purpose of this measure is to urge the Governor to direct the Department of Hawaiian Home Lands to file a motion in court for the appointment of an impartial special master to fairly and expeditiously complete the assessment and settlement of native Hawaiian individual trust claims.

Testimony in support of this measure was received from the Office of Hawaiian Affairs, Ka Lahui Hawaii, and two attorneys. The Department of Hawaiian Home Lands opposed the measure, and the Attorney General supported the intent of the measure and proposed amendments.

Your Committee finds that the Hawaiian Homes Commission Act of 1920 set aside lands for homesteading and rehabilitation of native Hawaiians. In 1991, the legislature established the Hawaiian Home Lands Trust Individual Claims Review Panel (Claims Review Panel) to review claims and make recommendations to the legislature for compensation to redress wrongs for breaches of trust. Because the Claims Review Panel had not finished addressing all claims, the legislature extended the Panel's sunset date several times. In 1999, however, Governor Cayetano vetoed the Claims Review Panel's extension bill. During the Claims Review Panel's existence, 2,721 claims were received. Of those claims, the Claims Review Panel recommended settlement on 469 claims, rejection of 874 claims, and left 1,376 claims unreviewed. These remaining claimants' only option was to file a law suit to preserve their claims for compensation.

Testimony received from parties on both sides of the litigation indicate that progress has been made in resolving the remaining claims issue. Therefore, your Committee amended the measure by:

- (1) Amending its title to read: "URGING ALTERNATIVE DISPUTE RESOLUTION ASSESSMENT AND SETTLEMENT OF NATIVE HAWAIIAN INDIVIDUAL TRUST CLAIMS";
- (2) Deleting the phrase "apply, petition, or file a motion in court for the appointment of an impartial special master" on page 2, lines 15-16, and inserting the phrase "engage in an appropriate alternative dispute resolution process"; and
- (3) Deleting the second to the last paragraph on page 2, lines 20-23 that requires the special master to complete its work by December 5, 2003, and report to the Legislature by December 19, 2004 so that claims can be reviewed by the Legislature during the 2004 Regular Session.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 155, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 155, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Ihara, Hogue).

**SCRep. 1522      Judiciary and Hawaiian Affairs on S.R. No. 103**

The purpose of this measure is to urge the Governor to direct the Department of Hawaiian Home Lands to file a motion in court for the appointment of an impartial special master to fairly and expeditiously complete the assessment and settlement of native Hawaiian individual trust claims.

Testimony in support of this measure was received from the Office of Hawaiian Affairs, Ka Lahui Hawaii, and two attorneys. The Department of Hawaiian Home Lands opposed the measure, and the Attorney General supported the intent of the measure and proposed amendments.

Your Committee finds that the Hawaiian Homes Commission Act of 1920 set aside lands for homesteading and rehabilitation of native Hawaiians. In 1991, the legislature established the Hawaiian Home Lands Trust Individual Claims Review Panel (Claims Review Panel) to review claims and make recommendations to the legislature for compensation to redress wrongs for breaches of trust. Because the Claims Review Panel had not finished addressing all claims, the legislature extended the Panel's sunset date several times. In 1999, however, Governor Cayetano vetoed the Claims Review Panel's extension bill. During the Claims Review Panel's existence, 2,721 claims were received. Of those claims, the Claims Review Panel recommended settlement on 469 claims, rejection of 874 claims, and left 1,376 claims unreviewed. These remaining claimants' only option was to file a law suit to preserve their claims for compensation.

Testimony received from parties on both sides of the litigation indicate that progress has been made in resolving the remaining claims issue. Therefore, your Committee amended the measure by:

- (1) Amending its title to read: "URGING ALTERNATIVE DISPUTE RESOLUTION ASSESSMENT AND SETTLEMENT OF NATIVE HAWAIIAN INDIVIDUAL TRUST CLAIMS";
- (2) Deleting the phrase "apply, petition, or file a motion in court for the appointment of an impartial special master" on page 2, lines 15-16, and inserting the phrase "engage in an appropriate alternative dispute resolution process"; and
- (3) Deleting the second to the last paragraph on page 2, lines 20-23 that requires the special master to complete its work by December 5, 2003, and report to the Legislature by December 19, 2004 so that claims can be reviewed by the Legislature during the 2004 Regular Session.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 103, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 103, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Ihara, Hogue).

**SCRep. 1523      Education on S.C.R. No. 145**

The purpose of this measure is to request the Department of Education to review its criteria for allocating vice-principal positions in order to assist principals of all schools.

Testimony in support of this measure was submitted by staff and parents of students at Mt. View Elementary School, Waimea Middle School, Kaumana Elementary School, and Pahoa Elementary School. Testimony in support of the intent of this measure was submitted by the Department of Education, the Hawaii Government Employees Association Local 152, and the Hawaii State Teachers Association.

Your Committee finds that the allocation of vice principal positions within our public school system continues to be an issue driven by student enrollment rather than by effective school management structures and styles. Your Committee further finds that with the realignment of the public school system towards complex-based management, there needs to be a review of all the administrative and

support staff that are assigned to schools and school complexes, as well as district and state positions that are situated at schools or within the districts, to better align available resources and to promote more effective use of resources within a school complex.

Thus, your Committee has amended this measure by:

- (1) Changing the title to request the Department of Education to review its criteria for allocating all staff positions and to align vice-principal and other staff resources to support complex-based management;
- (2) Changing the final WHEREAS clause to reflect the need for a review of current allocations of staff given the move toward complex-based management;
- (3) Changing the BE IT RESOLVED clause to request the Department of Education to review the allocation of staff support positions and develop a realignment plan for vice principal, other educational officer, and teacher positions that are assigned to support schools and school complexes; and
- (4) Adding a BE IT FURTHER RESOLVED clause to request the Department of Education to submit a report of its findings and recommendations, including a plan to realign staff resources.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 145, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 145, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1524      Education on S.R. No. 97**

The purpose of this measure is to request the Department of Education to review its criteria for allocating vice-principal positions in order to assist principals of all schools.

Testimony in support of this measure was submitted by staff and parents of students at Mt. View Elementary School, Waimea Middle School, Kaumana Elementary School, and Pahoia Elementary School. Testimony in support of the intent of this measure was submitted by the Department of Education, the Hawaii Government Employees Association Local 152, and the Hawaii State Teachers Association.

Your Committee finds that the allocation of vice principal positions within our public school system continues to be an issue driven by student enrollment rather than by effective school management structures and styles. Your Committee further finds that with the realignment of the public school system towards complex-based management, there needs to be a review of all the administrative and support staff that are assigned to schools and school complexes, as well as district and state positions that are situated at schools or within the districts, to better align available resources and to promote more effective use of resources within a school complex.

Thus, your Committee has amended this measure by:

- (1) Changing the title to request the Department of Education to review its criteria for allocating all staff positions and to align vice-principal and other staff resources to support complex-based management;
- (2) Changing the final WHEREAS clause to reflect the need for a review of current allocations of staff given the move toward complex-based management;
- (3) Changing the BE IT RESOLVED clause to request the Department of Education to review the allocation of staff support positions and develop a realignment plan for vice principal, other educational officer, and teacher positions that are assigned to support schools and school complexes; and
- (4) Adding a BE IT FURTHER RESOLVED clause to request the Department of Education to submit a report of its findings and recommendations, including a plan to realign staff resources.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 97, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 97, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1525      (Joint/Majority) Economic Development and Labor on S.C.R. No. 6**

The purpose of this measure is to request the Legislative Reference Bureau (LRB) to conduct a study on the effects of big box retailers on local small and medium retail businesses.

Testimony supporting this measure was received from the Department of Business, Economic Development, and Tourism, Hawaii Food Industry Association, and four individuals. Opposing testimony was received from Wal-Mart Stores, Inc. LRB submitted comments on this measure.

Your Committees find that Hawaii's economic landscape has changed with the arrival of "big box" retailers. Their financial structure and business practices allow them to vigorously compete against Hawaii's local retailers. Anecdotal reports suggest that local businesses have been forced to close due to an inability to compete, thus resulting in an overall negative impact on the economy. Your Committees believe that this issue requires further study in order to provide the Legislature reliable information regarding the full economic impact on the State from big box retailers.

Your Committees have amended this measure by replacing LRB with the University of Hawaii at Manoa Department of Urban and Regional Planning as the agency to conduct the study.

As affirmed by the records of votes of the members of your Committees on Economic Development and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 6, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 6, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, 1 (Slom). Excused, 3 (Aduja, Kawamoto, Sakamoto).

**SCRep. 1526 (Joint) Economic Development and Science, Arts, and Technology on S.C.R. No. 39**

The purpose of this measure is to assist Hawaii filmmakers in exporting their products out-of-state and to do all things necessary to promote locally made films.

Testimony supporting this measure was received from the Department of Business, Economic Development, and Tourism (DBEDT).

Your Committees find that Hawaii has a thriving film industry. Drawing from Hawaii's unique culture, the film industry produces films of a unique character that relate to audiences from all backgrounds. However, Hawaii's films tend to not receive adequate exposure on the mainland and foreign countries due to the lack of funding for national and international promotion and marketing.

Your Committees recognize that the promotional activities of the Film Industry Branch of DBEDT are limited by its budget. Therefore, your Committees have amended this measure by recasting its purpose to entail requesting DBEDT to identify alternative funding sources to advertise, promote, support, and market the local film industry and requesting DBEDT to submit a report pursuant to this measure, as amended, by the 2004 Regular Session.

As affirmed by the records of votes of the members of your Committees on Economic Development and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 39, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 39, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 4. Noes, none. Excused, 5 (English, Ihara, Kanno, Kawamoto, Hemmings).

**SCRep. 1527 (Joint) Economic Development and Science, Arts, and Technology on S.R. No. 25**

The purpose of this measure is to assist Hawaii filmmakers in exporting their products out-of-state and to do all things necessary to promote locally made films.

Testimony supporting this measure was received from the Department of Business, Economic Development, and Tourism (DBEDT).

Your Committees find that Hawaii has a thriving film industry. Drawing from Hawaii's unique culture, the film industry produces films of a unique character that relate to audiences from all backgrounds. However, Hawaii's films tend to not receive adequate exposure on the mainland and foreign countries due to the lack of funding for national and international promotion and marketing.

Your Committees recognize that the promotional activities of the Film Industry Branch of DBEDT are limited by its budget. Therefore, your Committees have amended this measure by recasting its purpose to entail requesting DBEDT to identify alternative funding sources to advertise, promote, support, and market the local film industry and requesting DBEDT to submit a report pursuant to this measure, as amended, by the 2004 Regular Session.

As affirmed by the records of votes of the members of your Committees on Economic Development and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 25, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 25, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 4. Noes, none. Excused, 5 (English, Ihara, Kanno, Kawamoto, Hemmings).

**SCRep. 1528 Economic Development on S.C.R. No. 196**

The purpose of this measure is to request the development of a strategic action plan to establish an expanding and sustainable film and television production industry in Hawaii.

Testimony supporting this measure was received from the Department of Business, Economic Development, and Tourism (DBEDT).

Your Committee finds that Hawaii's film and television production industry is growing. Drawing from Hawaii's culture, the film industry produces films of a unique character that relate to audiences from all backgrounds. In addition, major movie productions have recently filmed in the State and utilized Hawaii's talent, facilities, resources, and incentives. However, Hawaii's film and television production industry is far from fully exploiting its potential. In 2000, DBEDT and its Film Offices produced a report titled, "A Road Map: The Film Industry's Potential And How to Get There". The report provided a detailed overview of Hawaii's film and television industry and recommendations to support and grow the industry. Although the industry has expanded in Hawaii, it continues to face the same challenges and obstacles identified in that report. In addition, many of the incentives proposed in the report to attract additional film and television production in the State have yet to be implemented. Your Committee believes that the State must follow up on the momentum created by recent film and television productions in Hawaii and determine the future actions that must be taken to realize the full potential of Hawaii's film and television industry.

Your Committee has amended this measure by recasting its purpose and directives to request DBEDT and its Film Offices to update its 2000 report, "A Road Map: The Film Industry's Potential And How to Get There", and submit the updated report to the 2004 Legislature.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 196, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 196, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Kanno, Kawamoto).

**SCRep. 1529 Economic Development on S.R. No. 136**

The purpose of this measure is to request the development of a strategic action plan to establish an expanding and sustainable film and television production industry in Hawaii.

Testimony supporting this measure was received from the Department of Business, Economic Development, and Tourism (DBEDT).

Your Committee finds that Hawaii's film and television production industry is growing. Drawing from Hawaii's culture, the film industry produces films of a unique character that relate to audiences from all backgrounds. In addition, major movie productions have recently filmed in the State and utilized Hawaii's talent, facilities, resources, and incentives. However, Hawaii's film and television production industry is far from fully exploiting its potential. In 2000, DBEDT and its Film Offices produced a report titled, "A Road Map: The Film Industry's Potential And How to Get There". The report provided a detailed overview of Hawaii's film and television industry and recommendations to support and grow the industry. Although the industry has expanded in Hawaii, it continues to face the same challenges and obstacles identified in that report. In addition, many of the incentives proposed in the report to attract additional film and television production in the State have yet to be implemented. Your Committee believes that the State must follow up on the momentum created by recent film and television productions in Hawaii and determine the future actions that must be taken to realize the full potential of Hawaii's film and television industry.

Your Committee has amended this measure by recasting its purpose and directives to request DBEDT and its Film Offices to update its 2000 report, "A Road Map: The Film Industry's Potential And How to Get There", and submit the updated report to the 2004 Legislature.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 136, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 136, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Kanno, Kawamoto).

**SCRep. 1530 Transportation, Military Affairs, and Government Operations on S.C.R. No. 56**

The purpose of this measure is to request adequate federal financial impact assistance for services provided to citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau, with which the United States has formed an agreement through the Compact of Free Association.

Testimony in support of this measure was submitted by the University of Hawaii and the Healthcare Association of Hawaii. The Department of Human Services and the Hawaii Government Employees Association submitted testimony supporting the intent of this measure.

Your Committee finds that many citizens of the Freely Associated States, drawn by the promise of better medical care, education, and Hawaii's similar climate, culture, and lifestyle, have migrated and continue to migrate to Hawaii. Currently, over six thousand Freely Associated States citizens are residing in Hawaii. Because they are not eligible under federal law for federal medical and financial assistance programs, the State of Hawaii must bear the full cost of providing such assistance to Freely Associated States citizens residing within the State. Between 1998 and 2002, medical and financial assistance costs for Freely Associated States citizens totaled \$28,340,119. Moreover, Hawaii's current health care crisis is exacerbated by operating losses directly attributable to the



provision of health care for Freely Associated States citizens residing in Hawaii. Between 1998 and 2001, operating losses totaling \$10.1 million were reported by three (of Hawaii's twenty-three) hospitals; all Hawaii hospitals experienced similar losses. In addition, since 1988, the State has spent more than \$78 million to educate students from the Freely Associated States residing in Hawaii, with over \$13 million spent in school year 2001-2002 alone.

Your Committee finds that it is imperative that Hawaii be granted immediate and substantial assistance to mitigate the significant impacts resulting from Freely Associated States citizens residing in Hawaii. Hawaii's geographic proximity and similar climate, Pacific Island culture, and lifestyle are attractive to many Freely Associated States citizens. As a result, your Committee believes, Hawaii, perhaps more than any other state in the union, is disproportionately impacted by the sheer volume of Freely Associated States citizens who migrate to Hawaii with the intent to reside permanently.

Your Committee made technical, nonsubstantive amendments in the transmittal paragraph for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 56, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 56, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1531      Transportation, Military Affairs, and Government Operations on S.R. No. 36**

The purpose of this measure is to request adequate federal financial impact assistance for services provided to citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau, with which the United States has formed an agreement through the Compact of Free Association.

Testimony in support of this measure was submitted by the University of Hawaii and the Healthcare Association of Hawaii. The Department of Human Services and the Hawaii Government Employees Association submitted testimony supporting the intent of this measure.

Your Committee finds that many citizens of the Freely Associated States, drawn by the promise of better medical care, education, and Hawaii's similar climate, culture, and lifestyle, have migrated and continue to migrate to Hawaii. Currently, over six thousand Freely Associated States citizens are residing in Hawaii. Because they are not eligible under federal law for federal medical and financial assistance programs, the State of Hawaii must bear the full cost of providing such assistance to Freely Associated States citizens residing within the State. Between 1998 and 2002, medical and financial assistance costs for Freely Associated States citizens totaled \$28,340,119. Moreover, Hawaii's current health care crisis is exacerbated by operating losses directly attributable to the provision of health care for Freely Associated States citizens residing in Hawaii. Between 1998 and 2001, operating losses totaling \$10.1 million were reported by three (of Hawaii's twenty-three) hospitals; all Hawaii hospitals experienced similar losses. In addition, since 1988, the State has spent more than \$78 million to educate students from the Freely Associated States residing in Hawaii, with over \$13 million spent in school year 2001-2002 alone.

Your Committee finds that it is imperative that Hawaii be granted immediate and substantial assistance to mitigate the significant impacts resulting from Freely Associated States citizens residing in Hawaii. Hawaii's geographic proximity and similar climate, Pacific Island culture, and lifestyle are attractive to many Freely Associated States citizens. As a result, your Committee believes, Hawaii, perhaps more than any other state in the union, is disproportionately impacted by the sheer volume of Freely Associated States citizens who migrate to Hawaii with the intent to reside permanently.

Your Committee made technical, nonsubstantive amendments in the transmittal paragraph for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 36, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 36, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1532      Transportation, Military Affairs, and Government Operations on S.C.R. No. 105**

The purpose of this measure as received by your Committee was to request a review of current laws regarding emergency vehicles.

Prior to the public hearing on this measure, your Committee prepared and circulated a proposed S.D. 1 version that replaced the original measure's contents with provisions to urge the United States Army to select a local contractor for the Residential Communities Initiative.

Your Committee received testimony in support of the proposed S.D. 1 version of this measure from the Department of Business, Economic Development and Tourism, the Chamber of Commerce of Hawaii, the National Federation of Independent Business, the Hawaii Building and Construction Trades Council, Cades Schutte LLP, EAH, Inc., the Iron Workers Stabilization Fund, the General Contractors Association of Hawaii, Avalon Development Company, Studio 200, CDS International, Gray, Hong, Bills, Nojima & Associates, Inc., Design Partners Inc., Prudential Locations LLC, Marcus & Associates, Inc., Nakamura, Oyama and Associates, Inc., Bank of Hawaii, Kimura International, and Central Pacific Bank.

Your Committee finds that the Residential Communities Initiative, a long-term privatization program to improve the quality of military housing on Oahu, will bring nearly \$1 billion to the island economy.

As in the past, your Committee supports local businesses, and believes that any money spent for construction and other projects in the islands should be given to local contractors. Your Committee believes that the Residential Community Initiative funds should be given to local contractors that are organized under the laws of the State of Hawaii and that comply with all applicable Hawaii employment laws.

Your Committee further amended this measure to include the United States Air Force and Navy, in addition to the Army.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 105, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 105, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1533      Transportation, Military Affairs, and Government Operations on S.R. No. 73**

The purpose of this measure as received by your Committee was to request a review of current laws regarding emergency vehicles.

Prior to the public hearing on this measure, your Committee prepared and circulated a proposed S.D. 1 version that replaced the original measure's contents with provisions to urge the United States Army to select a local contractor for the Residential Communities Initiative.

Your Committee received testimony in support of the proposed S.D. 1 version of this measure from the Department of Business, Economic Development and Tourism, the Chamber of Commerce of Hawaii, the National Federation of Independent Business, the Hawaii Building and Construction Trades Council, Cades Schutte LLP, EAH, Inc., the Iron Workers Stabilization Fund, the General Contractors Association of Hawaii, Avalon Development Company, Studio 200, CDS International, Gray, Hong, Bills, Nojima & Associates, Inc., Design Partners Inc., Prudential Locations LLC, Marcus & Associates, Inc., Nakamura, Oyama and Associates, Inc., Bank of Hawaii, Kimura International, and Central Pacific Bank.

Your Committee finds that the Residential Communities Initiative, a long-term privatization program to improve the quality of military housing on Oahu, will bring nearly \$1 billion to the island economy.

As in the past, your Committee supports local businesses, and believes that any money spent for construction and other projects in the islands should be given to local contractors. Your Committee believes that the Residential Community Initiative funds should be given to local contractors that are organized under the laws of the State of Hawaii and that comply with all applicable Hawaii employment laws.

Your Committee further amended this measure to include the United States Air Force and Navy, in addition to the Army.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 73, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 73, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1534      Water, Land, and Agriculture on S.C.R. No. 111**

The purpose of this measure is to seek the Legislature's prior approval by concurrent resolution, as required by section 171-53, Hawaii Revised Statutes, to permit the leasing of submerged lands within Honokohau Small Boat Harbor.

Testimony in support of this measure was submitted by the Board of Land and Natural Resources; Honokohau Marina Partners, LLC; and a petition signed by one hundred thirteen concerned citizens. Testimony in opposition to the measure was submitted by the Office of Hawaiian Affairs, the Hawaii Government Employees Association, Hawaii's Thousand Friends, Hawaii Boaters Political Action Association, Hawaii Fishing and Boating Association, Pacific Boats and Yachts, the Ala Wai Marina Board, the Makai Society, and twenty concerned citizens.

Your Committee finds that privatization may not be the correct answer for Honokohau Small Boat Harbor's needs and that more research is needed to evaluate the quality and cost of any bid to improve the quality or cost of any applicable services. Therefore, the managed competition process, which allows for the comparison of cost and efficiency factors between private and government-operated small boat harbor facilities, would provide for a more informed decision.

Your Committee has amended the title and text of this measure to request that the Board of Land and Natural Resources abide by the managed competition criteria of Act 90, Session Laws of Hawaii 2001, before leasing submerged and tidal lands, instead of immediately privatizing the lands. Upon reading this proposed amendment, most testifiers in support and in opposition of the original measure held their positions, but the Hawaii Boaters Political Action Association, originally opposed to the measure, added its support. Your Committee wants to clarify that without the managed competition process, it does not support the leasing of state submerged and tidal lands in Honokohau Small Boat Harbor.

Your Committee is reporting out the amended measure to facilitate further discussion of the issue, even though the Office of Collective Bargaining, the Attorney General's Office, and the Department of Land and Natural Resources have not completed their research into managed competition. This measure should send a message to the administration to facilitate that research, because the flexibility in development options provided by this amended measure may achieve the most efficient utilization of available space within Honokohau Small Boat Harbor.

Your Committee also amended the measure to specifically reference section 171-53, Hawaii Revised Statutes (HRS), which addresses the reclamation and disposition of submerged lands. Section 171-53(c), HRS, allows the Board of Land and Natural Resources to lease state submerged and tidal lands, with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution.

Your Committee also finds that it is important that any public hearings dealing with a proposed lease of submerged or tidal lands at Honokohau, and any subsequent requests for proposals, environmental assessments, environmental impact statements, or county permitting hearings should occur in the Kailua-Kona area to allow all interested and impacted parties to have sufficient notice and ability to share their input. Also, the managed competition process should allow for input from the Office of Hawaiian Affairs (OHA) on lease negotiations to ensure that any lease accommodates the access and gathering rights of Hawaiians and OHA's rights to its pro rata share of any ceded land revenue from submerged lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 111, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 111, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (English).

**SCRep. 1535 Water, Land, and Agriculture on S.C.R. No. 203**

The purpose of this measure is to support the community stewardship programs and activities created by the Windward Ahupua`a Alliance along the Ko`olau range.

Testimony in support of this measure was submitted by the Windward Ahupua`a Alliance.

Your Committee finds that the Windward Ahupua`a Alliance has helped foster community involvement and pride through its principal project: the Ko`olau Greenbelt and Heritage Trails System. This system will include a network of trails following mauka and makai corridors along the Windward Ko`olau, while connecting each ahupua`a's community. Community residents have been, and will be, integral to the process of restoring and preserving these lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 203 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

**SCRep. 1536 Water, Land, and Agriculture on S.R. No. 143**

The purpose of this measure is to support the community stewardship programs and activities created by the Windward Ahupua`a Alliance along the Ko`olau range.

Testimony in support of this measure was submitted by the Windward Ahupua`a Alliance.

Your Committee finds that the Windward Ahupua`a Alliance has helped foster community involvement and pride through its principal project: the Ko`olau Greenbelt and Heritage Trails System. This system will include a network of trails following mauka and makai corridors along the Windward Ko`olau, while connecting each ahupua`a's community. Community residents have been, and will be, integral to the process of restoring and preserving these lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 143 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

**SCRep. 1537 Water, Land, and Agriculture on S.C.R. No. 202**

The purpose of this measure is to request the state and county governments to follow the concept of the Hawaiian ahupua`a management system on government-owned lands.

Testimony in support of this measure was submitted orally by the Windward Ahupua`a Alliance. Testimony in support of the intent of this measure was submitted by the Board of Land and Natural Resources.

Your Committee finds that the ahupua`a--a traditional land division that runs from the mountains to the sea--is a model for contemporary sustainable resource management that allows for public access to natural, cultural, and recreational resources. Your Committee also finds that the measure is consistent with the Department of Land and Natural Resources current use of the ahupua`a concept in planning and managing lands currently under its jurisdiction.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 202 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

**SCRep. 1538 Water, Land, and Agriculture on S.R. No. 142**

The purpose of this measure is to request the state and county governments to follow the concept of the Hawaiian ahupua`a management system on government-owned lands.

Testimony in support of this measure was submitted orally by the Windward Ahupua`a Alliance. Testimony in support of the intent of this measure was submitted by the Board of Land and Natural Resources.

Your Committee finds that the ahupua`a--a traditional land division that runs from the mountains to the sea--is a model for contemporary sustainable resource management that allows for public access to natural, cultural, and recreational resources. Your Committee also finds that the measure is consistent with the Department of Land and Natural Resources current use of the ahupua`a concept in planning and managing lands currently under its jurisdiction.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 142 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

**SCRep. 1539 (Joint) Economic Development and Health on S.C.R. No. 41**

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism (DBEDT) to assist in the accommodation of a plasma-arc torch facility in the State.

Oral testimony supporting this measure was received from one individual. DBEDT submitted testimony commenting on this measure. Covanta Energy Corporation submitted testimony opposing this measure.

Your Committees find that plasma technology offers an alternative means of solid waste disposal and recycling. Its innovative process utilizes extreme heat to extract useful energy from solid waste, which results in an inert byproduct. With landfills in the State reaching capacity, your Committees believe that implementation of this proven technology will contribute toward improving solid waste management in the State and will augment the services already provided by HPower.

Your Committees have amended this measure by:

- (1) Replacing incorrect references to "plasma-arc torch" with "plasma";
- (2) Clarifying that more than one plasma facility in the State is contemplated; and
- (3) Further requesting the Department of Health, and the Mayor and Council of each of the four counties to assist in the accommodation of plasma facilities in the State.

As affirmed by the records of votes of the members of your Committees on Economic Development and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 41, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 41, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 5 (Ihara, Kanno, Kawamoto, Kokubun, Tsutsui).

**SCRep. 1540 (Joint) Education and Judiciary and Hawaiian Affairs on S.C.R. No. 184**

The purpose of this measure is to request the convening of an interim task force to study the issue of drug testing of public school students.

Testimony in support of this measure was submitted by the Department of Health, the Department of the Prosecuting Attorney for the City and County of Honolulu, and a private individual. Testimony in support of the intent of this measure was submitted by the Office of the Lt. Governor and the Department of Education. The American Civil Liberties Union of Hawaii, the Hawaii Youth Services Network, the Community Alliance on Prisons, and a parent of a public school student submitted testimony expressing concerns.

Your Committees find that a survey of student substance abuse published in 2000 indicated that at least 13.4 percent of students in grades six through twelve need treatment for substance abuse. Your Committees further find that school-based treatment services are presently provided in a few public middle schools and over fifty percent of the public high schools. However, while your Committees agree that preventing substance abuse among our youth is critical to ensuring that a personal problem does not become a community problem, methods for early identification of substance abusers are varied and provide only a partial response. Your Committees further note that while there is no clear consensus about the use of drug testing in schools, there is agreement that early identification must be partnered with appropriate treatment services for those students who are identified as needing assistance. Your Committees also request that to the extent practicable, neighbor island representation be provided, and with regard to substance abuse treatment issues involving adolescents, that the Kalihi YMCA or Hina Mauka, be consulted by or included on the task force.

Upon further consideration of the testimony provided, your Committee has amended this measure by:

- (1) Deleting the WHEREAS clause identifying drug testing as a substance abused prevention strategy;
- (2) Reducing the task force membership from four members of the Legislature, to two members, one each from the Senate and the House of Representatives;
- (3) Adding the following representatives to the task force, the Superintendent of Education or designee, a student to be appointed by the Hawaii State Student Council, a provider of substance abuse treatment services for adolescents to be appointed by the Hawaii Substance Abuse Treatment Provider Coalition, the Attorney General or designee, and the Public Defender or designee;
- (4) Adding three additional issues to be considered by the task force, including the effectiveness of juvenile drug court, the feasibility of parental options for their child to attend a school where all students are tested or no students are tested, and alternatives to drug testing of students that involve sites other than school campuses; and
- (5) Authorizing the task force to request research support from the Legislative Reference Bureau on the various issues and legislation under consideration; and
- (6) Adding the additional task force representatives to list of those who receive a certified copy of this measure.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 184, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 184, S.D. 1.

Signed by the Vice Chair and Chair on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (English, Menor, Tsutsui, Hogue).

**SCRep. 1541 (Joint) Education and Judiciary and Hawaiian Affairs on S.R. No. 130**

The purpose of this measure is to request the convening of an interim task force to study the issue of drug testing of public school students.

Testimony in support of this measure was submitted by the Department of Health, the Department of the Prosecuting Attorney for the City and County of Honolulu, and a private individual. Testimony in support of the intent of this measure was submitted by the Office of the Lt. Governor and the Department of Education. The American Civil Liberties Union of Hawaii, the Hawaii Youth Services Network, the Community Alliance on Prisons, and a parent of a public school student submitted testimony expressing concerns.

Your Committees find that a survey of student substance abuse published in 2000 indicated that at least 13.4 percent of students in grades six through twelve need treatment for substance abuse. Your Committees further find that school-based treatment services are presently provided in a few public middle schools and over fifty percent of the public high schools. However, while your Committees agree that preventing substance abuse among our youth is critical to ensuring that a personal problem does not become a community problem, methods for early identification of substance abusers are varied and provide only a partial response. Your Committees further note that while there is no clear consensus about the use of drug testing in schools, there is agreement that early identification must be partnered with appropriate treatment services for those students who are identified as needing assistance. Your Committees also request that to the extent practicable, neighbor island representation be provided, and with regard to substance abuse treatment issues involving adolescents, that the Kalihi YMCA or Hina Mauka, be consulted by or included on the task force.

Upon further consideration of the testimony provided, your Committee has amended this measure by:

- (1) Deleting the WHEREAS clause identifying drug testing as a substance abused prevention strategy;
- (2) Reducing the task force membership from four members of the Legislature, to two members, one each from the Senate and the House of Representatives;
- (3) Adding the following representatives to the task force, the Superintendent of Education or designee, a student to be appointed by the Hawaii State Student Council, a provider of substance abuse treatment services for adolescents to be appointed by the Hawaii Substance Abuse Treatment Provider Coalition, the Attorney General or designee, and the Public Defender or designee;

- (4) Adding three additional issues to be considered by the task force, including the effectiveness of juvenile drug court, the feasibility of parental options for their child to attend a school where all students are tested or no students are tested, and alternatives to drug testing of students that involve sites other than school campuses; and
- (5) Authorizing the task force to request research support from the Legislative Reference Bureau on the various issues and legislation under consideration; and
- (6) Adding the additional task force representatives to list of those who receive a certified copy of this measure.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 130, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 130, S.D. 1.

Signed by the Vice Chair and Chair on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (English, Menor, Tsutsui, Hogue).

**SCRep. 1542 (Joint) Transportation, Military Affairs, and Government Operations and Education on S.C.R. No. 107**

The purpose of this measure is to request the University of Hawaii to study the problem of algae growth in the Capitol pools and to recommend solutions.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services (DAGS).

Your Committees find that the pools surrounding the Capitol building are algae-ridden and malodorous, despite the fact that other public and private entities have successfully created algae-free pools for several centuries.

Therefore, your Committees support this measure, as a way to involve the University of Hawaii in the process, so that our creative students can brainstorm ways to keep the Capitol pool algae-free. Your Committees note that primary responsibility for maintaining the pool will remain with DAGS.

Your Committees amended this measure to instruct the parties involved to study the potential benefits of bioremediation, as well as looking at other public and private entities in the islands that are able to maintain their pools algae-free.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 107, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 107, S.D. 1.

Signed by the Chair and Vice Chair on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 5 (Kanno, Menor, Tsutsui, Hogue, Whalen).

**SCRep. 1543 (Joint) Transportation, Military Affairs, and Government Operations and Education on S.R. No. 75**

The purpose of this measure is to request the University of Hawaii to study the problem of algae growth in the Capitol pools and to recommend solutions.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services (DAGS).

Your Committees find that the pools surrounding the Capitol building are algae-ridden and malodorous, despite the fact that other public and private entities have successfully created algae-free pools for several centuries.

Therefore, your Committees support this measure, as a way to involve the University of Hawaii in the process, so that our creative students can brainstorm ways to keep the Capitol pool algae-free. Your Committees note that primary responsibility for maintaining the pool will remain with DAGS.

Your Committees amended this measure to instruct the parties involved to study the potential benefits of bioremediation, as well as looking at other public and private entities in the islands that are able to maintain their pools algae-free.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 75, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 75, S.D. 1.

Signed by the Chair and Vice Chair on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 5 (Kanno, Menor, Tsutsui, Hogue, Whalen).

**SCRep. 1544 (Joint) Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs on S.C.R. No. 40**

The purpose of this measure is to request the Department of Transportation (DOT) to conduct a study regarding the feasibility of establishing a photo red light enforcement pilot project.

Your Committees received testimony in support of this measure from the DOT.

The photo red light enforcement program, which would use pole-mounted cameras to photograph motorists who run red lights, has proven effective in other jurisdictions to deter red light runners. As part of its continuing commitment to public safety, your Committees support this measure, which would enable a study regarding the feasibility of a pilot project.

Your Committees amended this measure to specify that the pilot project will only take place in the City and County of Honolulu.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 40, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 40, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, Ihara, Menor, Hogue, Whalen).

**SCRep. 1545 (Joint) Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs on S.R. No. 26**

The purpose of this measure is to request the Department of Transportation (DOT) to conduct a study regarding the feasibility of establishing a photo red light enforcement pilot project.

Your Committees received testimony in support of this measure from the DOT.

The photo red light enforcement program, which would use pole-mounted cameras to photograph motorists who run red lights, has proven effective in other jurisdictions to deter red light runners. As part of its continuing commitment to public safety, your Committees support this measure, which would enable a study regarding the feasibility of a pilot project.

Your Committees amended this measure to specify that the pilot project will only take place in the City and County of Honolulu.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 26, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 26, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, Ihara, Menor, Hogue, Whalen).

**SCRep. 1546 Judiciary and Hawaiian Affairs on Gov. Msg. No. 227**

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF PUBLIC SAFETY

JOHN F. PEYTON, JR., for a term to expire December 4, 2006;

Your Committee received testimony in support of the nominee from the Lieutenant Governor; State Attorney General; Honolulu Prosecuting Attorney; Office of Overseas Prosecutorial Development, Assistance and Training, U.S. Department of Justice; Department of the Treasury, U.S. Customs Service, Honolulu, Hawaii; Hawaii High Intensity Drug Trafficking Area, Office of National Drug Control Policy; Weed and Seed Hawaii; Government Efficiency Teams, Inc.; and twelve individuals.

John F. Peyton, Jr., is a former Assistant United States Attorney for the District of Hawaii. As an Assistant U.S. Attorney, the nominee worked on the implementation of the Weed and Seed Program, and was instrumental in coalescing various law enforcement agencies to ensure the program's success. Most recently, the candidate has served on the High Judicial and Prosecutorial Councils of Bosnia and Herzegovina, for which his work has been described as "nothing short of remarkable".

Testimony indicates the nominee is hardworking, honest, and ethical; has extensive experience and proven ability in the area of corrections administration and law enforcement; is willing to listen and to learn from others who have more experience in corrections; is knowledgeable about the law; has leadership abilities; and is well-suited to be the Director of Public Safety.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hogue).

**SCRep. 1547 (Majority) Ways and Means on H.B. No. 389**

The purpose of this measure is to require any employer who provides sick leave for employees to permit an employee to use accrued and available sick leave for family leave purposes.

Specifically, the measure:

- (1) Defines "sick leave" for purposes of the family leave law;
- (2) Amends the definition of "employer" to include the State and its political subdivisions as an employer to whom Hawaii's family leave law applies;
- (3) Clarifies that an employer or employee may elect to substitute any of the employee's accrued paid leaves for any part of the four weeks of unpaid family leave;
- (4) Requires an employer who provides sick leave to permit an employee to use up to ten days of accrued and available sick leave for family leave purposes; and
- (5) Clarifies that the bill does not require an employer to diminish an employee's sick leave below the amount required pursuant to the State's temporary disability insurance law.

Your Committee finds that the state family leave law does not require an employer to allow an employee to utilize sick leave to attend to the employee's child, parent, spouse, or reciprocal beneficiary with a serious health condition. This prohibition creates an economic hardship for employees who cannot afford to take unpaid family leave to care for sick family members.

Women comprised nearly sixty per cent of Hawaii's workforce in 2000 and Hawaii has a very high rate of two-wage earner families. As a result, there often is no one at home to care for sick children, spouses, or aging parents. The high cost of living in Hawaii results in difficult choices for employees with a seriously ill family member. In addition to the state family leave law's current job protection, this measure will provide added assistance in helping employees balance workplace and family responsibilities, by allowing an employee to use paid sick leave to provide care for ill family members.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 389, H.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 4 (Sakamoto, Hemmings, Slom, Trimble). Excused, none.

**SCRep. 1548      Ways and Means on H.B. No. 78**

The purpose of this measure is to authorize the Housing and Community Development Corporation of Hawaii to establish and maintain special fund accounts outside of the state treasury, which are to be used for federal housing programs.

Your Committee finds that the Corporation's predecessor agency, the Hawaii Housing Authority, was authorized to establish accounts that were outside of the state treasury. This allowed the Authority to expeditiously process funds from the federal government for a variety of programs to local recipients. This authority, however, was not transferred to the Corporation at the time of its inception.

This bill reestablishes that authority to allow the Housing and Community Development Corporation of Hawaii to distribute federal funds more efficiently to ultimately better serve its clientele.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 78, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Inouye, Kanno, Kim).

**SCRep. 1549      Ways and Means on H.B. No. 772**

The purpose of this measure is to authorize county directors of finance to purchase insurance policies and enter into such other financial arrangements as the directors of finance determine to be necessary or desirable to reduce the cost of borrowing when issuing county general obligation bonds.

Your Committee finds that this measure will enable county directors of finance to minimize the financial risks created by volatile interest rates in the municipal bond market and, consequently, lower the overall cost of county debt.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 772, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

**SCRep. 1550      Ways and Means on H.B. No. 773**

The purpose of this measure is to authorize the county councils to purchase insurance policies and enter into such other financial arrangements as the county councils determine to be necessary or desirable in order to reduce the cost of borrowing when issuing county revenue bonds.



Your Committee finds that this measure will enable the county councils to minimize the financial risks created by volatile interest rates in the municipal bond market and, consequently, lower the overall cost of county debt.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 773, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1551      Ways and Means on H.B. No. 754**

The purpose of this measure is to provide for elections by mail.

Specifically, this bill:

- (1) Allows the Chief Election Officer to determine whether a federal or state election held other than on the date of a regularly scheduled primary or general election may be conducted by mail or at polling places;
- (2) Allows the County Clerk to determine whether a county election held other than on the date of a regularly scheduled primary or general election may be conducted by mail or at polling places; and
- (3) Requires the Chief Election Officer to adopt rules to provide for uniformity in the conduct of federal, state, and county elections by mail.

Your Committee finds that elections by mail may be the most efficient and cost-effective means of conducting certain special elections. Your Committee believes that elections by mail will also encourage greater voter participation by providing convenience to voters and eliminating the confusion currently associated with special elections.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 754, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1552      Ways and Means on H.B. No. 818**

The purpose of this measure is to clarify, that for purposes of administrative driver's license revocation hearings, law enforcement mileage fees are the responsibility of the party requesting the subpoena.

Prior to January 1, 2002, the law provided that these fees were to be included in the \$30 fee to cover costs relating to the administrative hearing. In 2002, the administrative driver's license revocation law was amended to provide that these fees were to be borne by the party requesting the subpoena. Unfortunately, the existing statutory language indicating that these fees were to be included in the hearing fee was inadvertently left in the statute. The conflict between these two provisions needs to be resolved.

Your Committee finds that currently, the proceeds of the \$30 hearing fee go to the general fund and do not offset the costs to the Administrative Driver's License Office, which pays the mileage fees. Your Committee further finds that the Administrative Driver's License Office should not bear the responsibility for these fees, as they should be paid by the party requesting the subpoena. Your Committee therefore supports the clarification made in this bill.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 818, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 15. Noes, none. Excused, none.

**SCRep. 1553      (Joint) Energy and Environment and Judiciary and Hawaiian Affairs on S.C.R. No. 53**

The purpose of this measure is to request the Chief Justice of the Hawaii Supreme Court to convene an ad hoc committee to study the viability of establishing an environmental court and to have the ad hoc committee report its findings to the next legislative session.

The Deputy Administrative Director of the Courts and a Maui County Council member submitted testimony supporting this measure. The Board of Agriculture submitted comments on this measure.

Your Committees find that the concept and practice of environmental courts have proven to be effective in focusing the courts on environmental cases throughout the country. The protection of the environment through appropriate judicial action will demonstrate the serious issues these cases pose for the entire State. The environmental court can be established within existing judicial levels without additional cost. Violations and judgments will become known and serve as a deterrent when the accused offender must appear before an environmental judge.

Your Committees have amended this measure by allowing a designee of the Chief Justice to convene and head the ad hoc committee to study the viability of establishing an environmental court in the State.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 53, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 53, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Chun Oakland, Ihara, Kanno, Hemmings, Hogue).

**SCRep. 1554 (Joint) Energy and Environment and Judiciary and Hawaiian Affairs on S.R. No. 33**

The purpose of this measure is to request the Chief Justice of the Hawaii Supreme Court to convene an ad hoc committee to study the viability of establishing an environmental court and to have the ad hoc committee report its findings to the next legislative session.

The Deputy Administrative Director of the Courts and a Maui County Council member submitted testimony supporting this measure. The Board of Agriculture submitted comments on this measure.

Your Committees find that the concept and practice of environmental courts have proven to be effective in focusing the courts on environmental cases throughout the country. The protection of the environment through appropriate judicial action will demonstrate the serious issues these cases pose for the entire State. The environmental court can be established within existing judicial levels without additional cost. Violations and judgments will become known and serve as a deterrent when the accused offender must appear before an environmental judge.

Your Committees have amended this measure by allowing a designee of the Chief Justice to convene and head the ad hoc committee to study the viability of establishing an environmental court in the State.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 33, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 33, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Chun Oakland, Ihara, Kanno, Hemmings, Hogue).

**SCRep. 1555 (Joint) Energy and Environment, Health and Transportation, Military Affairs, and Government Operations on S.C.R. No. 164**

The purpose of this measure is to request the convening of an emissions task force to measure the State's power plant and motor vehicle emissions and develop comprehensive strategies to reduce emissions.

The Hawaii Automobile Dealers' Association, Alliance of Automobile Manufacturers, Sierra Club Hawaii Chapter, and Life of the Land submitted testimony supporting this measure. The Department of Health and the Public Utilities Commission submitted testimony supporting the intent of this measure. Hawaiian Electric Company, Inc. submitted testimony in opposition to this measure. The Department of Business, Economic Development, and Tourism submitted comments on this measure.

Your Committees find that much of the emissions information requested in this measure, such as the exact emissions from the ground transportation sector, is not available. It would be very useful, especially with regard to vehicle emissions, to have this data to make wise policy choices to regulate the most serious of the pollutants, carbon dioxide. A task force would be an appropriate means to examine how other areas have begun to deal with regulating and controlling emissions.

Further, your Committees find that this measure, is an opportunity to bring together the industry players to put forth facts and is consistent with what the automobile and power plant industries have recommended at previous Senate Energy and Environment Committee hearings on related issues this legislative session.

Your Committees have amended this measure by:

- (1) Changing the "task force" to a "working group";
- (2) Correcting inaccuracies identified by the Department of Business, Economic Development, and Tourism; and
- (3) Correctly naming the "Alliance of Automobile Manufacturers".

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Health and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 164, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 164, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 4 (Kanno, Menor, Tsutsui, Hemmings).

**SCRep. 1556 (Joint) Energy and Environment, Health and Transportation, Military Affairs, and Government Operations on S.R. No. 113**

The purpose of this measure is to request the convening of an emissions task force to measure the State's power plant and motor vehicle emissions and develop comprehensive strategies to reduce emissions.

The Hawaii Automobile Dealers' Association, Alliance of Automobile Manufacturers, Sierra Club Hawaii Chapter, and Life of the Land submitted testimony supporting this measure. The Department of Health and the Public Utilities Commission submitted testimony supporting the intent of this measure. Hawaiian Electric Company, Inc. submitted testimony in opposition to this measure. The Department of Business, Economic Development, and Tourism submitted comments on this measure.

Your Committees find that much of the emissions information requested in this measure, such as the exact emissions from the ground transportation sector, is not available. It would be very useful, especially with regard to vehicle emissions, to have this data to make wise policy choices to regulate the most serious of the pollutants, carbon dioxide. A task force would be an appropriate means to examine how other areas have begun to deal with regulating and controlling emissions.

Further, your Committees find that this measure, is an opportunity to bring together the industry players to put forth facts and is consistent with what the automobile and power plant industries have recommended at previous Senate Energy and Environment Committee hearings on related issues this legislative session.

Your Committees have amended this measure by:

- (1) Changing the "task force" to a "working group";
- (2) Correcting inaccuracies identified by the Department of Business, Economic Development, and Tourism; and
- (3) Correctly naming the "Alliance of Automobile Manufacturers".

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Health and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 113, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 113, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 11. Noes, none. Excused, 4 (Kanno, Menor, Tsutsui, Hemmings).

**SCRep. 1557      Ways and Means on S.C.R. No. 9**

The purpose of this measure is to request the Auditor to study the social and financial impact of mandatory health insurance coverage for examination for sexually transmitted diseases.

Your Committee finds that the adoption of this concurrent resolution is necessary in order to consider the enactment of H.B. No. 120, introduced during this session, relating to mandatory health coverage for examination for sexually transmitted diseases.

Section 23-51, Hawaii Revised Statutes, requires that before the Legislature may consider any measure that mandates health insurance coverage for specific health services, the Legislature must pass concurrent resolutions that request an impact assessment report from the Auditor on the social and financial effects of the proposed mandated coverage.

Your Committee finds that the request to the Auditor is being made through this concurrent resolution, with regard to the mandated coverage proposed in H.B. No. 120. The bill amends the health insurance and related statutes by requiring policy coverage after December 31, 2003, for examination for sexually transmitted diseases. Coverage for this specific health service is currently not required under those statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 9 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1558      Ways and Means on S.C.R. No. 36**

The purpose of this measure is to request a feasibility study on the construction of permanent fair grounds on the lower Halawa parking lot at Aloha Stadium.

Your Committee finds that, in view of the fact that the lower Halawa parking lot at Aloha Stadium has long served as the venue for numerous fundraising events, including the 50th State Fair, Hawaii State Farm Fair, and the Sports Carnival, there is no need for a feasibility study. Rather, your Committee finds that the Stadium Authority should simply designate the lower Halawa parking lot as the state fairgrounds. Your Committee finds that declaring this area as the state fairgrounds may facilitate greater use of these grounds and generate additional funding for Hawaii's nonprofit groups.

Your Committee has therefore amended this concurrent resolution by:

- (1) Amending the title to read: "REQUESTING THE STADIUM AUTHORITY TO DESIGNATE THE LOWER HALAWA PARKING LOT AT ALOHA STADIUM AS THE STATE FAIRGROUNDS";

- (2) Amending the text by deleting references to a study by the Legislative Reference Bureau and inserting language requesting the Stadium Authority to designate the lower Halawa parking lot at Aloha stadium as the state fairgrounds; and
- (3) Making technical nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 36, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 36, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1559      Ways and Means on S.C.R. No. 49**

The purpose of this measure is to request the Legislative Reference Bureau to study the establishment of an Office of International Affairs within state government.

Specifically, this Concurrent Resolution requests the:

- (1) Legislative Reference Bureau to study and recommend the most appropriate duties and responsibilities of, as well as where to locate within the framework of state government, an Office of International Affairs;
- (2) Governor, the Speaker of the House of Representatives, and the President of the Senate each to designate at least one individual knowledgeable about the relevant issues who shall be available to consult with the Legislative Reference Bureau; and
- (3) Legislative Reference Bureau to submit its findings and recommendations to the Legislature twenty days before the convening of the Regular Session of 2004.

Your Committee finds that Hawaii's mid-Pacific location makes it a geographical bridge between East and West. In addition, Hawaii has many other resources that suggest a more active international role for our State. Currently, a number of internationally focused programs exist in various departments and agencies. Your Committee believes that Hawaii should wait no longer to examine our assets and opportunities; instead, we must determine our role in international affairs around the globe to better understand our challenges and opportunities at home and abroad.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 49, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1560      Ways and Means on S.C.R. No. 61**

The purpose of this measure is to request the Auditor to conduct a study of proposed mandatory health insurance coverage for hearing aid devices and services.

Your Committee finds that earlier this session, S.B. No. 952, relating to health insurance reimbursements, was heard but held by the Committee on Commerce, Consumer Protection and Housing. The bill proposed to amend the health insurance and related statutes by requiring policies to provide coverage for hearing aids and the services rendered by a hearing aid dealer or fitter licensed under Hawaii Revised Statutes chapter 451A. The bill exempted certain limited benefit health insurance policies and furthermore did not apply to coverage caps for children that receive early intervention services.

Your Committee further finds that S.B. No. 952 could have added to the social and financial impacts caused by the current requirements of the health insurance and related statutes because those statutes do not specifically require coverage for hearing aids or services rendered by hearing aid dealers or fitters. In other words, the bill proposed to mandate coverage for an additional type of service and an additional type of provider.

Your Committee further finds that section 23-51, Hawaii Revised Statutes, requires that, before any legislative measure that mandates health insurance coverage for specific health services or certain providers of health care services may be considered, the Legislature must pass concurrent resolutions requesting the Auditor to assess both the social and financial effects of the proposed mandated coverage.

Your Committee finds that S.B. No. 952 effectively proposes such mandatory health insurance coverage. Your Committee also finds that the present measure, S.C.R. No. 61, satisfies the required concurrent resolution to request the Auditor to produce the necessary impact assessment report.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 61 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1561      Ways and Means on S.C.R. No. 81**

The purpose of this measure is to request the Auditor to perform a sunrise review of the regulation of hypnotherapists.

Specifically, this Concurrent Resolution requests a review of the regulation as set forth in Senate Bill No. 2497 (2002), as it may be subsequently amended. Particular attention is requested in the areas of the costs and benefits of the activities of hypnotherapists for the consumer, and a summary of existing laws in the other states that do and do not license hypnotherapists.

Section 26H-6, Hawaii Revised Statutes, requires the Legislature to refer to the Auditor by Concurrent Resolution a request for analysis of any new regulatory measure that would subject unregulated professions to regulatory controls. The Legislature adopted S.C.R. No. 16 during the Regular Session of 2002, requesting such a review of the regulation of hypnotherapists under Senate Bill No. 2497. The Auditor neither performed the review nor submitted a report to the Legislature as requested. Your Committee is passing out this Concurrent Resolution in the express hope that the Auditor will give this matter the attention it requires.

Your Committee finds that hypnotherapy can be a very powerful therapeutic for a multitude of problems, such as smoking cessation, motivation, performance enhancement, weight control, and phobias. However, it is not without risks. Your Committee also finds that a lack of professional training may cause bad experiences for patients, and thus regulation may be in the best interest of state residents. The Auditor's report is a necessary step in deciding whether to regulate.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 81 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1562      Ways and Means on S.C.R. No. 84**

The purpose of this measure is to request the Auditor to conduct a comparative study of Hawaii's health insurance market conditions with the rest of the nation.

Specifically, this resolution requests the Auditor's study to include:

- (1) A comparative analysis of Hawaii's health insurance market versus health insurance markets in similarly populated states on the mainland;
- (2) A comparative analysis of Hawaii's health insurers versus health insurers on the mainland with regard to whether each is organized as a nonprofit or for-profit entity;
- (3) A determination on whether the State's population base is adequate to attract other health insurers into the State's health insurance market;
- (4) A determination on how important competition is in reducing health insurance costs for consumers in Hawaii;
- (5) A determination on whether for-profit health insurers would be able to compete favorably in Hawaii;
- (6) A determination on whether having a health insurance market where a single health insurance provider dominates the health insurance market is beneficial for consumers;
- (7) A determination of the barriers faced by insurers seeking to enter the Hawaii health insurance market; and
- (8) A determination on whether increased competition in the State's health insurance market would benefit consumers, and if determined to be beneficial, a recommendation on how to attract health insurers to the State to increase competition.

The Insurance Division of the Department of Commerce and Consumer Affairs is requested to assist in gathering and supplying information and the Legislative Reference Bureau is requested to assist in drafting any legislation proposed by the Auditor.

Your Committee finds that a comparative study of Hawaii's health insurance market conditions may assist the State in reducing health insurance costs while maintaining a high level of health benefits coverage.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 84, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1563      Ways and Means on S.C.R. No. 95**

The purpose of this measure is to request the Auditor to conduct a comparative analysis between Hawaii and other states regarding the regulatory and licensing requirements of regulated professions and vocations.

Your Committee finds that twenty-five professions are regulated by state boards and commissions that are overseen by, and administratively attached to, the Department of Commerce and Consumer Affairs. The Department of Commerce and Consumer Affairs also regulates twenty-one licensing programs.

Your Committee also finds that some of the regulatory programs overseen by the Department of Commerce and Consumer Affairs and its boards and commissions may serve to increase the costs of goods and services to consumers and unreasonably restrict entry into professions and vocations by qualified applicants. Additionally, criticisms have been made that some regulatory programs have increased in number and scope -- contrary to the conclusions drawn by the Auditor that such regulation is unnecessary.

In light of these allegations, your Committee concurs with your Committee on Commerce, and Consumer Protection and Housing, that a comparative analysis by the Auditor regarding professional and vocational regulatory programs will provide a basis to improve such programs, by addressing concerns expressed by consumers as well as prospective applicants of regulated professions and vocations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 95 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1564      Ways and Means on S.C.R. No. 103**

The purpose of this measure is to request the Auditor to conduct a management and financial audit of the Department of Public Safety, Narcotics Enforcement Division.

Your Committee finds that certain concerns and allegations regarding the operational and fiscal management of the Narcotics Enforcement Division of the Department of Public Safety justify the request for a management and financial audit of this division.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 103 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1565      Ways and Means on S.C.R. No. 114**

The purpose of this measure is to request that the Legislative Reference Bureau research options for establishing a dedicated funding mechanism to implement Act 77, Session Laws of Hawaii 1997, relating to early childhood education and care.

In addition, this measure requests that the Legislative Reference Bureau submit its findings and recommendations, including any proposed legislation, to the Legislature not later than twenty days prior to the convening of the Regular Session of 2004.

Your Committee finds that Act 77 created, as a focal point for enhancing, developing, and coordinating quality early childhood education and care services in Hawaii -- the Good Beginnings Alliance. Because the Good Beginnings Alliance is a private nonprofit corporation, it has the ability to cut across existing social service systems and coordinate early childhood services for families with young children. Because it is a private nonprofit corporation, however, the Legislature cannot appropriate funds directly to the Good Beginnings Alliance as if it were a state agency.

Your Committee also finds that the public purpose and responsibilities of Act 77 cannot be fully realized until a dedicated funding mechanism is established for the Good Beginnings Alliance or another private nonprofit corporation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 114 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1566      Ways and Means on S.C.R. No. 131**

The purpose of this measure is to request the Auditor to assess the social and financial impacts of mandating group health insurance coverage for infertility diagnosis and treatment.

Specifically, this Concurrent Resolution requests the Auditor to review the proposal set forth in S.B. No. 157, S.D. 1, which proposes to require health insurance policies, for groups of more than fifty persons, that provide pregnancy-related benefits to include coverage for medically-necessary expenses of fertility diagnosis and treatment, including medication, surgery, in vitro fertilization, embryo transfer, artificial insemination, gamete intra fallopian transfer, zygote intra fallopian transfer, and intracytoplasmic sperm injection, with a limit of four completed egg retrievals per lifetime of the covered person.

Sixteen years ago, Hawaii enacted a law requiring health insurance policies to include coverage for a one-time-only in vitro fertilization procedure, subject to several prerequisites and limitations. Since that time, there have been numerous advances in the field

of assisted reproductive technology, including the development of drugs and procedures that provide less costly, less invasive, or more appropriate alternatives to the treatment of infertility.

Your Committee finds that the proposal in S.B. No. 157, S.D. 1, would facilitate the treatment of infertility beyond the limited procedure presently available and be consistent with current medical knowledge and practice.

Section 23-51, Hawaii Revised Statutes, requires the Auditor to analyze the social and financial impacts of proposed mandatory health insurance coverage for specific health services or diseases, before any legislative measure that mandates such coverage can be considered. Your Committee finds that this Concurrent Resolution complies with the requirements of section 23-51 by requesting the Auditor's analysis of the mandatory coverage proposed in S.B. No. 157, S.D. 1.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 131 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1567      Ways and Means on S.C.R. No. 144**

The purpose of this measure is to establish a wireless enhanced 911 interim working group.

Specifically, this measure requests the formation of a working group comprised of members from various government agencies and wireless providers to:

- (1) Study the funding needed to support new wireless identification and location services consistent with the rules of the Federal Communications Commission for the transmission of 911 calls from wireless carriers to enhanced 911 emergency systems; and
- (2) Recommend a surcharge to be imposed on wireless subscribers to enable the counties to provide enhanced 911 services and the carriers to recover their costs.

This measure also requests the Legislative Reference Bureau to submit a report of the working group's findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2004.

Your Committee finds that sustained funding for wireless enhanced 911 services is essential to public safety and in the public interest. This measure will encourage representative stakeholders to work together to propose ongoing funding to provide continued support for these services throughout the State.

Your Committee has amended this measure by clarifying that the Legislative Reference Bureau is requested to provide assistance to the working group in drafting proposed legislation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 144, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 144, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1568      Ways and Means on S.C.R. No. 149**

The purpose of this measure is to request that the Legislative Reference Bureau undertake a study to identify effective state practices for raising academic achievement among low scoring students and narrowing the achievement gap between low scoring students and top scoring students.

In addition, this measure requests that the Legislative Reference Bureau:

- (1) Identify effective state practices for increasing the percentage of students reaching the "proficient" level of achievement, as defined in the National Assessment of Educational Progress; and
- (2) Submit its findings and recommendations, including proposed legislation if any, to the Legislature not less than twenty days prior to the convening of the Regular Session of 2004.

Your Committee finds that by the end of school year 2013-2014, the Department of Education must ensure that all students meet or exceed a "proficient" level of academic achievement on required state assessments (i.e., reading, mathematics, and science) and other academic measures (i.e., graduation rate for high schools and retention rate for elementary and middle schools). In addition, certain "subgroups" of students (i.e., economically disadvantaged students, students from major racial and ethnic groups, students with disabilities, and students with limited English proficiency) must make "adequate yearly progress" on all required state assessments and other academic measures.

Your Committee also finds that raising academic achievement among low scoring students, narrowing the achievement gap between low scoring students and top scoring students, and increasing the percentage of students reaching a "proficient" level of academic

achievement carry forward Goal 3 of the national education goals that students should demonstrate knowledge in challenging subject matter, with the objective that the academic performance of all students will increase significantly in every quartile.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 149 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1569      Ways and Means on S.C.R. No. 153**

The purpose of this measure is to request the Auditor to assess the adequacy of existing land use policies that are used to determine where landfills are sited.

Your Committee finds that society continues to produce prodigious amounts of solid waste to be dumped in our landfills. As one result, the existing solid waste landfill on the leeward coast of Oahu is at capacity.

Your Committee further finds that while solid waste management is an issue that must be incorporated into any comprehensive land use plan, present laws do not directly address the issue of how to determine the location of any new landfill site. Accordingly, your Committee believes that it is necessary for the State to reassess its solid waste management and landfill policies.

This measure will request that the Auditor investigate, among other issues, the following:

- (1) An assessment of the State and counties' existing total landfill capacity and the criteria by which existing capacity and future needs are determined;
- (2) The urgency of establishing another landfill on Oahu;
- (3) An assessment of whether the State and counties and public and private waste disposal programs are in compliance with existing state laws and the federal Safe Drinking Water Act;
- (4) An assessment of the potential risks of siting landfills over potable aquifers;
- (5) A review of state and county code provisions focusing on the siting of landfills; and
- (6) Consider the issue of environmental justice, that is, whether a community should bear more than its fair share of landfills because of its lack of political or economic power or influence.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 153, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1570      (Joint) Commerce, Consumer Protection and Housing and Human Services on S.R. No. 50**

The purpose of this measure is to request the formation of a task force to address the problem of a shortage of transitional housing on Oahu.

The Housing and Community Development Corporation of Hawaii (HCDCH), Hawaii Youth Services Network, and Blueprint for Change testified in support of the measure. Comments on the measure were submitted by the Judiciary, Affordable Housing and Homeless Alliance, and Homeless Solutions.

Your Committees find that HCDCH is currently involved in efforts to address the State's homelessness problem through its coordination of the Hawaii State Homeless Policy Academy (Academy). The Academy is one of several regional academies throughout the nation established as a joint initiative of the federal Departments of Health and Human Services, Housing and Urban Development, and Veterans Affairs, to improve access to mainstream services for different segments of the homeless population. Hawaii is one of eight states selected to receive technical assistance on developing an action plan to improve access to mainstream services for the chronically homeless.

Your Committees have amended this measure by replacing its contents with language that references the problem of chronic homelessness in Hawaii, describes the Academy and its mission, and requests the HCDCH to report to the Legislature on the progress of the State's action plan to address the problem of chronic homelessness in Hawaii.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection and Housing and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 50, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 50, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Baker, Inouye, Tsutsui, Whalen).



**SCRep. 1571      Transportation, Military Affairs, and Government Operations on H.C.R. No. 52**

The purpose of this measure is to authorize and urge the Governor to take all necessary steps to establish a sister state-prefecture relationship between Hawaii and the Ehime prefecture of Japan.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism.

Your Committee finds that the tragic accident off Diamond Head, in which many crew members from the Ehime Maru training ship lost their lives, has actually brought together the people of Hawaii and the people of Ehime prefecture. There are memorials in both locations, and last year a youth baseball team from Hawaii went to Japan for a goodwill baseball tournament.

Your Committee supports the concept of formalizing this relationship, and believes that the two cultures can develop a lasting business and personal friendship.

Your Committee also supports limiting the initial phase of the relationship to five years, after which an assessment can take place in order to decide whether to extend the agreement.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 52, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1572      Judiciary and Hawaiian Affairs on H.C.R. No. 96**

The purpose of this measure is to extend the Senate-House Investigative Committee (Investigative Committee) until June 30, 2004, to continue its investigation on the State's compliance with the Felix Consent Decree.

Testimony supporting the intent of the measure was received from the Superintendent of Education. The Hawaii State Teachers Association strongly supported the measure.

Your Committee finds that the Investigative Committee was established through Senate Concurrent Resolution No. 65, S.D. 1, H.D. 1 in 2001, and extended by House Concurrent Resolution No. 7, H.D. 1 in 2002, to investigate the State's efforts to comply with the Felix Consent Decree. Because of the Investigative Committee's efforts, a \$1,000,000 settlement was announced on February 5, 2003, following an investigation of suspected fraud, abuse, and overcharging in connection with the Felix Consent Decree.

Your Committee agrees that the Investigative Committee should be extended because investigation is continuing into billings by other care providers and the Attorney General recently obtained a "no contest" plea from a therapeutic aide charged with ten felony counts of medical assistance fraud.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 96, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kawamoto, Hogue).

**SCRep. 1573      Judiciary and Hawaiian Affairs on H.C.R. No. 119**

The purpose of this measure is to request that the Department of Hawaiian Home Lands (DHHL) investigate the appropriateness of the practice of recipients selling their DHHL awarded lots, or selling homes and lots occupied for a period of time.

Testimony supporting the intent of this measure was received from the Department of Hawaiian Home Lands.

Your Committee finds that the Hawaiian Homes Commission Act of 1920, was enacted by the United States Congress with the intent of providing opportunities for native Hawaiians to live in and own a home of their own. Your Committee believes DHHL should investigate the practices of selling awarded unimproved lots or homes on awarded lots to non-family members because these practices may be contrary to the intent of the Act.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 119, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kawamoto, Hogue).

**SCRep. 1574      Education on H.C.R. No. 31**

The purpose of this measure is to request the U.S. Congress to support the Title IX, Patsy Takemoto Mink Equal Opportunity in Education Act.

Testimony in support of this measure was submitted by the Hawaii State Commission on the Status of Women, the Hawaii Civil Rights Commission, the Department of Education, and two individuals.

Your Committee finds that Patsy Takemoto Mink was a woman of unrivaled stature, both within our State and the nation, who chose to accept the challenges faced by women of color in the mid-twentieth century. Due to Mrs. Mink's experiences with discrimination in our country, as a congresswoman she was committed to establishing a national policy that supported equal access to educational opportunities for all women. Mrs. Mink was successful, and over twenty-five years later, many thousands of women have benefited from the equal educational opportunities provided through the Title IX Education Act, recently renamed by the U.S. Congress as the Patsy Takemoto Mink Equal Opportunity in Education Act.

Your Committee has amended this measure by:

- (1) Adding a WHEREAS clause indicating the amount of increased scholarship moneys available to women as a result of Title IX; and
- (2) Adding the President of the United States and the Secretary of Education of the United States to receive certified copies of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 31, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 31, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1575      Judiciary and Hawaiian Affairs on Jud. Com. No. 4**

Recommending that the Senate consent to the nomination of the following:

DISTRICT COURT OF THE FIRST CIRCUIT

FAYE KOYANAGI,

Your Committee received testimony in support of the nominee from Honolulu Prosecuting Attorney, Hawaii State Bar Association (HSBA), twenty-four attorneys, and four individuals.

The Board of Directors of the HSBA has found the nominee to be a highly qualified candidate. As part of the HSBA Board's procedure for taking a position on judicial appointments, the candidate is asked to submit a resume, respond to a questionnaire, or both, and appear before the Board to answer questions. The HSBA Board utilizes a modified version of the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. These Guidelines include the following criteria for judicial positions: integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, public service, collegiality, and writing ability.

The nominee received a JD degree from Hastings College of Law, where she served as the student note author of the "Hastings Constitutional Law Quarterly, 1975-1976, a BA degree from the University of California at Los Angeles, and a teaching credential from the University of California at Berkeley. She currently practices in her own firm associated with the Fireman's Fund Insurance Companies, and acts as an arbitrator and mediator. She was previously with the firm of Libkuman, Ventura, Ayabe, Chong, & Nishimoto, and with the City and County of Honolulu Departments of Corporation Counsel and Prosecuting Attorney. With a substantial legal background in trial work, the nominee also has an extensive background as a seminar speaker in risk management and tort law. She has also served as HSBA Director (two separate terms) and HSBA Secretary.

Your Committee notes from the testimony that the nominee is respected by her peers and possesses all the qualities necessary to be a good judge. She is intelligent, fair, diligent, and exercises excellent judgment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kawamoto, Hogue).

**SCRep. 1576      (Joint) Judiciary and Hawaiian Affairs and Education on H.C.R. No. 198**

The purpose of this measure is to express support for the preservation of the Hawaiian language and the perpetuation of its study and use through Hawaiian language immersion schools.

Testimony supporting the intent of this measure was received from the Superintendent of Education.

Article XV, section 4 of the state Constitution recognizes English and Hawaiian as the official languages of Hawaii. Moreover, Article X, section 4 requires the State to promote the study of Hawaiian culture, history, and language. Therefore, your Committees support preservation of the Hawaiian language through Hawaiian language immersion schools. Your Committees note that the

Department of Education has already developed the Hawaiian Studies and Hawaiian Language Immersion Programs, and the Board of Education also recently approved a policy establishing its support for Hawaiian studies and language programs in the public schools.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 198, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Ihara, Kawamoto, Menor, Hogue).

**SCRep. 1577 (Joint) Human Services, Health and Education on H.C.R. No. 62**

The purpose of this measure is to request adequate federal financial impact assistance for services provided to citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau, with which the United States has formed an agreement through the Compact of Free Association.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association and the Healthcare Association of Hawaii. The Department of Human Services supported the intent of this measure.

Your Committees find that many citizens of the Freely Associated States, drawn by the promise of better medical care, education, and Hawaii's similar climate, culture, and lifestyle, have migrated and continue to migrate to Hawaii. Currently, over six thousand Freely Associated States citizens are residing in Hawaii. Because they are not eligible under federal law for federal medical and financial assistance programs, the State of Hawaii must bear the full cost of providing such assistance to Freely Associated States citizens residing within the State. Between 1998 and 2002, medical and financial assistance costs for Freely Associated States citizens totaled \$28,340,119. Moreover, Hawaii's current health care crisis is exacerbated by operating losses directly attributable to the provision of health care for Freely Associated States citizens residing in Hawaii. Between 1998 and 2001, operating losses totaling \$10.1 million were reported by three (of Hawaii's twenty-three) hospitals; all Hawaii hospitals experienced similar losses. In addition, since 1988, the State has spent more than \$78 million to educate students from the Freely Associated States residing in Hawaii, with over \$13 million spent in school year 2001-2002 alone. Your Committees further find that along with these readily identifiable costs attributable to the influx of Freely Associated States citizens are concomitant but less visible financial impacts on public safety, labor, and housing resources as well as the services that private, nonprofit organizations provide.

Your Committees find that it is imperative that Hawaii be granted immediate and substantial assistance to mitigate the significant impacts resulting from Freely Associated States citizens residing in Hawaii. Hawaii's geographic proximity and similar climate, Pacific Island culture, and lifestyle are attractive to many Freely Associated States citizens. As a result, your Committees believe, Hawaii, perhaps more than any other state in the union, is disproportionately impacted by the sheer volume of Freely Associated States citizens who migrate to Hawaii with the intent to reside permanently.

Your Committees have amended this measure by deleting its contents and inserting the contents of Senate Concurrent Resolution 56, S.D. 2, a substantially similar measure which contains additional information quantifying actual financial impacts for the past five years for health care, human services, and education.

As affirmed by the records of votes of the members of your Committees on Human Services and Health and Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 62, H.D. 1, as amended herein, recommend that it be referred to the Committee on Transportation, Military Affairs, and Government Operations, in the form attached hereto as H.C.R. No. 62, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Kawamoto, Kokubun, Menor).

**SCRep. 1578 (Joint) Human Services and Ways and Means on H.C.R. No. 85**

The purpose of this measure is:

- (1) To request the Auditor to conduct a program audit of the various agencies involved in the child protective services system; and
- (2) To request the Hawaii Civil Rights Commission to investigate certain alleged violations of state and federal laws and regulations by child protective services.

Testimony in support of this measure was submitted by the Representatives from the 44th and 45th Representative Districts, the Office of Hawaiian Affairs, the Blueprint for Change, and six concerned citizens. The Department of Human Services and the Hawaii Civil Rights Commission expressed concerns about this measure. The Judiciary submitted testimony declining to participate in the audit.

Your Committees find that the child protective services system is an area of great concern. The intent of the Legislature is to ensure the safety and welfare of all of Hawaii's children. However, there have been anecdotal reports that child protective services social workers have violated individual civil rights and have acted in ways that appear to be inconsistent with this goal. At the same time, there are cases where social workers apparently did not act in a timely and effective manner to protect a child in an allegedly abusive situation.

The Department of Human Services testified that it has just completed a follow-up audit to the 1999 legislative audit of the child protective services system and is currently preparing for a federal Child and Family Services Review scheduled for July 2003. Your

Committees understand that the federal audit will be an in-depth study of Hawaii's child welfare services, but will be limited in scope, focusing on Oahu and one neighbor island. In order to identify problem areas and issues of concern statewide, your Committees believe that a program audit of the child protective services system should be conducted at this time, focusing on the entire state.

Accordingly, your Committees have amended this measure by:

- (1) Adding language that expresses the intent of the legislature to ensure the safety and welfare of all of Hawaii's children;
- (2) Adding language describing both the reported problems and the reported ineffectiveness of the child protective services system;
- (3) Clarifying that the program audit to be conducted by the Auditor should be statewide in scope;
- (4) Requesting the Auditor, with the assistance of the U.S. Department of Health and Human Services, Office for Civil Rights, to review existing state and federal statutes that may exacerbate perceived problems with the existing child protective services system, and to investigate alleged repeated violations of state and federal laws and regulations by Child Protective Services;
- (5) Requiring the Auditor to submit a report on the findings of its review of existing state and federal statutes and the violations allegedly committed by Child Protective Services, including recommendations and proposed legislation, if any, to the legislature;
- (6) Adding the Director of the Office for Civil Rights under the U.S. Department of Health and Human Services to the distribution list for certified copies of the measure; and
- (7) Making other technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 85, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 85, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 12. Noes, none. Excused, 6 (English, Espero, Ige, Kanno, Kawamoto, Slom).

**SCRep. 1579 (Joint) Human Services and Health on H.C.R. No. 203**

The purpose of this measure is to provide additional resources for Hawaii's hospitals in caring for the uninsured by requesting the Departments of Human Services (DHS) and Health (DOH), with the assistance of Hawaii's congressional delegation, to restore the Disproportionate Share of Hospital payments for compensation for care provided to the uninsured.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association (HGEA); the Healthcare Association of Hawaii; Hawaii Health Systems Corporation; and the Queen's Medical Center. The Blueprint for Change and Hawaii Psychiatric Medical Association supported this measure and proposed amendments. The Department of Human Services supported the intent of this measure.

Your Committees find that health care providers, who routinely and frequently provide care to thousands of uninsured patients annually in Hawaii, have suffered significant adverse impacts resulting from the elimination of the Disproportionate Share of Hospital (DSH) payments under the State's federally-approved Medicaid waiver. The federal Medicaid statute requires DSH payments unless a state obtains a waiver through a Section 1115 Demonstration Project, such as QUEST. Hawaii is one of four states (the other three being Arizona, Oregon, and Tennessee) that obtained such a waiver, resulting in the elimination of DSH payments in 1994. Since that time, Arizona, Oregon, and Tennessee have successfully obtained DSH or DSH-like payments, leaving Hawaii as the only state that does not receive DSH or DSH-like payments.

Your Committees further find that Hawaii's uninsured population has increased from just below 6% in 1995, to 10% in 2001. It is estimated that if Hawaii were still receiving DSH payments, the total DSH money Hawaii would have received in fiscal year 2002-2003 would be about \$98 million.

Your Committees believe that immediate action is needed to aggressively advocate for the restoration of DSH (or DSH-like) payments for compensation for care provided to the uninsured by the federal Centers for Medicare and Medicaid Services (CMS).

Your Committees further find that access to appropriate mental health services is an important part of the safety net of programs for Hawaii's citizens that deserves further study.

Accordingly, your Committee has amended this measure by:

- (1) Changing the title to better reflect the contents of the measure as amended;
- (2) Strengthening the language in the first "Be It Resolved" clause to emphasize the need for immediate action by the Department of Human Services to solicit the active involvement of Hawaii's congressional delegation and to aggressively advocate the restoration of Disproportionate Share of Hospital payments;

- (3) Incorporating language from Senate Concurrent Resolution No. 192, stating the need for and requesting that the Departments of Health and Human Services review existing policies and procedures and work with mental health provider and advocacy agencies to improve access to appropriate mental health services for Medicaid and QUEST participants, and specifying the parameters of the review; and
- (4) Making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 203, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 203, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (Hooser, Kokubun).

**SCRep. 1580      Human Services on H.C.R. No. 208**

The purpose of this measure is to urge Congress to recognize the merits and success of the Head Start program, to maintain the program's funding levels, and to reject proposals to move the program from the U.S. Department of Health and Human Services to the U.S. Department of Education and to limit the scope of the program.

Testimony in support of this measure was submitted by the Good Beginnings Alliance.

Your Committee finds that Head Start is a highly successful public-private partnership that promotes access to early childhood education and social services for low-income families. The Head Start program incorporates strong academic elements that enhance a child's potential for success in school, including the mastery of reading and basic math, and also provides social, health, and nutrition services to help low-income children achieve the educational goal adopted by the Legislature in H.C.R. No. 38 (1998), that "All of Hawaii's Children Will Be Safe, Healthy, and Ready to Succeed" in school.

Your Committee further finds that President Bush has proposed making Head Start a block grant, transferring administrative oversight for the program to the states, and transferring responsibility for Head Start from the U.S. Department of Human Services to the U.S. Department of Education. Your Committee believes that the proposal is an ill-conceived plan that, once implemented, will have serious repercussions for state governments, as well as existing Head Start programs and the families and children they serve.

Your Committee also finds that the State Department of Education (DOE) is already under great pressure to upgrade dilapidated school facilities, expand educational resources, improve educational performance for its general student population, and meet the special mandates of the Felix Consent Decree. Your Committee further finds that it would likely be difficult for the DOE to take on the additional responsibility of providing comprehensive early childhood education and related services for pre-schoolers from low-income families.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 208, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Tsutsui).

**SCRep. 1581      (Joint) Economic Development and Health on H.C.R. No. 55**

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism (DBEDT) Business Action Center to coordinate and facilitate the project review and permitting process of a plasma-arc torch facility in the State.

Testimony supporting this measure was received from Asia Pacific Environmental Technology. Comments on this measure were received from DBEDT.

Your Committees find that plasma technology offers an alternative means of solid waste disposal and recycling. Its innovative process utilizes extreme heat to extract useful energy from solid waste, which results in an inert byproduct. With landfills in the State reaching capacity, your Committees believe that implementation of this proven technology will contribute toward improving solid waste management in the State and will augment the services already provided by HPower.

Your Committees have amended this measure by:

- (1) Replacing incorrect references to "plasma-arc torch" with "plasma";
- (2) Clarifying that more than one plasma facility in the State is contemplated;
- (3) Further requesting the Department of Health, and the Mayor and Council of each of the four counties to assist in the accommodation of plasma facilities in the State and changing the title to reflect this change; and
- (4) Further requesting the DBEDT Business Action Center to meet with prospective applicants to facilitate understanding of the regulatory requirements and processes, educating the counties and the public on the relative benefits of plasma technology compared to current landfill disposal practices, and assisting prospective applicants with all permitting applications.

As affirmed by the records of votes of the members of your Committees on Economic Development and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 55, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 55, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 5 (Ihara, Inouye, Kanno, Kawamoto, Hogue).

**SCRep. 1582 (Joint/Majority) Economic Development and Science, Arts, and Technology on H.C.R. No. 81**

The purpose of this measure is to request the Department of Land and Natural Resources (DLNR) to preserve and protect the recreation residence tracts within the Koke`e and Waimea Canyon State Parks.

Your Committees received testimony in support of this measure from the Koke`e Leaseholders Association and three concerned individuals. Testimony in opposition to this measure was submitted by DLNR.

Your Committees find that there may be some merit to the idea of nominating certain residence tracts in Koke`e and Waimea Canyon State Parks to the Hawaii and National Registers of Historic Places.

At the same time, your Committees find that the public may benefit most by having the opportunity to experience the historic and cultural landscape of Koke`e and Waimea Canyon State Parks as a public recreation area.

In light of these competing interests, your Committees believe that this issue must be reviewed further during this legislative session before taking any final action. Therefore, your Committees have amended this measure by delaying the reporting date for DLNR until 2010, for purposes of instigating further discussion and by making a technical amendment for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Economic Development and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 81, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 81, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, 1 (Trimble). Excused, 3 (Kanno, Kawamoto, Hemmings).

**SCRep. 1583 (Joint) Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs on H.C.R. No. 26**

The purpose of this measure is to request the Speaker of the United States House of Representatives to educate and sensitize members of Congress on the unfortunate circumstances of the internment of civilians during World War II.

Your Committees received testimony in support of this measure from the Hawaii Civil Rights Commission.

In a state with a substantial Japanese-American population, your Committees are keenly aware of the unfortunate circumstances of the internment of Japanese-American civilians during World War II, and therefore your Committees support this measure.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 26, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 5 (Baker, Ihara, Kanno, Menor, Hogue).

**SCRep. 1584 Transportation, Military Affairs, and Government Operations on H.C.R. No. 230**

The purpose of this measure is to urge the federal government to consider the limited resources of Hawaii contractors in its procurement procedures for goods, services, and construction in Hawaii.

Your Committee received testimony in support of this measure from the House of Representatives Select Committee on War Preparedness.

Although your Committee supports the original intent of this measure as received, your Committee amended this measure to replace its contents with the contents of S.C.R. No. 105, S.D. 1.

S.C.R. No. 105, S.D. 1, urges the United States Army, Air Force, and Navy to select local contractors for projects under the Residential Communities Initiative. The Residential Communities Initiative will bring nearly \$3 billion into the State, and your Committee believes that it is vitally important that local contractors are selected for projects under the Residential Communities Initiative.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 230, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 230, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Menor).

**SCRep. 1585 Education on H.C.R. No. 146**

The purpose of this measure is to request members of Hawaii's congressional delegation to work to obtain additional funds necessary to meet the mandates of the Federal "No Child Left Behind Act of 2001."

Testimony in support of this measure was submitted by the Department of Education.

Your Committee finds that the federal government has not provided sufficient funds to the states to support the full implementation of the No Child Left Behind Act, especially given the additional data collection, assessment, and reporting required to be undertaken by the states. Your Committee further finds that this unfunded federal mandate comes at a time of fiscal crisis in many states, and therefore states are faced with cutting state and local educational programs in order to comply with federal mandates.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 146 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1586 Education on H.C.R. No. 160**

The purpose of this measure is to designate the month of April as financial literacy for youth in Hawaii month.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii Credit Union League.

Your Committee finds that financial literacy empowers individuals to make wise financial decisions. Your Committee further finds that financial literacy is a basic skill that all individuals should possess and which can be incorporated into the school curriculum.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 160, H.D. 1 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1587 Energy and Environment on H.C.R. No. 172**

The purpose of this measure is to request the Consumer Advocate to form an ad hoc advisory group to investigate and make recommendations regarding the development and implementation of standard offer contracts and standardized interconnection agreements to reduce the approval process time for the implementation of renewable energy systems, and to facilitate the purchase of electricity from renewable energy producers in Hawaii.

Testimony supporting this measure was submitted by the Public Utilities Commission, Sierra Club Hawaii Chapter, Hawaii Renewable Energy Alliance, Scheibert Energy Company, Life of the Land, and ten individuals. The Department of Commerce and Consumer Affairs and Hawaiian Electric Company, Inc. submitted comments on this measure.

Your Committee finds that the lack of a standard power purchase agreement has been cited numerous times by renewable energy producers who are trying to do business in Hawaii and reduce Hawaii's dependence on imported fossil fuels. With a large utility providing the majority of electrical power, it is a challenge for small renewable producers to do business in the State. A standard power purchase contract would send a clear, public market signal to those who wish to invest in renewable projects in Hawaii. They will see what the requirements, expectations, terms, and compensation would be to invest in Hawaii. Today, such information is only known and discussed behind closed doors.

In addition, your Committee finds that it may be difficult to gather some of the information that the Consumer Advocate is directed to collect to create a spreadsheet because the information is not necessarily a part of the public record. Therefore, it is recommended that information be included in the spreadsheet as it becomes public.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 172, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Kanno).

**SCRep. 1588 Science, Arts, and Technology on H.C.R. No. 89**

The purpose of this measure is to support the Ralph Bunche Centenary Celebration.

Ralph Bunche was a diplomat, scholar, and man of peace. At this critical time in the history of all nations, Dr. Bunche's life serves as an example to people of all races and ethnic backgrounds that global peace should be the highest priority of all nations.

In honor of the Centenary Celebration of the life of Dr. Bunche, the University of Hawaii will sponsor a series of educational programs focusing on the life of Dr. Bunche and his efforts to promote peace, especially in the Middle East.

As affirmed by the records of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 89 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1589 Science, Arts, and Technology on H.C.R. No. 219**

The purpose of this measure is to express legislative support for the restoration and maintenance of Sanju Pagoda in Nuuanu Valley, Oahu.

Testimony in support of this measure was submitted by the Representative from the 27th State House District, the Friends of the Honolulu Memorial Park, and an individual. The Board of Land and Natural Resources submitted comments.

Your Committee finds that the Sanju Pagoda holds cultural significance to many Oahu residents whose ancestors are buried within its niches and in the surrounding area. Your Committee further finds that the Sanju Pagoda is of historical and architectural significance not only within our State but also is one of the few large pagodas constructed within the United States. Thus, your Committee agrees that it is appropriate to pursue federal recognition and support for the restoration and preservation of this unique structure for enjoyment by future generations of residents and visitors alike.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 219, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1590 Water, Land, and Agriculture on H.C.R. No. 68**

The purpose of this measure is to allow for an exploration of possible leases of unused fast and submerged lands at Keehi Lagoon for the private development of harbor facilities.

Testimony in support of the measure was submitted by the Board of Land and Natural Resources (BLNR). Testimony in opposition to the measure was submitted by the Hawaii Government Employees Association (HGEA) and Hawaii's Thousand Friends.

Your Committee finds that this exploratory measure is only a first step in the possible privatization of Keehi Lagoon's fast and submerged lands. This measure does not meet the requirements of Section 171-53, Hawaii Revised Statutes, for a Concurrent Resolution to allow privatization of submerged and tidal lands.

Your Committee also finds that HGEA has concerns about privatizing submerged and tidal lands for boating and ocean recreational facilities. HGEA would prefer that the BLNR allow for private development of the fast lands at Keehi Lagoon, under Act 299, Session Laws of Hawaii 2001, but retain administrative control over the submerged and tidal lands. Because this is an exploratory measure, however, your Committee believes that the requested feasibility study will allow the BLNR to proceed with the necessary caution and meet with all stakeholders and registered users of Keehi Lagoon.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 68, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (English).

**SCRep. 1591 Water, Land, and Agriculture on H.C.R. No. 157**

The purpose of this measure is to formally recognize the Agriculture Working Group, which is a diverse group of land use stakeholders that has been working since 2001 to advance agricultural activity in the State and to address two mandates of Article XI, Section 3 of the Hawaii Constitution: to promote diversified agriculture, and to increase agricultural self-sufficiency.

Testimony in support of this measure was submitted by the Land Use Research Foundation of Hawaii and the Pineapple Growers Association of Hawaii. Oral testimony in support of this measure was given by the Department of Land and Natural Resources. Testimony in support of the intent of the measure was submitted by the College of Tropical Agriculture and Human Resources.

Your Committee finds that this measure requests the Agriculture Working Group to continue assisting the State and Legislature to fulfill the constitutional mandates of conserving and protecting agricultural lands, promoting diversified agriculture, increasing agricultural self-sufficiency, assuring the availability of agriculturally sustainable lands, and establishing the standards and criteria by which important agricultural lands are to be identified and the conditions under which these lands may be subsequently reclassified and rezoned.

Your Committee finds that the measure requests that the Office of Planning provide support to the Agriculture Working Group by preparing proposed legislation for consideration in the 2004 Regular Session. Because the transfer of the Office of Planning from the



Department of Business, Economic Development, and Tourism (DBEDT) to the Department of Land and Natural Resources (DLNR) is no longer foreseeable for this fiscal year, your Committee requests that the Administration and DBEDT work with the Office of Planning to assure that the Agriculture Working Group fulfills the actions called for in this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 157, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (English).

**SCRep. 1592 Water, Land, and Agriculture on H.C.R. No. 216**

The purpose of this measure is to support Hawaii-grown and Hawaii-produced chocolate's benefits to the State's economy and diversified agriculture.

Testimony in support of this measure was submitted by the Board of Agriculture; the Hawaii Farm Bureau; Hawaii Agriculture Research Center; Pineapple Growers Association of Hawaii; The Original Hawaiian Chocolate Factory; Hakalau Farm and Nursery; Hawaii Gold Cacao Tree, Inc.; and ten Native Hawaiian farmers. Oral testimony in support of this measure was submitted by the Representative of the 27th District.

Your Committee finds that Hawaii is the only place in the United States where tropical cacao is commercially grown for chocolate, and one of the few places that does not have the major cacao diseases that have wreaked havoc on the world's cacao production. Although the existing Hawaii farms and productions are small, they have great potential for future expansion because the State's weather and economic climates are conducive to cacao. This crop would help to diversify our agricultural base, and the value-added products from cacao would fit well with tourism and benefit from the Hawaii name.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 216, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Aduja).

**SCRep. 1593 Water, Land, and Agriculture on H.C.R. No. 223**

The purpose of this measure is to request the Department of Land and Natural Resources to authorize the cancellation of certain public leases on Kauai; to issue a new lease on the lands, subject to conditions; and to auction the lands if a willing and able bidder is found for the lands' re-lease who will also pay the lessee the fair market value of the improvements.

Testimony in support of this measure was submitted by Kauai Beachfront Hotel, LLC. Testimony in opposition to this measure was submitted by the Board of Land and Natural Resources.

Your Committee finds that Kauai Beachfront Hotel, LLC, is the lessee under General Lease Nos. S-3840, S-3831, and S-4647 for the premises underlying the Aloha Beach Resort Kauai, formerly the Holiday Inn Sunspree Resort Kauai and the Kauai Beach Resort, (the "premises") located in Wailua, Kauai. Kauai Beachfront Hotel, LLC, has suffered continuous operational losses despite investing more than \$15,000,000 in improvements and renovations to the premises since acquiring the leases in 1997.

Despite such losses, the lessee is willing to invest further substantial amounts towards continuing its business operations and redeveloping the premises to avoid the adverse economic consequences that could follow closing the hotel: reduced employment (over one hundred eighty-three jobs), loss of payroll (\$2,093,477 per year), increased unemployment expenditures (about \$650,000 based on 113 onsite jobs x \$220 per week x 26 weeks), and loss of state and county tax revenue. The financing necessary for the lessee's proposed improvements requires longer lease terms than that which remain under the leases or are obtainable by extension of the lease terms under state law.

Your Committee also finds that section 171-61, Hawaii Revised Statutes, authorizes the Board of Land and Natural Resources to cancel an existing lease if the lands can be re-leased for the existing use to a greater economic benefit to the State. Your Committee believes that canceling the leases and issuing a new long-term lease will provide greater economic benefit to the State by permitting the lessee to obtain financing to continue its hotel operations and increase its investment in redeveloping the premises, thereby creating the opportunity for potentially positive economic impacts, including higher lease rents to the State, increased employment and payroll, and higher tax revenues to the State and County of Kauai.

Your Committee finds that the action requested by the measure would benefit the County of Kauai and the State by saving existing jobs and helping to revitalize Kauai's local economy.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 223, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (English).

**SCRep. 1594 Health on H.C.R. No. 179**

The purposes of this measure are to:

- (1) Request the Department of Health (DOH) and Hawaii's U.S. Public Health office to implement an epidemic prevention program to prevent the potential entry of communicable disease vectors that may cause an epidemic in Hawaii;
- (2) Request DOH to report on the activities of the epidemic prevention program annually as part of DOH's annual report; and
- (3) Request Congress to properly fund the Hawaii U.S. Public Health office to carry out preventive measures.

Testimony supporting this measure was received from the Department of Health.

Your Committee finds that communicable diseases would have a devastating effect on Hawaii's population if their spread reaches epidemic proportions. Although DOH should be further encouraged to address this issue, your Committee believes that this measure is not appropriate at this time. DOH is already developing and implementing aggressive programs to prevent the entry of communicable disease vectors that may cause an epidemic in Hawaii.

Your Committee believes that this measure should be utilized to address another pressing health issue, which is the spread of the hepatitis B virus among University of Hawaii students. Your Committee finds that this debilitating virus is spreading among students on University of Hawaii campuses at an alarming rate.

Therefore, your Committee has amended this measure by replacing its title and contents with provisions that strongly urge the University of Hawaii to consider requiring all students at the University of Hawaii to show proof of full immunization against the hepatitis B virus prior to enrollment.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 179, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 179, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

**SCRep. 1595 (Joint/Majority) Health and Commerce, Consumer Protection and Housing on H.C.R. No. 151**

The purpose of this measure is to establish an interim task force to consider the feasibility of providing universal health care in the State.

Testimony supporting this measure was received from the Hawaii Psychological Association, Mestizo Association, and Hawaii Medical Association. Comments on this measure were received from the Hawaii Medical Service Association.

Your Committees find that the cost of health care in Hawaii is increasing at a dramatic rate. The financial burden placed on employers and individuals is jeopardizing the accessibility of health care to Hawaii residents. Your Committees believe that alternative health care frameworks must be explored. Implementation of a universal health care system may provide for a more effective and efficient delivery of health care services in the State and should be thoroughly studied.

Your Committees have amended this measure by:

- (1) Converting the Task Force into a Working Group;
- (2) Specifying that the members of the Working Group shall consist only of the members of Senate and House Committees;
- (3) Providing that the Working Group shall seek the input and assistance of other government and private agencies; and
- (4) Requesting the Working Group to evaluate the findings of the Hawaii Uninsured Project and review the estimated costs of core health coverage provided by the Prepaid Health Care Act.

As affirmed by the records of votes of the members of your Committees on Health and Commerce, Consumer Protection and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 151, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 151, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, 1 (Hogue). Excused, 3 (Ige, Kim, Sakamoto).

**SCRep. 1596 (Joint) Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations on Gov. Msg. No. 242**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSIONER, KAHO'OLAWE ISLAND RESERVE COMMISSION

BURT H. SAKATA, for a term to expire June 30, 2007.

Upon review of the background information submitted by the nominee, your Committees find that Burt H. Sakata was born and raised in Hawaii. He has worked for various Maui businesses, including his current position with the Grand Wailea Resort; he has been actively involved with the Protect Kaho`olawe `Ohana (PKO) for more than twenty-two years; and he is a current member of the Kaho`olawe Island Reserve Commission (KIRC), representing the PKO. Throughout his adult life, Mr. Sakata has been very active in community organizations, including working on the Citizen Advisory Committee for Wailuku/Kahului and being on the boards of Kohe Malamalama O Kanaloa, Kauahea, and Planned Parenthood Maui.

Testimony in support of the nominee was submitted to your Committees by the Kaho`olawe Island Reserve Commission and the Protect Kaho`olawe `Ohana.

Your Committees' members diligently questioned the nominee regarding his administrative qualifications, his vision and priorities for the KIRC, and related policy issues presently before the Legislature. In addition, your Committees questioned Mr. Sakata regarding the imminent transfer of management of Kaho`olawe from the Navy to the State of Hawaii on November 11, 2003. Your Committees believe that the nominee adequately responded to the Committees' inquiries by explaining that November 11 is one of many of the island's milestones, and one for which he believes he should remain on the KIRC to assist in building a bridge of transition. Mr. Sakata focused on the importance of education of the public, safe and appropriate use of Kaho`olawe, and the blending of meaningful access to the island with limitations on the liability of the State for those visitors.

Your Committees find that Mr. Sakata has maintained a commitment to Kaho`olawe for more than twenty years. He has physically labored on the environmental and cultural restoration of Kaho`olawe, served as the logistics coordinator for the PKO, and overseen the safe access of thousands of people to the island. Mr. Sakata has helped monitor the Navy and its contractor's activities during the ordnance cleanup, gaining a strong working knowledge of unexploded ordnance hazards, precautionary measures, and clearance and removal protocol. He also helped organize and install the educational exhibit "Kaho`olawe: Rebirth of a Sacred Hawaiian Island" at the Smithsonian Institute's Arts and Industries Building during the summer of 2002. The experience and knowledge of Kaho`olawe that Mr. Sakata has developed over the years will be valuable during the management development processes ahead, and he will be an asset for mapping a successful transition of management responsibility from the Navy to the State.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommend that the Senate advise and consent to the nomination.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

**SCRep. 1597 Health on Gov. Msg. Nos. 292 and 293**

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

G.M. No. 292 DONNA P. BISHAW for a term to expire on June 30, 2006; and

G.M. No. 293 ELVIRA LEE for a term to expire on June 30, 2006;

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering the responsibilities of the State Council on Developmental Disabilities. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the State Council on Developmental Disabilities.

Your Committee notes the following specific qualifications of the nominees:

Donna P. Bishaw resides on Molokai and is the parent of a 13 year old daughter named Jazzlyn who has a developmental disability. She participates actively in various community activities, including the Special Olympics, Aloha Week Festivities, Molokai Youth Center, Molokai Children's Community Center, and the ARC of Maui - Molokai Division. Ms. Bishaw will provide a unique perspective and valuable insight to the Council's activities by promoting systemic change and advocating on behalf of individuals with developmental disabilities and their families.

Elvira Lee, a licensed social worker, is the Chief of the Community Assistance and Program Management Division at the Executive Office on Aging. Previously, she worked for the Developmental Disabilities Division, Case Management and Information Services Branch of the Department of Health. Her experience working with individuals with developmental disabilities and their families will contribute to the Council's initiatives that promote independence, productivity, integration, and inclusion into the community.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

**SCRep. 1598 Health on Gov. Msg. Nos. 294, 295, 296, 297, 298, 299 and 300**

Recommending that the Senate advise and consent to the nominations of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

G.M. No. 294 ANTHONY S. AKAMINE, for a term to expire June 30, 2007;

G.M. No. 295 RONALD AWA, for a term to expire June 30, 2007;

G.M. No. 296 RICHARD R. CHAVES, for a term to expire June 30, 2007;

G.M. No. 297 SHARON FOUNTAIN, for a term to expire June 30, 2006;

G.M. No. 298 FRANCINE M. KENYON, for a term to expire June 30, 2007;

G.M. No. 299 LUCY MILLER, PH.D., for a term to expire June 30, 2007;

G.M. No. 300 PATRICIA NIELSEN, for a term to expire June 30, 2007;

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering the responsibilities of the Disability and Communication Access Board. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Disability and Communication Access Board.

Your Committee notes the following specific qualifications of the nominees:

Anthony S. Akamine is a consumer representing the blind and visually impaired community. He has been very active on the Board as the past Chairperson of Board and current Legislative Chairperson. Mr. Akamine is in the telecommunications business and is able to provide perspective from the business and employer community.

Ronald Awa is an architect in private practice. He has been very active with the former Architectural Access Committee and, after an absence, is interested in returning to community service. Mr. Awa is knowledgeable in areas relating to the design standards under both the Americans with Disabilities Act and the Federal Fair Housing Amendments Act.

Richard R. Chaves is a consumer representing the population of people with mobility impairments. His prior experience as the former Americans with Disabilities Act Coordinator for Bank of Hawaii has been invaluable in providing insight of a large business that has sought to comply with disability nondiscrimination laws.

Sharon Fountain has a diverse background that will bring different perspectives to the Board. Ms. Fountain is the Vice President of PDMI Care, which provides residential housing to persons with mental illness. She also has a business in Americans with Disabilities Act consulting, working with architects and contractors to help resolve physical access issues. Ms. Fountain also has a brother with cerebral palsy and brings a family perspective to the Board.

Francine M. Kenyon is a consumer representing the deaf and hard of hearing community. She has been an extremely active and supportive member of the Board, participating in the Standing Committee on Communication Access (due to her deafness) and the Standing Committee on Parking (due to her use of a parking placard for persons with disabilities) and legislative efforts. She is a former member of the Hawaii State Coordinating Council on Deafness.

Dr. Lucy Miller is a consumer representing the deaf and hard of hearing community. She is also one of two representatives from the Island of Kauai. She is also a licensed practicing family psychotherapist and educator. Dr. Miller has been actively involved as Chairperson of the Standing Committee on Communication Access of the Board and is currently the Board's Vice Chairperson. She is a former member and Chair of the Hawaii State Coordinating Council on Deafness.

Patricia Nielson is a consumer with a mobility impairment. She manages the Handi-Van paratransit services for people with mobility impairments throughout the City and County of Honolulu. As a wheelchair user, she also uses a handicapped parking placard and currently chairs the Standing Committee on Parking.

Testimony in support of the nominees was submitted by the Disability and Communication Access Board.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

**SCRep. 1599 Science, Arts, and Technology on Gov. Msg. No. 289**

Recommending that the Senate advise and consent to the nomination of the following:

STATE FOUNDATION ON CULTURE AND THE ARTS COMMISSION

GAE BERGQUIST-TROMMALD, for a term to expire June 30, 2007,

Upon review of the testimony and written statements submitted by the nominee, your Committee finds that Gae Bergquist-Trommald has the necessary character, experience, and qualifications to serve on the State Foundation on Culture and the Arts Commission.

Your Committee received testimony from the nominee in response to questions posed by the Committee. Testimony in support of the nominee was submitted by the Hawaii Theatre Center and four individuals.

Your Committee finds that Gae Bergquist-Trommald studied English literature and zoology at McMurray College and is presently a senior financial advisor with Merrill Lynch. Ms. Bergquist-Trommald has also held positions as senior vice president and regional vice president with two Hawaii visitor industry companies. Ms. Bergquist-Trommald is active in the community, having served as a volunteer with the Hawaii Youth Symphony, the Hawaii Theatre Capital Campaign, and Friends of Washington Place, among other organizations.

Your Committee finds that the nominee has been appointed based upon her credentials and a desire to serve as a volunteer member of the State Foundation on Culture and the Arts Commission.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1600      Science, Arts, and Technology on Gov. Msg. No. 310**

Recommending that the Senate advise and consent to the nomination of the following:

KING KAMEHAMEHA CELEBRATION COMMISSION

WILLIAM D. SOUZA, for a term to expire June 30, 2006,

Upon review of the testimony and written statements submitted by the nominee, your Committee finds that William D. Souza has the necessary character, experience, and qualifications to serve on the King Kamehameha Celebration Commission.

Your Committee received testimony from the nominee in response to questions posed by the Committee.

Your Committee finds that William D. Souza holds a B.A. degree from Chaminade University and is Project Coordinator for the Native Hawaiian Community Based Education Learning Center at Leeward Community College. Mr. Souza has also held positions with the Father Damien of Molokai Beatification Commission, KHON TV, and as an instructor and coordinator with the Office of Continuing Education and Training at the Leeward Community College. Mr. Souza is active in the community, having served on the boards of directors for Alu Like, Inc., Friends of Iolani Palace, Friends of the Royal Hawaiian Band and the Royal Order of Kamehameha, amongst others.

Your Committee finds that the nominee has been appointed based upon his credentials and a desire to serve as a volunteer member of the King Kamehameha Celebration Commission.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1601      Science, Arts, and Technology on Gov. Msg. No. 321**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

CARL L. SIMONS, for a term to expire June 30, 2007,

Upon review of the testimony and written statement submitted by the nominee, your Committee finds that Carl L. Simons has the necessary character, experience, and qualifications to serve on the Board of Directors of the Natural Energy Laboratory of Hawaii Authority.

Your Committee received testimony from the nominee in response to questions posed by the Committee.

Your Committee finds that Carl L. Simons holds a B.B.A. degree from the University of Hawaii and is President of Hawaiian Cement. Mr. Simons has experience as a certified public accountant and vice president of finance for two Hawaii companies, and as an officer and owner of West Hawaii Concrete and Hawaiian Cement. Mr. Simons is active in the community, having served as an officer of various organizations, including the Cement and Concrete Industry of Hawaii, the Kona Kohala Chamber of Commerce, and the Big Island Business Council, and as a member of other professional and community organizations.

Your Committee finds that the nominee has been appointed based upon his credentials and a desire to serve as a volunteer member on the Board of Directors of the Natural Energy Laboratory of Hawaii Authority.

As affirmed by the record of votes of the members of your Committee on Science, Arts, and Technology that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1602 Commerce, Consumer Protection and Housing on Gov. Msg. No. 255**

Recommending that the Senate advise and consent to the nomination of the following:

PUBLIC UTILITIES COMMISSION

CARLITO P. CALIBOSO, for a term to expire June 30, 2004,

Mr. CARLITO P. CALIBOSO earned degrees in business administration and law from the University of Hawaii, where he served as an editor on Law Review and received several awards for academic excellence. Mr. Caliboso has practiced law since 1991 in both the public and private sectors, and is currently a partner in the law firm of Catalani Nakanishi and Caliboso, primarily practicing in the areas of business and commercial transactions.

The nominee is a member of the American Bar Association, Hawaii State Bar Association, and Filipino Chamber of Commerce of Hawaii, and served as legal counsel to the latter organization.

Testimony in support of the nomination was submitted by the Public Utilities Commission (PUC), Department of Labor and Industrial Relations, Office of Economic Development of the City and County of Honolulu, Councilmembers from Districts II and IV of the City and County of Honolulu, Filipino Chamber of Commerce of Hawaii, University of Hawaii Professional Assembly, The Fil-Am Courier, Hawaii Lending Specialists, Mortgage Financing Hawaii, Catalani Nakanishi & Caliboso, Marr Hipp Jones & Pepper, Andrews & Yamamoto, Law Offices of John J. D'Amato, and numerous individuals.

The above testimony was in strong and unanimous support of the nominee and spoke to his intelligence, industriousness, professionalism, integrity, fairness, and humility. Further, Mr. Caliboso's testimony before your Committee confirmed his understanding of the complexity and importance of the issues facing the PUC and his commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 1603 Commerce, Consumer Protection and Housing on H.C.R. No. 93**

The purpose of this measure is to request the Auditor to analyze the social and financial impacts of medical savings accounts on the Prepaid Health Care Act.

The Hawaii Medical Association and Hawaii Medical Service Association testified in support of this measure.

Several measures introduced this session (House Bills Nos. 450, 1167, and 1293) authorize the establishment of medical savings accounts. Your Committee finds that the authorization of medical savings accounts would provide consumers with greater options regarding health care coverage, but may affect the viability of the State's Prepaid Health Care Act and raises other issues. Therefore, this measure requests the Auditor to conduct a social and financial analysis of the impact medical savings accounts would have on the Prepaid Health Care Act and to examine the feasibility of medical savings accounts under the aforementioned measures.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 93, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Kim, Sakamoto).

**SCRep. 1604 Economic Development on H.C.R. No. 128**

The purposes of this measure are to:

- (1) Urge all individuals and organizations involved with telecommunications and call centers to initiate customer right-to-know procedures regarding all inbound and outbound communication;
- (2) Request the Legislative Reference Bureau to review pending customer rights practices and draft legislation mandating that call centers accurately disclose their location to any customer who inquires; and
- (3) Request that every effort be made to ensure individuals' personal data and national security interests are protected by the call center industry.

Testimony supporting this measure was received from Communications Workers of America, Local 9415, Hawaii.

Your Committee finds that telecommunication and call centers obtain a substantial amount of personal data from consumers. Unbeknownst to most consumers is that many of these centers are located in foreign countries. Moreover, these countries may have data sharing agreements with other entities or jurisdictions. Consequently, the personal information of consumers may be distributed to persons, entities, and governments without their knowledge or consent. This measure initiates efforts to ensure personal data provided to telecommunications and call centers are secure.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 128, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Kawamoto).

**SCRep. 1605 Economic Development on H.C.R. No. 135**

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism (DBEDT) to establish a task force to develop an emergency action plan to assist and empower the Wai'anae community and other communities around the State to foster greater self-sufficiency.

Testimony supporting this measure was received from DBEDT and Hale Na'au Pono.

Your Committee finds that the State's rural communities, particularly Wai'anae, are in desperate need of increased economic and community development. There are several community-based programs that have been initiated and have provided positive results. However, they continue to be limited by the lack of resources. Clearly, additional support for these community-based programs and services is necessary in order for the State's rural communities to achieve stability.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 135, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Kawamoto).

**SCRep. 1606 Transportation, Military Affairs, and Government Operations on Gov. Msg. No. 287**

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL DEFENSE ADVISORY COUNCIL

CAPTAIN GERALD L. COFFEE, for a term to expire June 30, 2007,

Upon review of the biography submitted by the nominee, as well as your Committee chair's personal knowledge, your Committee finds that the nominee is well qualified to serve on the Civil Defense Advisory Council.

Your Committee finds that Captain Coffee is a highly decorated military officer who served twenty-eight years as a United States Naval officer and carrier pilot. In his professional career, the nominee has demonstrated leadership and a firm commitment to protecting the United States and its citizens.

Academically, the nominee holds a Bachelor of Arts degree from the University of California at Los Angeles, a Masters Degree in Political Science from the University of California at Berkeley, and is a graduate of the prestigious National Defense University in Washington, D.C., studying all aspects of national security.

Your Committee finds that the nominee is willing to volunteer his time and expertise to help make the State of Hawaii safer in the face of potential terrorist actions or other emergency situations.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

**SCRep. 1607      Judiciary and Hawaiian Affairs on Gov. Msg. No. 304**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAIIAN HOMES COMMISSION

TRISH MORIKAWA, for a term to expire June 30, 2007,

Based upon your Committee's evaluation of the testimony received from, and in support of, the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Testimony in support of the nominee was received from the Department of Hawaiian Home Lands (DHHL), Honolulu Prosecuting Attorney, Federal Public Defender for the District of Hawaii, the Hawaii State Representative from the 51<sup>st</sup> District, and seven individuals.

Trish Morikawa is a Deputy Prosecuting Attorney, Department of the Prosecuting Attorney, City and County of Honolulu, where she has been employed since 1995. She received a JD degree from the William S. Richardson School of Law, and a BA degree from the University of Pennsylvania. She is also a graduate of the Kamehameha Schools.

Your Committee notes the testimony of the DHHL that the nominee's understanding of the law will be a valuable asset to the Hawaiian Homes Commission in its deliberations, particularly as to the various legal challenges currently underway.

Based on the testimony submitted by the nominee and her supporters, your Committee believes that the nominee possesses the attributes necessary to carry out the responsibilities of the Hawaiian Homes Commission with compassion, fairness, and reason.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kawamoto, Hogue).

**SCRep. 1608      Judiciary and Hawaiian Affairs on Gov. Msg. No. 307**

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLAND OF HAWAII

GAIL U. KELIIKO-SHERLOCK, for a term to expire June 30, 2006,

Based upon your Committee's evaluation of the testimony received from, and in support of, the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Testimony in support of the nominee was received from the Department of Land and Natural Resources (DLNR), Principal of Kamehameha Schools K-8, Kumu Pono Associates, and three individuals.

Gail U. Keliikoa-Sherlock is the Community Resource Coordinator/Liaison for the Office of Hawaiian Affairs/East Hawaii. She received a BA/LS AJ degree from the University of Hawaii at Hilo, and is a graduate of the Kamehameha Schools for Girls. She has been and continues to be an officer or board member for several Hawaiian organizations, such as Alu Like, Inc.

Your Committee notes the testimony of the DLNR that the nominee understands the native Hawaiian communities of East Hawaii and the issues that concern them. This includes knowing how to identify those individuals or families that may have an interest in a particular issue or area when burial site matters come before the Council.

Your Committee also notes from the nominee's personal statement that for the past three and one-half years, she has attended meetings of the Hawaii Island Burial Council as a guest and on behalf of OHA. She wants to give back to the community her understanding of culture, heritage, and beliefs and practices in the care and preservation of land and customs.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kawamoto, Hogue).

**SCRep. 1609      Judiciary and Hawaiian Affairs on Gov. Msg. No. 350**



Recommending that the Senate advise and consent to the nomination of the following:

CORRECTIONAL INDUSTRIES ADVISORY COMMITTEE

RHODA FEINBERG, PhD, for a term to expire June 30, 2007,

Based upon your Committee's evaluation of the testimony received from, and in support of, the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Testimony in support of the nominee was received from three individuals.

Rhoda Feinberg, PhD, is a licensed psychologist in private practice. She received a BA degree from Brooklyn College, an MEd degree from Queens College, and a PhD degree from the Professional School of Psychological Studies. Her practice includes individuals, couples, and family psychotherapy with adults and children, and she provides consultation to various community agencies, and private and public schools. She is a consultant to the Kalihi YMCA Outreach Program, training counselors and supervisors working with at-risk youth.

Your Committee notes from the personal statement of the nominee that she has worked in a professional capacity counseling inmates at the Oahu Community Correctional Center and the Women's Community Correctional Center. She realizes the rehabilitative value of prison work training programs.

Based on the testimony submitted by the nominee, your Committee finds that Dr. Feinberg possesses the necessary attributes to serve on the Correctional Industries Advisory Committee.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

**SCRep. 1610      Judiciary and Hawaiian Affairs on Gov. Msg. No. 351**

Recommending that the Senate advise and consent to the nomination of the following:

CORRECTIONAL INDUSTRIES ADVISORY COMMITTEE

THEODORE G.M. JUNG, for a term to expire June 30, 2007,

Based upon your Committee's evaluation of the testimony received from, and in support of, the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Theodore G.M. Jung is the Senior Vice President for Solomon Smith Barney. He has also been associated with Prudential Securities and Merrill Lynch. Currently, Mr. Jung serves as the President of the Honolulu Stock Exchange, a position he has held since 1977. The nominee is well known in the local financial and investment community, having served as financial advisor to local nonprofit entities.

Your Committee believes that the nominee's background in business and finance would be an asset to the Correctional Industries Advisory Committee, particularly as to developing prison rehabilitation programs.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

**SCRep. 1611      Judiciary and Hawaiian Affairs on Gov. Msg. No. 352**

Recommending that the Senate advise and consent to the nomination of the following:

CORRECTIONAL INDUSTRIES ADVISORY COMMITTEE

WAYLEN K.K. TOMA, for a term to expire June 30, 2007,

Based upon your Committee's evaluation of the testimony received from, and in support of, the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Testimony in support of the nominee was received from the Hawaii Government Employees Association.

Waylen K.K. Toma is Senior Agent with the Hawaii Government Employees Association, assigned to Bargaining Unit 13, Professional and Scientific Employees unit. Mr. Toma has an extensive background with the HGEA, and previously served in state positions in the Department of Labor and Industrial Relations and the Department of Health. Mr. Toma's service for many years as the Unit 13 agent to the Department of Public Safety has given him an understanding of the practices and purposes of the Correctional Industries Advisory Committee.

Based on the testimony provided by Mr. Toma on his vision for the Correctional Industries Advisory Committee, your Committee believes Mr. Toma possesses the attributes necessary to succeed in the position for which he is nominated.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

**SCRep. 1612      Judiciary and Hawaiian Affairs on Gov. Msg. No. 353**

Recommending that the Senate advise and consent to the nomination of the following:

DEFENDER COUNCIL

JULIE KAI BARRETO, for a term to expire June 30, 2007,

Based upon your Committee's evaluation of the testimony received from, and in support of, the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Testimony in support of the nominee was received from the State Public Defender.

Julie Kai Barreto is a practicing attorney in Kamuela, Hawaii. She specializes in criminal defense and family court matters and also has a background in criminal defense trial and appellate work.

Ms. Barreto received a BA degree from the University of California, Berkeley, and a JD degree from Golden Gate University.

Your Committee believes that the criminal defense background of the nominee makes her an excellent candidate for the Defender Council.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

**SCRep. 1613      Judiciary and Hawaiian Affairs on Gov. Msg. No. 387**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLANDS OF KAUAI AND NIIHAU

RON AGOR, for a term to expire June 30, 2007,

Based upon your Committee's evaluation of the testimony received from the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Ron Agor is the principal of Agor Architecture on Kauai, a firm that he established in 1986. He is the Vice President and Founder of the Kauai Association of Architects, as well as a member of the American Institute of Architects and several building related organizations.

Mr. Agor has also been active in community affairs on Kauai, serving as Chairman of the Kauai Republican Party, YMCA of Kauai Vice President, County Building Code Committee, and a host of other organizations.

Based on the nominee's testimony and his willingness to serve the public, your Committee believes that Mr. Agor possesses the necessary attributes to serve on the Board of Registration for the islands of Kauai and Niihau.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

**SCRep. 1614      Judiciary and Hawaiian Affairs on Gov. Msg. No. 302**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAIIAN HOMES COMMISSION

COLIN KAALELE, for a term to expire June 30, 2007,

Based upon your Committee's evaluation of the testimony received from, and in support of, the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Testimony in support of the nominee was received from the Department of Hawaiian Home Lands, Delta Construction Corporation, Hawaii Building and Construction Trades Council, AFL-CIO, Hawaii Carpenters Union, International Union of Painters and Allied Trades (District Council 50), Iron Workers Stabilization Fund, Thurston Pacific, Iron Workers Union Local 625, Waiohuli Hawaiian Homesteaders Association, and two individuals.

As the environmental safety and health manager for Delta Construction Corporation in Honolulu, Colin Kaalele manages all aspects of environmental safety and health matters on and off job sites, and handles labor relations. He is a graduate of Punahou School and majored in business at Menlo College and the University of Hawaii.

Your Committee notes from the nominee's personal statement that he is a Hawaiian Home Lands' lessee and has extensive experience in construction work in Hawaii. Your Committee believes that Mr. Kaalele would make an excellent addition to the Hawaiian Homes Commission.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Kawamoto, Hogue).

**SCRep. 1615      Judiciary and Hawaiian Affairs on Gov. Msg. No. 303**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAIIAN HOMES COMMISSION

MAHINA MARTIN, for a term to expire June 30, 2007,

Based upon your Committee's evaluation of the testimony received from, and in support of, the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Testimony in support of the nominee was received from the Department of Hawaiian Home Lands (DHHL), a member of the Maui County Council, BJ's Hawaii Restaurants Inc., Friends of Moku'ula Inc., Maui Marine Service, and seven individuals. Testimony in opposition was submitted from three individuals.

Mahina Martin is a program development consultant. She is presently a self-employed non-profit services consultant, and simultaneously works for Hawaiian Kamalii. She was previously the Executive Director of Hui O Wa'a Kaulua, and Program Director for Friends of Moku'ula. The nominee has been extensively involved in community affairs and charitable organizations, including those relating to Hawaiian affairs.

Your Committee notes the testimony of the DHHL that the nominee possesses extensive knowledge and understanding of the Maui community, which, when coupled with her experience as the director of several non-profit organizations, a program development consultant, small business owner, and marketing and community relations consultant, will serve her well as the Maui representative to the Hawaiian Homes Commission.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Kawamoto, Hogue).

**SCRep. 1616      Judiciary and Hawaiian Affairs on Gov. Msg. No. 349**

Recommending that the Senate advise and consent to the nomination of the following:

CORRECTIONAL INDUSTRIES ADVISORY COMMITTEE

CLARICE CORNETT, for a term to expire June 30, 2007,

Based upon your Committee's evaluation of the testimony received from, and in support of, the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Testimony in support of the nominee was received by Associated Builders and Contractors, Hawaii Chapter.

Clarice Cornett is the proprietor of Wahine Builders and is a licensed general contractor. She received a Bachelors Degree in liberal studies from the University of Hawaii at Manoa. She has been President of the Associated Builders and Contractors (ABC) Hawaii Chapter, and is the Founder of the Building Women Pre-Apprenticeship Program which is a collaborative program involving ABC, Habitat for Humanity, and the Department of Public Safety. The Program provides training for women by women to give trainees the boost in self-esteem necessary to make it in the highly competitive, skill-oriented construction industry.

Your Committee believes that the nominee's background in advocating for and in training women in the construction industry makes her an excellent candidate for the Correctional Industries Advisory Committee.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

**SCRep. 1617      Judiciary and Hawaiian Affairs on Gov. Msg. No. 354**

Recommending that the Senate advise and consent to the nomination of the following:

DEFENDER COUNCIL

MICHELLE L. DREWYER, for a term to expire June 30, 2007,

Based upon your Committee's evaluation of the testimony received from, and in support of, the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Testimony in support of the nominee was received from the State Public Defender and two individuals.

Michelle L. Drewyer is a partner in the law firm of Ranken & Drewyer, L.L.C, in Wailuku. She concentrates in criminal and civil litigation, and has done pro bono work in civil, criminal, and drug court matters. She is a former Deputy Public Defender, State of Hawaii, and a Deputy Prosecuting Attorney, County of Maui.

Your Committee believes that the nominee's background in criminal litigation and drug court matters makes her an excellent candidate for the Defender Council.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

**SCRep. 1618      Judiciary and Hawaiian Affairs on Gov. Msg. No. 323**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLAND OF MAUI, MOLOKAI, LANAI, AND KAHO'OLAWA

STEVE PFISTER, for a term to expire June 30, 2004,

Based upon your Committee's evaluation of the testimony received from, and in support of, the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Testimony in support of the nominee was received from the Office of Elections.

Steve Pfister has worked on Maui since 1996 with various companies, including UXB International, The Hertz Corporation, Maui Home Supply, and Costco Warehouse, mostly in managerial and supervisory positions. He is a retired U.S. Navy officer. He received a Bachelors degree in Accounting from the College of St. Thomas, and was enrolled in the Oklahoma University and Chaminade University's Master in Business Administration programs.

Your Committee notes from the nominee's personal statement that he believes strongly in the democratic process of election wherein a citizen is guaranteed the right to vote. He has served in the past on the Board of Registration, and served as Deputy Voter Registrar. He is also familiar with the voter registration problem resolution process.

Your Committee notes the testimony of the Office of Elections that the nominee has the ability and temperament necessary to serve on the Board. He served on the Board for the 2002 elections where he carried out his duties and responsibilities with sensitivity, objectivity, and fairness.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Kawamoto, Hogue).

**SCRep. 1619      Judiciary and Hawaiian Affairs on Gov. Msg. No. 388**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLANDS OF MAUI, MOLOKAI, LANAI, AND KAHO`OLAWE

KATHRYN GHEAN, for a term to expire June 30, 2007,

Based upon your Committee's evaluation of the testimony received from, and in support of, the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Testimony in support of the nominee was received from On-Light Electric, Inc., Ridge Realty, and eight individuals.

Kathryn Ghean currently serves as the Chair of the Maui County Republican Party, and is the Director of the Lahaina Town Action Committee, Director and Officer of the Kaanapali Operations Association, and Director of the Condominium Council of Maui. She has also served as a Director of the Association of Apartment Owners of the Hale Kaanapali. She has work experience in banking and finance, retail sales, and with IBM.

Based on the testimony submitted by the nominee indicating her willingness to serve the public, your Committee believes Ms. Ghean possesses the necessary attributes to serve on the Board of Registration of the Islands of Maui, Molokai, Lanai, and Kaho`olawe.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

**SCRep. 1620      Judiciary and Hawaiian Affairs on Gov. Msg. No. 389**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLAND OF OAHU

ROBERTA CHONG KEE, for a term to expire June 30, 2007,

Based upon your Committee's evaluation of the testimony received from the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Testimony in support of the nominee was received from the Hawaii Development Corporation of Hawaii and one individual.

Roberta Chong Kee is the Office Manager for Kevin's Electric and was previously employed with First Hawaiian Bank as Head Teller. She is a volunteer with the Hawaii Republican Party, a Committee Member of the Lincoln Day Dinner, and a volunteer with Hawaii Planned Parenthood.

Based on the testimony submitted by the nominee, your Committee finds that the nominee possesses the attributes necessary to carry out the responsibility of the Board of Registration.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

**SCRep. 1621      Judiciary and Hawaiian Affairs on Gov. Msg. No. 425**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION TO PROMOTE UNIFORM LEGISLATION

KEN HIDESHI TAKAYAMA, for a term to expire June 30, 2007,

Based upon your Committee's evaluation of the testimony received from, and in support of, the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Testimony in support of the nominee was received from the Attorney General and two individuals.

Ken Hideshi Takayama possesses a Juris Doctorate from Boalt Hall at the University of California at Berkeley, and a Bachelors Degree in Political Science from Occidental College where he graduated Cum Laude and as a member of Phi Beta Kappa.

Ken Hideshi Takayama is being reappointed to the Commission and has served on the Commission since 1995. As Acting Director of the Legislative Reference Bureau, Mr. Takayama has extensive experience in statutory construction. Mr. Takayama's publications include the Hawaii Legislative Drafting Manual, 8<sup>th</sup> and 9<sup>th</sup> Editions, and the Hawaii Administrative Rules Drafting Manual, 1<sup>st</sup> and 2<sup>nd</sup> Editions.

In addition to his duties as the Acting Director of the Legislative Reference Bureau, Mr. Takayama also serves as the Staff Judge Advocate for the State Headquarters of the Hawaii Army National Guard, where he currently holds the rank of Lt. Colonel in the Judge Advocate General's Corps.

Based on the nominee's qualifications and experience, your Committee finds that Mr. Takayama possesses the attributes necessary to serve on the Commission to Promote Uniform Legislation.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kawamoto).

**SCRep. 1622 Energy and Environment on Gov. Msg. Nos. 301 and 360**

Recommending that the Senate advise and consent to the nominations of the following:

ENVIRONMENTAL COUNCIL

G.M. No. 301 SHAD S. KANE, for a term to expire June 30, 2004,

G.M. No. 360 DAVID S. BYLUND, for a term to expire June 30, 2007,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering the responsibilities of the Environmental Council. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the board or commission to which they have been nominated.

Your Committee notes the following specific qualifications of the nominees:

Shad S. Kane has been very active in community affairs since his retirement from the Honolulu Police Department. He has devoted much of his time and effort to protect and restore cultural practices and sites as Chairman of the Historic Sites and Cultural Properties Committee for the Oahu Council of the Association of Hawaiian Civic Clubs. Mr. Kane is a "bridge-builder" and has worked hard to bring together native practitioners, crafters, artisans, and the military community.

Over the past twenty years, David S. Bylund has worked in the building design industry as an architectural designer. Through a range of experiences in Hawaii, on the Mainland, and in Europe and Asia, his conviction that there is much more that can and should be done in the design, development, and construction industries to ensure that natural and social environments are maintained and enhanced, has grown stronger.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kanno, Kokubun).

**SCRep. 1623 Economic Development on H.C.R. No. 90**

The purpose of this measure is to request the U.S. Small Business Administration to re-examine the criteria for designating HUBZones under the HUBZone Empowerment Contracting Program as it applies to the State of Hawaii.

Testimony supporting this measure was received from the Department of Business, Economic Development, and Tourism.

Your Committee notes that the SBA employs United States (U.S.) Census data to determine Urban designation under the HUBZone Program. The application of U.S. Census data has resulted in the designation of certain portions of the Waianae Coast as Urban HUBZones, leaving fragments of the community without an urban designation. Your Committee further finds that this division of the Waianae Coast has rendered it difficult for small business owners to qualify for the HUBZone Program. Re-examination of the criteria for designating HUBZones may enable more small business owners on the Waianae Coast to qualify for and receive HUBZone benefits, which will help stimulate economic development in the area.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 90, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Kawamoto).

**SCRep. 1624 (Joint/Majority) Economic Development and Tourism on H.C.R. No. 78**

The purpose of this measure is to express strong support for the convening of the annual meeting of the United Nations Economic and Social Council's Permanent Forum on Indigenous Issues (Permanent Forum) from May 12 to May 23, 2003, in Hawaii.

Testimony supporting this measure was received from the House Representative from the 4<sup>th</sup> Representative District, Hawaii Tourism Authority, Luhi Wahine `Ia, Hawaiian Political Action Council of Hawaii, and two individuals.

Your Committees find that annual meeting of the Permanent Forum from May 12 to May 23, 2003, in Hawaii is of special interest to Hawaii residents, particularly native Hawaiians. The issues to be discussed and ideas exchanged will have international and local implications. Your Committees welcome the attendees and expresses appreciation to the United Nations Permanent Forum for selecting the State of Hawaii as the venue for international discourse.

As affirmed by the records of votes of the members of your Committees on Economic Development and Tourism that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 78, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, 1 (Slom). Excused, 4 (Kanno, Kawamoto, Sakamoto, Taniguchi).

**SCRep. 1625 Commerce, Consumer Protection and Housing on Gov. Msg. No. 103**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS, HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

CHARLES KING and TRAVIS THOMPSON, for terms to expire June 30, 2004;

CHARLES STED, for a term to expire June 30, 2005;

FRANCIS L. JUNG and TAIPO TUIMALEALIFANO, for terms to expire June 30, 2006; and

STEPHANIE AVEIRO, for a term to expire June 30, 2007;

The Housing and Community Development Corporation of Hawaii (HCDCH), Department of Human Services, and Department of Business, Economic Development, and Tourism testified in support of all the nominations. Additionally, the nomination of Charles King was supported by the Kauai Economic Development Board and an individual, the nomination of Travis Thompson was supported by the Hawaii Association of Realtors, and the nomination of Stephanie Aveiro was supported by the East Maui Council Member of the Maui County Council, Hawaii Association of Realtors, Hawaii Long Term Care Association, Hawaii Agriculture Research Center, and two individuals.

Mr. Charles King is a successful business person and owner of a Kauai auto dealership. He has a history of community involvement and currently serves on the boards of the Kauai Economic Development Board, Kauai Chamber of Commerce, and Kauai and State Junior Golf Associations.

Mr. Travis Thompson gained financial management experience as Director of Finance for the County of Maui. He has been active in the community serving on the boards of several organizations. He currently chairs the Board of Directors of Big Brothers Big Sisters of Maui.

Mr. Charles A. Sted is Chief Financial Officer of Hawaii Pacific Health and has an extensive background in finance and accounting. As a partner at Ernst and Young, Mr. Sted conducted audits of HCDCH and its predecessor agency. He is familiar with the State's mortgage lending programs and tax exempt bond financing and has experience in establishing compliance programs.

Mr. Francis L. Jung has over twenty-five years of experience as an attorney and developer. He possesses expertise in matters of land acquisition, pre-development planning, construction, finance, and in the negotiation and drafting of real estate purchase and sales agreements, partnership agreements, county zoning agreements, office and retail leases, professional contracts, articles of incorporation, and bylaws.

Ms. Taiaopo Tuimalealiifano is a well-respected member of the Kalihi Valley Homes community who possesses the necessary skills, commitment, and compassion to represent the interests of public housing residents on the HCDCH Board.

Ms. Stephanie Aveiro served as Director of Housing and Human Concerns for the County of Maui for eight years and was a member of the Rental Housing Trust Fund Advisory Commission from 1993 to 1995. She has also served as Executive Director of the Hawaii Medical Association.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kim, Sakamoto, Whalen).

**SCRep. 1626 Commerce, Consumer Protection and Housing on Gov. Msg. No. 282**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF BARBERING AND COSMETOLOGY

KAU`I ALAPA, for a term to expire June 30, 2007,

Four individuals testified in support of the nomination.

Ms. Kau`i Alapa has eleven years of experience in makeup artistry and instruction. She is the official makeup artist for Hawaii Stars Presents, Inc. and L.A. Image Corporation, and personal makeup artist and consultant for numerous beauty pageant title holders. The nominee has also conducted makeup artistry and image development workshops in the public and private sectors.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 1627 Commerce, Consumer Protection and Housing on Gov. Msg. No. 284**

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOXING COMMISSION OF HAWAII

WILLES LEE, for a term to expire June 30, 2004,

The Vice President of the World Boxing Council and two individuals testified in support of the nomination.

Mr. Willes Lee has over twenty-four years of military command, management, and operational experience, and two years of experience as a senior account executive for an international telecommunications company. He holds a bachelor of science degree in engineering from the United States Military Academy at West Point and a master's degree in public administration from Central Michigan University.

Based on the testimony provided by Mr. Lee, your Committee believes that the nominee possesses the attributes necessary to effectively discharge his responsibilities in the State Boxing Commission of Hawaii.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 1628 Commerce, Consumer Protection and Housing on Gov. Msg. No. 285**

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF CHIROPRACTIC EXAMINERS

CRAIG R. BENZEL, for a term to expire June 30, 2007,



Testimony in support of the nomination was received from the Hawaii State Chiropractic Association, Hawaiian Islands Chiropractic Center, Chiropractic Care Center of Hawaii, Yamauchi Chiropractic, and an individual.

Mr. Craig R. Benzel received a Doctor of Chiropractic degree in 1991 from Los Angeles College of Chiropractic and is licensed to practice in Hawaii, California, and Washington. He is currently a general partner in Akamai Family Chiropractic. The nominee has served as a volunteer with several organizations, including the Salvation Army Chiropractic Clinic, Hawaii State Chiropractic Association, and State Board of Chiropractic Examiners. Additionally, he has performed rating and independent medical examinations, served as a peer reviewer, and lectured on chiropractic issues in continuing education courses.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 1629 Commerce, Consumer Protection and Housing on Gov. Msg. No. 291**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DENTAL EXAMINERS

JEFFREY K. MIYAZAWA, D.D.S., for a term to expire June 30, 2007,

Testimony in support of the nomination was submitted by Kenneth H. Arakawa DDS, Inc., Pacific Family Dental, Inc., and Endodontic Associates.

Dr. Jeffrey K. Miyazawa was awarded a Doctor of Dental Surgery degree in 1994 from Creighton University. He has practiced dentistry as an associate in private practice, as an endodontic volunteer with the Kalihi-Palama Health Clinic, in correctional facilities throughout the State, and presently, as owner of Windward City Family Dentistry, Inc. The nominee is a member of the American Academy of Cosmetic Dentistry, American Dental Association, Hawaii Dental Association, and Honolulu County Dental Society.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 1630 Commerce, Consumer Protection and Housing on Gov. Msg. No. 305**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII HURRICANE RELIEF FUND

THOMAS SINGLEHURST, for a term to expire June 30, 2007,

Testimony in support of the nomination was submitted by Swett & Crawford of Hawaii, Inc., First Insurance Company of Hawaii, Ltd., and AIG Hawaii Insurance Company, Inc.

Mr. Thomas Singlehurst has twenty-five years of experience in the insurance industry. He is currently a principal and partner in Noguchi and Associates, Inc., and previously founded and operated an insurance and bonding agency. The nominee serves on the Board of Directors of the Professional Insurance Agents of Hawaii, is a past president of the Rotary Club of Downtown Honolulu, and is a member of the Building Industry Association, Construction Financial Management Association, and Construction Industry Legislative Organization.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 1631 Economic Development on Gov. Msg. Nos. 329, 392 and 393**

Recommending that the Senate advise and consent to the nominations of the following:

SMALL BUSINESS REGULATORY REVIEW BOARD

G.M. No. 329 DENISE WALKER, for a term to expire June 30, 2006,

G.M. No. 392 DAVID G. RIETOW, for a term to expire June 30, 2004,

G.M. No. 393 LYNNE E. WOODS, for a term to expire June 30, 2006,

Upon review of the background information submitted by the nominees, your Committee finds that the nominees are qualified to serve in the positions to which they are nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials and integrity.

Testimony in support of all the nominees was received from the Department of Business, Economic Development, and Tourism, National Federation of Independent Business, and one individual.

Ms. Denise Walker is principal, historical researcher, and chief financial officer of Walker Consultants, Ltd., in Hilo. The company provides a wide variety of functions that include risk management, business planning, project scheduling, business financing and credit lines, insurance negotiations, and environmental site inspections. Ms. Walker received a Bachelor of Arts in Finance from the University of Western Ontario. She is currently active in the State of Hawaii's bid for economic revitalization and is a member of the Hawaii Chapter, National Federation of Independent Business and its Guardian Advisory Council. Ms. Walker was appointed to the Governor's Task Force on Small Business Regulatory Reform, has been on the Small Business Regulatory Review Board since its inception in 1998, and has previously served as Board Chair. Ms. Walker's diverse experience represents a variety of areas associated with doing business in Hawaii. She continues to be a very strong contributor to the Small Business Regulatory Review Board.

Additional testimony in support of Ms. Walker's nomination were received from the Hawaii Business League.

Mr. David G. Rietow is co-owner, President, and Treasurer of Agro Resources, Inc.; co-owner and Vice President of Puna Flowers & Foliage, Inc.; co-owner, President, and Secretary of Agro Services, Inc.; co-owner and Secretary of Keauu Agromac, Inc.; and managing member of Agricon Hawaii, LLC. He is a graduate of Punahou School and Arizona State University, and was a First Lieutenant in the U.S. Army.

Mr. Rietow currently serves as the Secretary of Hawaii Employers Mutual Insurance Company. With his background in business ownership, Mr. Rietow will offer a strong presence to the Small Business Regulatory Review Board from the Island of Hawaii.

Additional testimony in support of Mr. Rietow's nomination was received from the Hawaii Agriculture Research Center.

Ms. Lynne E. Woods, since 1994, has served as President of the Maui Chamber of Commerce. Prior to that time, Ms. Woods worked at Coldwell Banker McCormack Real Estate and was President of Deltawave Manufacturing & Sales Corporation. This year, Ms. Woods was awarded the SBA Hawaii State Women in Business Advocate of the Year. She is a member of Western Association of Chamber Executives and a Trustee of Maui Quarantine Fund. Past memberships include Board Chair of Big Brothers/Big Sisters, Board Chair of the Governor's School to Work Executive Council, Maui Community College Planning Committee, Hawaii Better Business Bureau, Maui Economic Opportunity Board, Maui Economic Development Board, Maui Visitors Bureau, Hawaii State Chamber of Commerce, and Vice President of the Maui Workforce Development Board. Ms. Woods' diverse professional background will be a valuable asset to the Small Business Regulatory Review Board.

Additional testimony in support of Ms. Woods' nomination was received from the Maui Hotel Association, Hawaii Agriculture Research Center, and Hawaii Business League.

As affirmed by the records of votes of the members of your Committee on Economic Development that are attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 1632 Economic Development on Gov. Msg. Nos. 347, 348, 407 and 408**

Recommending that the Senate advise and consent to the nominations of the following:

COMMUNITY-BASED ECONOMIC DEVELOPMENT ADVISORY COUNCIL

G.M. No. 347 ELAINE L. HOGUE, for a term to expire June 30, 2007;

G.M. No. 348 ANNA MARIE SPRINGER, for a term to expire June 30, 2007;

G.M. No. 407 WAYNETTE HO-KWON, for a term to expire June 30, 2007; and

G.M. No. 408 JAMES T. WEST, Ph.D., for a term to expire June 30, 2007,

Upon review of the background information submitted by the nominees, your Committee finds that the nominees are qualified to serve in the positions to which they are nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials and integrity.

Testimony in support of all the nominees was received from the Department of Business, Economic Development, and Tourism.

Ms. Elaine L. Hogue, currently the Community Development Officer and Community Reinvestment Act (CRA) Officer with American Savings Bank (ASB), is actively involved with communities throughout Hawaii. Through her leadership, ASB has been a key supporter of such nationally recognized programs as the "Ways to Work" family loan program. Through this program, financial assistance was offered to low-income parents who are unable to obtain traditional loans elsewhere, and helped pay for expenses that could interfere with their ability to keep a job or stay in school. ASB provided grant funds of \$100,000 over five years to help start the program.

Additional testimony in support of Ms. Hogue's nomination was received from the Aloha United Way.

Ms. Anna Marie Springer, Senior Vice-President with American Savings Bank, heads the "Innovative Channels and Products Department". It was Ms. Springer who chose this unique department title to reflect the non-banking characteristics of her part of the operation --- the Customer Call Center, electronic services including ATMs and Internet banking, and ASB's insurance and investment subsidiaries. She has worked at ASB for more than twenty-five years and has actively supported community institutions such as the Hawaii Community Loan Fund and Easter Seals Hawaii.

Additional testimony in support of Ms. Springer's nomination was received from American Savings Bank and Enterprise Honolulu.

Ms. Waynette Ho-Kwon, from the Island of Lanai, has been actively involved with local community activities through her company, Destination Lanai. She is Island Manager for the Aloha Festivals 2003 on Lanai and is also actively involved with Lanai's 11<sup>th</sup> Annual Pineapple Festival in July 2003. Her experience and knowledge in promotion and event information coordination will be an invaluable asset and resource for our communities struggling to promote and advertise their community economic development projects.

Dr. James T. West, a Maui businessman, is the owner and operator of the International House of Pancakes Restaurant in the Maui Mall. He employs forty-five people with approximately \$2.3 million in sales per year. Dr. West holds a Ph.D. in Communications from the University of Utah, a Masters in Communication from San Jose State, and a Bachelor of Arts in Communications from Ohio University. He is the 2003 President of the Maui Mall Merchants Association and was the recipient of the National Dissertation of the Year Award in 1992. In the area of community service, Dr. West is the current Treasurer for the Maui Scottish Rite organization, a member of the Maui Shriners, and past Treasurer for the Maui Masons.

Additional testimony supporting Dr. West's nomination was received from Island Enterprise and one individual.

Upon review of the testimony and statements submitted, your Committee finds that the nominees possess the necessary character, experience, and qualifications to serve on the Community-Based Economic Development Advisory Council.

As affirmed by the records of votes of the members of your Committee on Economic Development that are attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
 Record of Votes for Elaine L. Hogue:  
 Ayes, 4. Noes, none. Excused, 3 (Ige, Kanno, Kawamoto).  
 Record of Votes for all other nominees:  
 Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 1633 Energy and Environment on Gov. Msg. No. 409**

Recommending that the Senate advise and consent to the nomination of the following:

ENDANGERED SPECIES RECOVERY COMMITTEE

G.M. No. 409 KAREN A. POIANI, for a term to expire June 30, 2007,

Testimony supporting the nomination of Karen Poiani was submitted by the Board of Land and Natural Resources, and The Nature Conservancy of Hawaii.

Upon review of the statements submitted by the nominee, your Committee finds that the aforementioned nominee is a volunteer, willing to serve without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominee has been appointed based upon her professional credentials, integrity, and a desire to make Hawaii better through her participation on the board or commission to which she have been nominated.

Your Committee notes the following specific qualifications of the nominee:

Karen A. Poiani is the Director of Landscape Conservation with The Nature Conservancy, Hawaii. She has a B.S. degree in Environmental Science, a M.S. degree in Botany, and a Ph.D. in Ecology. She has worked as an Ecologist with the U.S. Fish and

Wildlife Service Patuxent Wildlife Research Center and a Research Associate for the Center for the Environment at Cornell University working on wetland functions. She has been a Landscape Ecologist and Director of the Landscape Ecology Program for The Nature Conservancy for six years, working both nationally, regionally in Asia and the Pacific, and here in Hawaii. In her capacity as a Senior Conservation Ecologist, she has dealt extensively with policy and practical measures of managing native species and habitats and has focused on practical aspects of what is needed for recovery of endangered species on a landscape scale. She adds both field and policy perspectives to the workings of the Committee.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kanno, Kokubun).

**SCRep. 1634 Education on Gov. Msg. Nos. 314, 315, 316, 317, 318, 319 and 320**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COMMISSION FOR NATIONAL AND COMMUNITY SERVICE

G.M. No. 314 - ROBERT I. CROWELL, for a term to expire June 30, 2005;

G.M. No. 315 - DENNIS M. DUNN, for a term to expire June 30, 2005;

G.M. No. 316 - MABEL FERREIRO-FUJIUCHI, for a term to expire June 30, 2004;

G.M. No. 317 - STACY S.K. HIGA, for a term to expire June 30, 2006;

G.M. No. 318 - SCOTT S. MORISHIGE, for a term to expire June 30, 2006;

G.M. No. 319 - LEE A. ROMBAOA, for a term to expire June 30, 2005; and

G.M. No. 320 - RALPH STUEBER, for a term to expire June 30, 2004,

Robert Crowell holds a B.A. degree in Economics, a B.B.A. in Accounting, and an M.B.A. in Finance, and presently serves as Executive Vice President and Treasurer at the Bank of Hawaii.

Dennis M. Dunn holds a B.S. degree in Human Development and presently serves as the Director of the Victim Witness Assistance Division of the Department of the Prosecuting Attorney for the City and County of Honolulu. Mr. Dunn presently serves on the Hawaii Commission for National and Community Service and is active in the community, having served as a member with many community organizations, including the Missing Child Center Advisory Board, and Mothers Against Drunk Driving Advisory Board, and the Sex Abuse Treatment Center Advisory Board, among others.

MaBel Ferreiro-Fujiuchi holds a B.A. degree in Home Economics and presently serves as Chief Executive Officer of Kauai Economic Opportunity, Inc. Ms. Ferreiro-Fujiuchi is active in the community, having served as a member with many community organizations including Zonta International, Hoike Public Television, and Hawaii Access to Justice Committee, among others.

Stacy S.K. Higa attended the University of Colorado at Boulder, holds certifications in power transmission design and repair, and presently serves as President and owner of Pacific Image Company. Mr. Higa is active in the community, having served as a member with many community organizations including Kamehameha Alumni Association, and coach for high school basketball teams.

Scott S. Morishige attended Oregon State University and presently serves as Technology Partnerships and Content Manager for the Legal Aid Society of Hawaii.

Lee A. Rombaoa holds a Hawaii real estate agent license, has studied at the University of Hawaii and Hawaii Pacific University, and presently serves as a vacation ownership consultant for the Outrigger Resort Club by Fairfield. Ms. Rombaoa presently serves on the Hawaii Commission for National and Community Service and is active in the community, having served as a member with many community organizations including the Retail Merchants Association, the Honolulu YMCA, and the Oahu Visitors Bureau, among others.

Ralph Stueber holds B.S. and M.S. degrees in Education, a PhD. in American Education and holds a position as Emeritus Professor with the College of Education at the University of Hawaii at Manoa. Dr. Stueber is active in the community, having served as a member with many professional organizations including the University of Hawaii Professional Assembly, the Manoa Faculty Senate, and the Hawaii Education Research Association.

Your Committee received testimony from the nominees who responded to questions posed by the Committee.

Upon review of the testimony and written statements submitted by the nominees, your Committee finds that the nominees have the necessary character, experience, and qualifications to serve on the Hawaii Commission for National and Community Service. Your Committee further finds that the nominees have been appointed based upon their credentials and a desire to serve as volunteer members of the Hawaii Commission for National and Community Service.

As affirmed by the records of votes of the members of your Committee on Education that are attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1635 Education on Gov. Msg. Nos. 326, 327 and 328**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII SCHOOL-TO-WORK EXECUTIVE COUNCIL

G.M. No. 326 - NOBLEZA E. MAGSANOC, for a term to expire on June 30, 2006;

G.M. No. 327 - ALBERT S. NISHIMURA, for a term to expire on June 30, 2006; and

G.M. No. 328 - KEVIN YOSHINO, for a term to expire on June 30, 2006,

Nobleza E. Magsanoc holds a B.B.A. in Accounting, an M.B.A. in Human Resource Management, and presently serves as Operations Manager for the Pacific Resource Partnership and as a lecturer at Leeward Community College. Ms. Magsanoc is also an active member of several professional organizations including the Hawaii Business Education Association, the Hawaii Adult Education Association, and the Filipino Chamber of Commerce, among others.

Albert S. Nishimura is a graduate of Hilo High School and the Pacific Coast Banking School, and has forty years of experience as a bank officer and administrator. Mr. Nishimura is an active member of community and professional organizations, including the Hawaii Island Chamber of Commerce, the Honua Hawaii Cultural Center, and the Rotary Club of Hilo, among many others.

Kevin Yoshino holds B.S. and M.S. degrees in Computer Science and presently serves as President and Co-founder of DREAM Team Hawaii. Mr. Yoshino is an active member of community and professional organizations, including the Big Brothers Big Sisters of Honolulu, Young CEO program at Waikele Elementary School, and the Project Management Institute, among others.

Your Committee received testimony from the nominees in response to questions posed by the Committee. The Hawaii School-to-Work Executive Council submitted testimony in support of the nominees.

Upon review of the testimony and written statements submitted by the nominees, your Committee finds that the nominees have the necessary character, experience, and qualifications to serve on the Hawaii School-to-Work Executive Council. Your Committee further finds that the nominees have been appointed based upon their credentials and a desire to serve as volunteer members on the Hawaii School-to-Work Executive Council.

As affirmed by the records of votes of the members of your Committee on Education that are attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1636 Education on Gov. Msg. Nos. 330, 331 and 332**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII TEACHER STANDARDS BOARD

G.M. No. 330 - ANNETTE MASUTANI, for a term to expire on June 30, 2006;

G.M. No. 331 - VICKI L. MORRISON, for a term to expire on June 30, 2006; and

G.M. No. 332 - VAUGHN TOKASHIKI, for a term to expire on June 30, 2006,

Annette Masutani holds a B.Ed degree in Elementary Education and presently serves as Curriculum Coordinator at Waiālae School. Ms. Masutani has been an active member with several professional organizations including Education Committee member, Teacher Negotiations Team, and Leadership Team, among others, at Waiālae School.

Vicki L. Morrison holds a B.S. degree in Elementary Education and presently serves as a math and science teacher at Holy Nativity School. Ms. Morrison has been an active member with many professional organizations including Supervising Teacher, Textbook Adoption Committee, and Science Fair Coordinator, among others.

Vaughn K. Tokashiki holds a Bachelors degree in Elementary Education and has thirty years of service as a public school teacher. Mr. Tokashiki has been an active member with many professional organizations including the Hawaii State Teachers Association, Chairperson for Project Graduation, and as a coach of various high school sports teams.

Your Committee received testimony from the nominees who responded to questions posed by the Committee. The Hawaii Teacher Standards Board submitted testimony in support of the nominees.

Upon review of the testimony and written statements submitted by the nominees, your Committee finds that the nominees have the necessary character, experience, and qualifications to serve on the Hawaii Teacher Standards Board. Your Committee further finds that the nominees have been appointed based upon their credentials and a desire to serve as volunteer members on the Hawaii Teacher Standards Board.

As affirmed by the records of votes of the members of your Committee on Education that are attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kawamoto, Menor, Hogue).

**SCRep. 1637 Science, Arts, and Technology on Gov. Msg. Nos. 366, 367 and 368**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION

G.M. No. 366 JAY M. FIDELL, for a term to expire June 30, 2007;

G.M. No. 367 BRIAN J. GOLDSTEIN, for a term to expire June 30, 2007; and

G.M. No. 368 SHARON M. WONG, for a term to expire June 30, 2007,

Jay M. Fidell holds a B.A. degree in Economics, a J.D. degree, an LL.M degree in taxation, and is a licensed attorney with a private law practice in Hawaii. Mr. Fidell has served with community and professional organizations including the Hawaii Bar Association, the Hawaii Building Owners and Managers Association, the Hawaii Opera Theatre, the Hawaii Republican Party, and Hawaii Venture Capital Association, among others.

Testimony in support of the nominee was submitted by the High Technology Development Corporation, the Hawaii Technology Trade Association, the Hawaii Venture Capital Association, colleagues in the legal profession and the information technology industry, and individuals.

Brian J. Goldstein holds a B.S. degree in Business Administration, an M.B.A. in International Management, and presently serves as President of Kona Bay Marine Resources. Mr. Goldstein has over fourteen years of experience within the high technology industry and serves on the Enterprise Hawaii Entrepreneurs Advisory Group and the Hawaii Technology Trade Association.

Testimony in support of the nominee was submitted by the Hawaii Technology Trade Association and colleagues in high technology industry.

Sharon M. Wong holds a degree from the New York Institute of Finance and presently serves a President of IMS Inc. Ms. Wong has served with community and professional organizations including the Hawaii Association of Public Accountants, the Chamber of Commerce of Hawaii, the Better Business Bureau of Hawaii, among others.

Testimony in support of the nominee was submitted by four individuals who are business associates and personal friends.

Upon review of the testimony and written statements submitted by the nominees, your Committee finds that the nominees have the necessary character, experience, and qualifications to serve on the Board of Directors of the High Technology Development Corporation. Your Committee finds that the nominees have been appointed based upon their credentials and a desire to serve as volunteer members on the Board of Directors of the High Technology Development Corporation.

As affirmed by the records of votes of the members of your Committee on Science, Arts, and Technology that are attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1638 Science, Arts, and Technology on Gov. Msg. Nos. 394, 395, 396, 397 and 398**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII STRATEGIC DEVELOPMENT CORPORATION

G.M. No. 394 PHILIP M. JOHNSON, Ph.D., for a term to expire June 30, 2007;

G.M. No. 395 WILLIAM M. McKILLOP, for a term to expire June 30, 2007;

G.M. No. 396 STEVEN B. METTER, for a term to expire June 30, 2006;

G.M. No. 397 DAVID A. OKA, for a term to expire June 30, 2007; and

G.M. No. 398 GLENN S. YAMADA, for a term to expire June 30, 2007,

Philip M. Johnson holds Bachelor degrees in Biology and Computer Science, M.S. and Ph.D. degrees in Computer Science, and presently serves as a Professor with the Department of Information and Computer Sciences at the University of Hawaii. Dr. Johnson has served with many community and professional organizations including LavaNet Inc., BreastCancer.org, High Technology Development Corporation, and Hawaii Strategic Development Corporation, among others.

Testimony in support of the reappointment of the nominee was submitted by the Hawaii Strategic Development Corporation.

William M. McKillop holds a B.A. degree in Psychology and Business Management, and presently serves as Branch Manager with First Hawaiian Bank. Mr. McKillop presently serves as Co-Chair of the Hawaii Strategic Development Corporation and has served with the Punahou Alumni Club, among other organizations.

Testimony in support of the reappointment of the nominee was submitted by the Hawaii Strategic Development Corporation and one individual.

Steve B. Metter holds a B.S. degree in Economics and Finance and presently serves as Chief Executive Officer and Principal with MW Group, Ltd. Mr. Metter has served with community and professional organizations including the Fort Street Mall Business Improvement District, the Industrial Business Association, and the Urban Land Institute.

Testimony in support of the nominee was submitted by the Hawaii Strategic Development Corporation and two individuals.

David A. Oka presently serves as President and sole proprietor of O Communications, and as Co-Chair of the Hawaii Strategic Development Corporation.

Testimony in support of the reappointment of the nominee was submitted by the Hawaii Strategic Development Corporation.

Glenn S. Yamada holds a Bachelors degree in Business Administration and presently serves in a position with American Savings Bank. Mr. Yamada has served with community and professional organizations including the Honolulu Chamber of Commerce, the Mililani Missionary Church, and the Metropolitan Honolulu Rotary Club.

Testimony in support of the reappointment of the nominee was submitted by the Hawaii Strategic Development Corporation and the Honolulu Japanese Chamber of Commerce.

Upon review of the testimony and written statements submitted by the nominees, your Committee finds that the nominees have the necessary character, experience, and qualifications to serve on the Board of Directors of the Hawaii Strategic Development Corporation. Your Committee finds that the nominees have been appointed based upon their credentials and a desire to serve as volunteer members on the Board of Directors of the Hawaii Strategic Development Corporation.

As affirmed by the records of votes of the members of your Committee on Science, Arts, and Technology that are attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 1639 Labor on Gov. Msg. No. 290**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TRUSTEES OF THE DEFERRED COMPENSATION PLAN

RYAN S. USHIJIMA, for a term to expire June 30, 2007,

Upon your review of background information submitted by the nominee, your Committee finds that Ryan S. Ushijima received a Bachelor of Science degree in Finance in 1979 and a Masters in Business Administration/Juris Doctor in 1985 from the University of Montana. Mr. Ushijima has held various positions within the field of finance including working as a Consultant for Arthur Andersen & Co., Senior Consultant for KPMG Peat Marwick Management Consultants, Chief Financial Officer and Compliance Office for Hawaiian Capital Securities, Vice President of Hawaiian Capital Securities, Principal of Hawaiian Capital Consultants, Inc., and currently as the Commissioner of Securities for the Department of Commerce and Consumer Affairs for the State of Hawaii.

Mr. Ushijima supports his community through service as a member of the Hawaii State Bar Association, as a Board of Director for the International Association of Corporation Administrators, and as a member of the North American Securities Administrators Association.

Your Committee determines that Mr. Ushijima's financial expertise will enhance the Board of Trustees' ability to faithfully execute its responsibilities and fiduciary duty to the Deferred Compensation Plan's participants.

Testimony in support of the nominee was submitted by the Department of Human Resources Development.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 1640 (Majority) Labor on H.C.R. No. 43**

The purpose of this measure is for the Department of Labor and Industrial Relations, in conjunction with Hawaii health plan carriers, to explore options for redesigning the benefit levels of "A" status plans defined under Hawaii's Prepaid Health Care Act (PHCA).

Testimony in support of this measure was submitted by the Hawaii Medical Service Association. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations (DLIR).

Your Committee finds that the cost of medical care in Hawaii, as well as the nation, is rapidly increasing which, coupled with the continued distressed state of the economy, has resulted in an increased number of individuals who lack medical coverage. Currently, the State acts to ensure that individuals obtain medical insurance through the Hawaii PHCA wherein coverage is provided to Hawaii employees through a public-private approach. Your Committee further finds that the PHCA requires qualified prepaid health plans, known as "A" status plans, to provide health care benefits equal to those provided by the prevalent prepaid health plans.

However, as the costs and required benefits for medical coverage under the PHCA have risen over the years, it is incumbent upon the State to explore alternative options to maintain affordability without excessively compromising the level of benefits to be provided. Therefore, your Committee determines that it would be extremely beneficial for the DLIR to work with health plan carriers in order to reassess and redesign the current benefit levels currently existing under the PHCA.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 43, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Kawamoto). Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 1641 (Majority) Labor on H.C.R. No. 92**

The purpose of this measure is to request the Department of Labor and Industrial Relations (DLIR) to work in conjunction with Hawaii's health plans to explore options for providing small businesses with a Medical Savings Account (MSA) and high deductible health plan options to meet benefit levels of a prepaid health plan under the Hawaii Prepaid Health Care Act (PHCA).

Testimony in support of this measure was submitted by the Hawaii Medical Service Association. Testimony in opposition to this measure was submitted by the DLIR. The Hawaii Medical Association submitted comments on the measure.

Your Committee finds that due to the rapidly rising costs of medical insurance in Hawaii and throughout the nation, combined with the distressed state of the economy, many small businesses are unable to afford to provide health benefits to their employees. Under the PHCA, health care coverage is provided to employees through a public-private approach, wherein a defined level of health benefits must be provided pursuant to state and federal law. In addition, state and federal law have mandated additional benefits, which have resulted in increased costs to the employers.

Therefore, your Committee determines that to meet the needs of the employees as well as address the financial concerns of the employers, DLIR, together with Hawaii's health plans, should be requested to explore options for providing small businesses with medical savings accounts and high deductible health plans as alternatives to meet the requirements of the PHCA.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. 92, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Kawamoto). Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 1642 (Majority) Labor on H.C.R. No. 94**

The purpose of this measure is to request the Department of Human Resources Development to submit annual reports to the Legislature on exempt employee pursuant to Act 253, Session Laws of Hawaii 2000 (Act 253).



This measure also requests the House Committee on Labor and Public Employment to hold interim briefings on statutorily exempted positions to determine their current justifications and to provide exempt employees and their exclusive representatives the opportunity to provide information at these briefings.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association.

Your Committee finds that the catalyst for Act 253, which reformed the State's civil service laws, was to make government more efficient by increasing the number of civil service positions and decreasing the use of exempt appointments. Your Committee finds that the status of exempt employees as "at will" employees makes them especially vulnerable to undue influence, although many of them were hired through some form of open recruitment process, receive salaries that are commensurate with their civil service counterparts, and provide invaluable service for a significant number of years. Therefore, the need continues to exist to reevaluate the status of exempt positions and appropriately determine whether conversion to civil service positions is warranted.

Under Act 253, the Department of Human Resources Development (DHRD) is required to submit annual reports to the Legislature evaluating the status of exempt positions. Upon review of a recently submitted preliminary report by DHRD to your Committee, the situation necessitates continued monitoring and evaluation of currently exempted positions.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. 94, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Kawamoto). Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 1643 Labor on H.C.R. No. 97**

The purpose of this measure is to request that the Employees' Retirement System conduct a study on the feasibility of the implementation of a hybrid retirement plan.

Testimony in support of this measure was submitted by the Employees' Retirement System (ERS) and the Hawaii State Teachers Association.

Your Committee finds that pursuant to a study conducted by the ERS exploring alternative defined contribution plans, prepared under Senate Concurrent Resolution 159, 2001, included the proposal for a hybrid contributory plan. Your Committee further finds that a hybrid contributory plan could apply to new employees, class "C" non-contributory members, and class "A" contributory members and would enhance public sector pension benefits, thereby improving recruitment and retention efforts.

Your Committee determines that further analysis should be conducted to more fully explore the feasibility of the implementation of a hybrid contributory plan by the ERS in order to continue to sufficiently provide for public employees in their retirement.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 97, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 1644 Labor on H.C.R. No. 109**

The purpose of this measure is to request the Employees' Retirement System to examine its investments to determine whether any of its investments are in companies that inadvertently support terrorist activities through their business dealings with countries sponsoring terrorism.

The Employees' Retirement System (ERS) submitted comments on this measure.

Your Committee finds that in the aftermath of September 11, 2001, this country has seen a heightened sense of awareness regarding terrorists and those who support terrorism. One method of assuring that society does not inadvertently support terrorism is to practice Socially Responsible Investment. This involves balancing the investor's financial aims and needs with an investment's impact on society by the operation of the company in which the investor is investing. Your Committee also finds that while ERS has taken steps to ensure that the investment portfolio is in compliance with all applicable laws and regulations, continued discussions with and guidance from other public pensions systems and federal agencies are needed to determine what qualifies a company as a supporter of terrorism. Therefore, your Committee supports the adoption of this measure.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 109 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 1645 Judiciary and Hawaiian Affairs on Gov. Msg. No. 427**

Recommending that the Senate consent to the nomination of the following:

CIRCUIT COURT OF THE FIRST CIRCUIT, 10<sup>TH</sup> DIVISION

RHONDA AKEMI NISHIMURA, for a term of ten years,

Your Committee received testimony in support of the nominee from the State Public Defender, Hawaii State Bar Association (HSBA), Pacific Management Consultants, Inc., thirteen attorneys, and three individuals.

The Board of Directors of the HSBA has found the nominee to be qualified to serve as a circuit court judge. As part of the HSBA Board's procedures for taking a position on judicial appointments, the candidate is asked to submit a resume, respond to a questionnaire, and to appear before the Board to answer questions. The HSBA Board utilizes a modified version of the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. These Guidelines include the following criteria for judicial positions: integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, public service, collegiality, and writing ability.

Rhonda Akemi Nishimura is currently a district court judge in the first circuit. She received a Juris Doctorate degree from the William S. Richardson School of Law, and is a member of the Hawaii State Bar Association, Hawaii Women Lawyers, Hawaii State Trial Judges Association, American Judicature Society (Hawaii Chapter), Hawaii Women's Legal Foundation, and Mediation Center of the Pacific. She has served with the Court Annexed Arbitration Program, Legal Aid Society of Hawaii, Judicial Arbitration Commission, and Hawaii Justice Foundation where she was the Director. The nominee has been active in conferences, panels, and programs between the Hawaii State Bar Association and the Judiciary.

Your Committee notes that the nominee's experience as a district court judge since 1997 will serve her well as a circuit court judge. She was the civil lead judge from 1999 to 2002, and sat on the criminal and traffic court benches. Your Committee further notes that the nominee has presided over circuit court trials in civil and criminal cases as a substitute judge. This experience should facilitate an expedient transition for the nominee.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Fukunaga, Ihara).

**SCRep. 1646      Judiciary and Hawaiian Affairs on Gov. Msg. No. 426**

Recommending that the Senate consent to the nomination of the following:

ASSOCIATE JUSTICE TO THE SUPREME COURT OF THE STATE OF HAWAII

JAMES E. DUFFY, JR., for a term of ten years,

Your Committee received testimony in support of the nominee from the State Attorney General, State Public Defender, Office of Hawaiian Affairs, Hawaii State Bar Association (HSBA), Hawaii Government Employees Association, State of Hawaii Organization of Police Officers, Hawaii Chapter of the American Board of Trial Advocates, forty-five attorneys, and eight individuals.

The Board of Directors of the HSBA has found the nominee to be a highly qualified candidate. As part of the HSBA Board's procedures for taking a position on judicial appointments, the candidate is asked to submit a resume, respond to a questionnaire, and to appear before the Board to answer questions. The HSBA Board utilizes a modified version of the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. These guidelines include the following criteria for judicial positions: integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, public service, collegiality, and writing ability.

James E. Duffy, Jr., is a well-known and well-respected member of the legal community in Hawaii. He received a BA degree from the College of St. Thomas, and a JD degree from Marquette University Law School where he was on the Board of Editors of the Marquette Law Review. He has been associated with Cobb & Gould, Chuck & Fujiyama, and Fujiyama, Duffy & Fujiyama. Most recently, he has had his own law practice. His professional background is concentrated in plaintiff and defense trial work, primarily in professional liability, products liability, and personal injury.

The nominee is currently a member of the Judicial Arbitration Commission, the Standing Committee on Rules of Civil Procedure and Circuit Court Civil Rules, the American College of Trial Lawyers, the American Board of Trial Advocates, and the American Inn of Court. He has served on the Judicial Salary Commission, Task Force for Judicial Financial Disclosure, and Board of Bar Examiners. He has served as President and President Elect of the Hawaii State Bar Association, Co-Chair of the Professional Responsibility Committee, Member of the Hawaii Appellate Handbook Committee, and Member of the Board of Directors of the Hawaii Institute for Continuing Legal Education. He has been the Hawaii State Representative to the American Bar Association Judicial Administration Division and Lawyer Representative to the Ninth Circuit Judicial Conference.

The nominee is widely published in professional journals and has served as a presenter in numerous trial practice seminars and continuing education programs. Your Committee notes that since 1983 he has been listed in "The Best Lawyers In America", and he has received a Life-time Achievement Award from the Hawaii State Bar Association, a Life-time Achievement Award from the Consumer Lawyers of Hawaii, and the John S. Edmunds Award for Civility and Vigorous Advocacy.

Your Committee believes that the nominee would be an excellent addition to the Hawaii Supreme Court and would make an invaluable contribution to the court's professionalism and decisions. In addition to his extensive experience in trial and appellate work, the nominee has considerable experience in alternative dispute resolution, including well over three hundred cases as mediator, arbitrator, and special master in a broad range of matters in business, commercial, real estate, insurance, employment, labor, trust, probate, toxic tort, products liability, personal injury, and professional liability.

Your Committee notes from the testimony of the State Attorney General that the nominee is "a keenly intelligent, honest, ethical, and thoughtful attorney ... He is fair, and listens carefully to both sides before making a decision on any matter. This is, of course, the essence of a good judge, especially a good appellate judge -- the desire and ability to decide cases not based on preconceived notions, or inherent philosophy, but on the facts, the law, and the issues presented."

Your Committee is particularly impressed with the nominee's responses to questions posed at the confirmation hearing, to the effect that he views the Supreme Court as having the duty to apply the law to the case rather than making the law. It is the duty of the Legislature, elected by a majority of the people, to make the policy decisions by enacting laws. It is the duty of the Executive Branch to administer those laws, and it is the duty of the Judiciary to interpret those laws by researching the legislative history, if necessary, to ascertain legislative intent.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Fukunaga, Kawamoto).

**SCRep. 1647      Education on Gov. Msg. No. 274**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

BYRON W. BENDER, Ph.D., for a term to expire June 30, 2007,

Byron W. Bender holds a B.A. degree in English, M.A. and Ph.D. degrees in Linguistics, and presently holds the position of Professor Emeritus with the Department of Linguistics at the University of Hawaii. Dr. Bender has been an active member of many professional and community organizations, including the University of Hawaii Faculty Senate, the University of Hawaii Professional Assembly, the Hawaii Public Employees Health Fund, and the Linguistic Society of America, among others.

Your Committee received testimony in support of the nominee from the University of Hawaii Professional Assembly, the Hawaii Government Employees Local 152, the Ambassador to the United Nations for the Republic of the Marshall Islands, and eight individuals.

Your Committee questioned the nominee regarding the nominee's willingness to meet with the Legislature, as appropriate, on issues of mutual concern related to the University of Hawaii, and regarding the nominee's ability to exercise judgment and make decisions independent of political affiliation.

Upon consideration of the testimony and written statement submitted by the nominee, your Committee finds that the nominee has the necessary character, experience, and qualifications to serve on the Board of Regents of the University of Hawaii. Your Committee further finds that the nominee has been appointed based upon the nominee's credentials and a desire to serve as a volunteer member on the Board of Regents of the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1648      Education on Gov. Msg. No. 276**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

TRENT K. KAKUDA, for a term to expire June 30, 2005,

Trent K. Kakuda holds a B.A. degree in Political Science and Japanese and is a J.D. candidate at the William S. Richardson School of Law at the University of Hawaii. Mr. Kakuda has been active with many university student organizations and is an alumni member of the Japanese Exchange & Teaching Program, among others.

Your Committee received testimony in support of the nominee from the Office of the Senate President, two University of Hawaii faculty members, two public school teachers of the nominee, and many fellow students and friends of the nominee.

Your Committee questioned the nominee regarding the nominee's willingness to meet with the Legislature, as appropriate, on issues of mutual concern related to the University of Hawaii, and regarding the nominee's ability to exercise judgment and make decisions independent of political affiliation.

Upon consideration of the testimony and written statement submitted by the nominee, your Committee finds that the nominee has the necessary character, experience, and qualifications to serve on the Board of Regents of the University of Hawaii. Your Committee further finds that the nominee has been appointed based upon the nominee's credentials and a desire to serve as a volunteer member on the Board of Regents of the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1649      Education on Gov. Msg. No. 277**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

CATHERINE LAGARETA, for a term to expire June 30, 2007,

Catherine "Kitty" Lagareta holds a B.A. degree in English Literature, and presently serves as the Chair and Chief Executive Office of Communications Pacific, with which she has been associated since 1986. Ms. Lagareta has been an active member of many community and professional organizations, including Hawaii Ronald McDonald House, Rotary Club of Honolulu, Hawaii Business Entrepreneur and Acceleration Mentors, and the Election Appointment and Review Board, among others.

Your Committee received testimony in support of the nominee from the Chamber of Commerce of Hawaii, University of Hawaii faculty members, colleagues representing various sectors of the business community, and many individuals who are friends and professional associates.

Your Committee questioned the nominee regarding the nominee's willingness to meet with the Legislature, as appropriate, on issues of mutual concern related to the University of Hawaii, and regarding the nominee's ability to exercise judgment and make decisions independent of political affiliation.

Upon consideration of the nominee's testimony and the written statement submitted by the nominee, your Committee finds that the nominee has the necessary character, experience, and qualifications to serve on the Board of Regents of the University of Hawaii. Your Committee further finds that the nominee has been appointed based upon the nominee's credentials and a desire to serve as a volunteer member on the Board of Regents of the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1650      Education on Gov. Msg. No. 279**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

ALVIN TANAKA, for a term to expire June 30, 2007;

Alvin A. Tanaka holds a Bachelors and Masters degree in Business Administration, and presently serves as President and Manager of Pacific Transfer LLC. Mr. Tanaka has been active with the Hawaii Stevedores, Inc. and the Aloha Council of the Boy Scouts of America.

Your Committee received testimony in support of the nominee from the council member from District VIII of the City and County of Honolulu and two individuals.

Your Committee questioned the nominee regarding the nominee's willingness to meet with the Legislature, as appropriate, on issues of mutual concern related to the University of Hawaii, and regarding the nominee's ability to exercise judgment and make decisions independent of political affiliation.

Upon consideration of the nominee's testimony and written statement submitted by the nominee, your Committee finds that the nominee has the necessary character, experience, and qualifications to serve on the Board of Regents of the University of Hawaii.

Your Committee further finds that the nominee has been appointed based upon the nominee's credentials and a desire to serve as a volunteer member on the Board of Regents of the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1651 (Majority) Education on Gov. Msg. No. 275**

Recommending that the Senate not advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

SHELTON G.W. JIM ON, for a term to expire June 30, 2007,

Shelton G.W. Jim On holds a Bachelors degree in Education, a J.D. degree, and is a licensed attorney with a private law practice in Hawaii. Mr. Jim On has been active with the Hawaii Republican Party and is a member of the East Manoa Lions Club.

Your Committee received testimony in support of the nominee from a United States Court of Appeals judge, the Director of the Department of Labor and Industrial Relations, and the Director of the Department of Commerce and Consumer Affairs.

Your Committee questioned the nominee regarding the nominee's willingness to meet with the legislature, as appropriate, on issues of mutual concern related to the University of Hawaii, and regarding the nominee's ability to exercise judgment and make decisions independent of political affiliation, among other issues.

Your Committee finds that a member of the Board of Regents of the University of Hawaii occupies an important public office with a high degree of authority and responsibility. The office must be filled by individuals committed to public service who will contribute the necessary time and energy required of the position and work in the best interests of our students and faculty. Upon consideration of the nominee's testimony and written statement submitted by the nominee, and concerns expressed by several members about the nominee's responses to questions related to his vision for the university system, the current issues challenging the university system, and his political affiliation as reflected in his testimony, your Committee is unable to support the nominee with the full faith and confidence deserving of a position of such importance to the State.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be not qualified for the position to which nominated and recommends that the Senate not advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 3 (Chun Oakland, Menor, Hogue). Excused, none.

**SCRep. 1652 (Majority) Education on Gov. Msg. No. 278**

Recommending that the Senate not advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

EDWARD D. SULTAN, for a term to expire June 30, 2007,

Edward D. Sultan holds a B.S. degree in Business Administration, and presently serves as President and Chief Executive Officer of Edward D. Sultan Co. Ltd. Mr. Sultan has been an active member of many community and professional organizations, including Easter Seals Society of Hawaii, and the Hawaii Republican Party, Hawaii Jeweler's Association, among others.

Your Committee received testimony in support of the nominee from many business associates including those from the legal profession, the visitor industry, real estate profession, and family friends.

Your Committee questioned the nominee regarding the nominee's willingness to meet with the legislature, as appropriate, on issues of mutual concern related to the University of Hawaii, and regarding the nominee's ability to exercise judgment and make decisions independent of political affiliation, among other issues.

Your Committee finds that a member of the Board of Regents of the University of Hawaii occupies an important public office with a high degree of authority and responsibility. The office must be filled by individuals committed to public service who will contribute the necessary time and energy required of the position and work in the best interests of our students and faculty. Upon consideration of the nominee's testimony and written statement submitted by the nominee, and concerns expressed by several members about the nominee's responses to questions related to his vision for the university system, the current issues challenging the university system, and his political affiliation as reflected in his testimony, your Committee is unable to support the nominee with the full faith and confidence deserving of a position of such importance to the State.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be not qualified for the position to which nominated and recommends that the Senate not advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 3 (Chun Oakland, Menor, Hogue). Excused, none.

**SCRep. 1653 Labor on H.C.R. No. 95**

The purpose of this measure is to request that the Employees' Retirement System (ERS), an ERS-contracted actuary firm, the affected human resources agencies, public safety department representatives, the Hawaii Fire Fighters Association, and the State of Hawaii Organization of Police Officers study the feasibility of a deferred retirement option plan benefit for public safety employees.

Testimony in support of this measure was submitted by the Hawaii Fire Fighters Association. The Employees' Retirement System submitted comments on the measure.

Your Committee finds that deferred retirement option plans (DROPs) have been established in other states and municipalities, and warrant further consideration. A typical DROP allows eligible employees to "retire" on paper. Employers no longer make contributions to the ERS on behalf of the member and the member stops making the 12.2 percent contribution to the ERS. The member's retirement benefit allowance is calculated based on the date of enrollment, and no additional years of service will be credited to the calculation of the retirement allowance. The amount that is entitled to the member at the time of enrollment of the plan will be placed into a deferred retirement plan. DROPs may help with the recruitment and retention of public safety employees, and may result in savings for the employer during the DROP period.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 95, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 1654 Education on H.C.R. No. 117**

The purpose of this measure is to request the Department of Education to enter into a real estate transaction agreement for the design and construction of a new elementary school in Kahului, Maui.

Testimony in support of this measure was submitted by the Department of Education, Office of the Mayor for Maui County, and Maui Lani School, LLC.

Your Committee finds that the population within the central Maui area is rapidly growing due to the large residential projects being completed. Your Committee further finds that the current elementary facilities are not sufficient to address the growing community's needs, and the construction of an additional elementary school could be expedited through a private development agreement between the Department of Education and the Maui Lani Partners.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 117, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

**SCRep. 1655 Education on H.C.R. No. 185**

The purpose of this measure is to urge the Department of Education to implement career pathways as a part of a school reform model, including the redesign of career and technical education that reflects economic development initiatives and priorities.

Testimony in support of this measure was submitted by the Department of Education.

Your Committee finds that Hawaii's economic future is dependent upon the quality of its workforce, including whether individuals have received a quality education of relevant knowledge and skills necessary to respond to current workforce demands. Your Committee further finds that the redesign of career and technical education, in partnership with the University of Hawaii and the private sector, will provide a means of retraining public school administrators and staff to teach the relevant core knowledge and occupations skills necessary for our public school students to succeed in the workplace.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 185, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

**SCRep. 1656 Health on H.C.R. No. 82**

The purpose of this measure is to urge the Hawaii Health Systems Corporation (HHSC) and St. Francis Healthcare System (St. Francis) to continue their partnership in serving the needs of dialysis patients in Hawaii.

Testimony in support of this measure was received from the HHSC and St. Francis.

St. Francis established the first dialysis center in the State in 1965, with the help of a legislative appropriation. In 1972, the State continued to help St. Francis by providing space at Hilo Hospital for satellite dialysis treatment for Big Island residents. Today, approximately four hundred dialysis patients on the Big Island, Maui, Molokai, and Kauai are able to live at home due to dialysis treatment centers operated by St. Francis on these Islands.

The St. Francis dialysis treatment operations face an uncertain future, with one thousand patients affected if St. Francis is financially unable to continue to provide this life-saving service. This measure is an expression of the Legislature's recognition of the necessity of the dialysis treatment provided by St. Francis.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 82, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Kokubun).

**SCRep. 1657 (Joint) Health and Ways and Means on H.C.R. No. 165**

The purpose of this measure is to request the Auditor to conduct an audit of the Kalaupapa Settlement operations and expenditures.

Testimony in support of this measure was received from the Department of Health (DOH), Kalaupapa Patients Advisory Council, and twenty-one residents of Kalaupapa.

The intent of this measure is to ensure that State funds are expended appropriately and that Kalaupapa Settlement is operated for the benefit of the patients. Your Committees believe that an audit of the DOH's operations and expenditures relating to the Kalaupapa Settlement will help ensure that public funds are being appropriately utilized.

As affirmed by the records of votes of the members of your Committees on Health and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 165, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 13. Noes, none. Excused, 5 (English, Espero, Kanno, Kawamoto, Slom).

**SCRep. 1658 Commerce, Consumer Protection and Housing on Gov. Msg. No. 322**

Recommending that the Senate advise and consent to the nomination of the following:

REAL ESTATE COMMISSION

MARSHALL D. CHINEN, for a term to expire June 30, 2004,

Testimony in support of the nomination was submitted by the Real Estate Commission (Commission), First Hawaiian Title Corporation, and five individuals.

Mr. Marshall D. Chinen is an attorney in private civil practice, with experience in real estate matters. He has served as an interim public member of the Commission since July, 2002, actively participating in standing committee and Commission meetings, and involving himself in various educational and research programs of the Commission. In testimony received by your Committee, Mr. Chinen was described as an honest, knowledgeable, diligent, and hardworking individual with a clear understanding of real estate laws and regulations.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 1659 Commerce, Consumer Protection and Housing on Gov. Msg. No. 324**

Recommending that the Senate advise and consent to the nomination of the following:

RENTAL HOUSING TRUST FUND ADVISORY COMMISSION

BECKY L. HAYASHIDA, for a term to expire June 30, 2004,

Testimony in support of the nomination was submitted by the Housing and Community Development Corporation of Hawaii, Rental Housing Trust Fund Advisory Commission, Venice Community Housing Corporation (VCHC), Hawaii Hispanic News, Group 70 International, Inc., Hawaii Chapter of the American Planning Association, Hawaii District, United Methodist Church, and AM Partners, Inc.

Ms. Becky L. Hayashida holds master's degrees in architecture and urban planning from the University of California, Los Angeles. After college, the nominee volunteered with Habitat for Humanity and developed an interest in the problems of homelessness and the lack of affordable housing for the poor.

Ms. Hayashida currently works as a planner with Group 70 International. Her professional experience also includes work as a project manager and housing director for a nonprofit developer of low-income housing, project engineer, and architect intern.

As Housing Director for VCHC, a small nonprofit low-income housing developer in California, Ms. Hayashida was responsible for identifying and securing land for development, conducting feasibility studies, securing all funding, organizing the development team, and monitoring all phases of construction through lease-up and occupancy. She oversaw projects ranging from small rehabilitation projects to multifamily rental housing.

Ms. Hayashida is currently a volunteer with Honolulu Habitat for Humanity. She serves on the Finance and Building Construction committees and organizes construction work crews.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kim, Sakamoto).

**SCRep. 1660 Education on Gov. Msg. No. 325**

Recommending that the Senate advise and consent to the nomination of the following:

**BOARD OF DIRECTORS OF THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII**

JOELLE KANE, for a term to expire June 30, 2007,

Joelle Segawa Kane holds a B.A. degree in Political Science and English, a J.D. degree, and is a licensed attorney with a private law practice in Hawaii. Ms. Kane has served with community and professional organizations including Sisters Offering Support, Hawaii State Bar Association, Hawaii Women Lawyers, and Native Hawaiian Bar Association, among others.

Your Committee received testimony in support of the nominee from the Research Corporation of the University of Hawaii, the nominee's business partners and colleagues in the legal profession, and friends.

Upon review of the testimony and written statement submitted by the nominee, your Committee finds that the nominee has the necessary character, experience, and qualifications to serve on the Board of Directors of the Research Corporation of the University of Hawaii. Your Committee finds that the nominee has been appointed based upon her credentials and a desire to serve as a volunteer member on the Board of Directors of the Research Corporation of the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Kawamoto, Tsutsui).

**SCRep. 1661 Tourism on Gov. Msg. No. 333**

Recommending that the Senate advise and consent to the nomination of the following:

**BOARD OF DIRECTORS OF THE HAWAII TOURISM AUTHORITY**

KIYOKO Y. KIMURA, for a term to expire June 30, 2004;

Based upon your Committee's evaluation of the testimony received from, and in support of, the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Testimony in support of the nominee was received from the Hawaii Tourism Authority (HTA), Maui Office of Economic Development, Maui County Council Chair, Maui County Councilmember, Diamond Resort Hawaii, Maui Chamber of Commerce, Chamber of Commerce of Hawaii, Honolulu Japanese Chamber of Commerce, Lahaina Town Action Committee, Princeville Resort, Hyatt Regency Maui Resort & Spa, Maui Hotel Association, Wailea Marriott, Wailea Golf Resort, Inc., Napali Kai Beach Resort, Four Seasons Resort, Waikoloa Beach Marriott, Kapalua Bay Hotel, Destination Resorts Hawaii, Inc., The Hawaii Hotel Association,



Whalers Village, Budget, KIKU TV and JN Productions, Inc., Ocean Tourism Coalition, Heli USA, Blue Hawaiian Helicopters, Island Insurance Companies, Fujimoto Landscape, Inc., Car Quest Hawaii, Kanu Inc., Wailea Point Realty, Inc., David Paul St. John Marketing, a retired Hawaii State Senator, and eleven individuals.

Kiyoko Y. Kimura is the President and General Manager of Diamond Resorts Hawaii, a subsidiary of Diamond Resort Corporation which owns and operates twenty-one resort facilities in Japan and Taiwan. The Hawaii entity is responsible for the resort in Wailea. She is a former interpreter for President George Bush, was selected as Woman of Maui in 1995, and was nominated as General Manager of the Year in 1997 by the Hawaii Hotel Association. She is a Board Member of the Japanese Cultural Center and serves on the Board of Governors of the Hawaii Employers Council. She has participated extensively in Maui civic and cultural affairs.

Your Committee notes the responses of the nominee at her confirmation hearing that the nominee believes that "Hawaii as a brand name is not high enough in the world". As a Board Member of the HTA, she would work to increase the visibility of Hawaii as a tourist destination particularly in Japan and scrutinize the HTA's contracts more. With her knowledge of Japan, she states that the HTA should endeavor to "brand Hawaii as a prestigious destination". As to the Governor traveling to Japan to promote Hawaii, she states that the effectiveness of the visit "depends on how the media translates it." The visit needs to be tied into a big event or show in Japan. Even so, the Governor's visit would not be enough and she suggested that the Governor herself needs to become better known in Japan.

Your Committee further notes that the nominee feels that she can commute to Honolulu and the other Islands from Maui to conduct the business of the HTA. In particular, she hopes to boost Maui's influence on the HTA.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1662 Health on Gov. Msg. No. 355**

Recommending that the Senate advise and consent to the nomination of the following:

DRUG PRODUCT SELECTION BOARD

GLENN M.L. PANG, M.D., for a term to expire June 30, 2006,

Upon review of the statements submitted by the nominee, your Committee finds that the nominee is committed to dedicating his time, efforts, and ideas to fulfilling his duties on the Drug Product Selection Board ("Board"), including the development and distribution of the state generic drug formulary.

Testimony in support of the nominee was received from the Department of Health and Hawaii Medical Association.

Your Committee finds that Dr. Pang is both a medical doctor and a pharmacist. A graduate of the University of Hawaii John A. Burn's School of Medicine, Dr. Pang completed his surgical residence in Honolulu, Hawaii, and his internal medicine residency and gastroenterology fellowship at Tulane University and Louisiana State University, respectively. He maintains a private practice of gastroenterology and internal medicine. Dr. Pang has served on numerous task forces for public and private agencies and is a member of the Hawaii Medical Association, Honolulu County Medical Society, American Medical Association, Federation of Physicians and Dentists, GUT Club, and Hawaii Philippine Medical Association.

Upon review of the testimony and statements submitted, your Committee finds that the nominee possesses the necessary character, experience, and qualifications to serve on the Board.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Inouye).

**SCRep. 1663 Health on Gov. Msg. No. 361**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF HEALTH

PAULA A.Y. ARCENA, for a term to expire June 30, 2007,

Upon review of the statements submitted by the nominee, your Committee finds that the nominee is dedicated to meaningfully contribute to the Department of Health's fulfillment of its mission to administer programs to protect, preserve, care for, and improve the physical and mental health of the people of the State.

Testimony in support of the nominee was received from the Organ Donor Center of Hawaii, Mountain-Pacific Quality Health Foundation, Hawaii Medical Association, Hawaii Primary Care Association, Healthcare Association of Hawaii, Hawaii Nurses' Association, Hawaii Health Systems Corporation, Hawaii Psychiatric Medical Association, and three individuals.

Your Committee finds that Ms. Arcena has extensive experience in healthcare administration and governmental affairs. She currently serves as the Executive Director of the Hawaii Medical Association which is comprised of more than 1,600 physician members. Your Committee further finds that her active leadership involvement and experience in healthcare related policy, planning, and initiatives over the last five years will allow her to serve as a valuable resource on the Board of Health.

Upon review of the testimony and statements submitted, your Committee finds that the nominee possesses the necessary character, experience, and qualifications to serve on the Board of Health.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Inouye).

**SCRep. 1664 Health on Gov. Msg. Nos. 363 and 410**

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, HONOLULU SUBAREA

G.M. No. 363 GEORGE A. WESSBERG, D.D.S., for a term to expire June 30, 2007; and

G.M. No. 410 JENNY L. STONE, M.D., for a term to expire on June 30, 2007;

Upon review of the background information submitted by the nominees, your Committee finds that the nominees are qualified to serve in the positions to which they are nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials and integrity.

Dr. Stone and Dr. Wessberg are both professionals in their respective fields with many years of experience and have expressed a sincere desire for public service. Your Committee further finds that they possess the skills, abilities, and experiences that would serve as assets on the Health Planning Council, Honolulu Subarea.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Inouye).

**SCRep. 1665 Health on Gov. Msg. Nos. 390 and 391**

Recommending that the Senate advise and consent to the nominations of the following:

REPRODUCTIVE RIGHTS PROTECTION COMMITTEE

G.M. No. 390 KRISTINE M. ALTWIES NICHOLSON, for a term to expire June 30, 2007; and

G.M. No. 391 VALERIE MARIE WANG, M.D., for a term to expire June 30, 2007,

Upon review of the background information submitted by the nominees, your Committee finds that the nominees are qualified to serve in the positions to which they are nominated. Your Committee further finds that the nominees are being appointed based on their professional credentials and integrity.

Ms. Nicholson is the President of Hawaii International Child, a state licensed, nonprofit adoption agency. Her extensive experience with children, families, the adoption process, and reproductive issues will provide additional perspective to the Reproductive Rights Protection Committee.

Testimony in support of Ms. Nicholson's nomination was received from six individuals.

Dr. Wang is a professional in her field of medicine with many years of experience and has expressed a sincere desire for public service. In addition, she is committed to contributing toward protecting individual rights and doing what is just for the community.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Inouye).

**SCRep. 1666 Health on Gov. Msg. No. 405**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF CERTIFICATION OF PUBLIC WATER SYSTEM OPERATORS

ANNE T. ZANE, for a term to expire June 30, 2004,

Upon review of the background information submitted by the nominee, your Committee finds that the nominee is qualified to serve in the position to which she is nominated. Your Committee further finds that the nominee is being appointed based on her professional credentials and integrity.

Testimony in support of the nominee was received from the Department of Health.

Your Committee finds that Ms. Zane is currently the supervisor of the compliance section of the Safe Drinking Water Branch of the Department of Health. Her nomination fulfills the requirement that one member of the Board of Certification of Public Water System Operators (Board) be a representative from the Safe Drinking Water Branch. Ms. Zane's education, experience, and familiarity with the Board will serve as assets on the Board.

Upon review of the testimony and statements submitted, your Committee finds that the nominee possesses the necessary character, experience, and qualifications to serve on the Board.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Inouye).

**SCRep. 1667 Energy and Environment on Gov. Msg. No. 423**

Recommending that the Senate advise and consent to the nomination of the following:

OFFICE OF ENVIRONMENTAL QUALITY CONTROL, DIRECTOR

G.M. No. 423 GENEVIEVE SALMONSON, for a term to expire May 9, 2007,

Testimony supporting the nominee was submitted by the Department of Health, Akinaka & Associates, Ltd., Sierra Club Hawaii Chapter, Reynolds Recycling, Pacific Management Consultants, Inc., and four individuals.

Upon review of the statements submitted by the nominee, your Committee finds that the nominee will work with compassion and commitment to assist in administering the responsibilities of the Office of Environmental Quality Control. Your Committee further finds that the nominee has been appointed based upon her professional credentials, integrity, and a desire to make Hawaii better through her appointment as Director of the Office of Environmental Quality Control.

Your Committee notes the following specific qualifications of the nominee:

Genevieve Salmonson is now serving her fourth year as Director of the Office of Environmental Quality Control. She has fairly administered Hawaii's Environmental Impact Statement Law. She has an open door policy to all parties involved and tries to get the public and private sectors to work together. Ms. Salmonson promotes education for agencies on how to apply Hawaii's Environmental Impact Statement Law, and for the general public on environmental issues. Under her direction, the Office has provided administrative support to the Environmental Council and competently advised the Governor on the acceptability of environmental impact statements.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Kanno).

**SCRep. 1668 Ways and Means on H.B. No. 378**

The purpose of this measure is to extend the authorization to issue special purpose revenue bonds to increase the availability of health care in the State.

In particular, the bill extends the authority of the Department of Budget and Finance to issue special purpose revenue bonds to assist the Pacific Community Health & Wellness, Inc., in the planning, design, and construction of a health care facility in central Oahu to

June 30, 2008. Additionally, this measure authorizes the Department to issue refunding special purpose revenue bonds at any time appropriate, including times subsequent to June 30, 2008.

Your Committee finds that the Pacific Community Health & Wellness, Inc.'s medical mall project in Central Oahu will provide several health care facilities that bring diverse medical and wellness services to central Oahu. The Legislature recognized the need and value of the project in 1999, when it authorized the issuance of special purpose revenue bonds to assist Pacific Community Health & Wellness, Inc., a not-for-profit Hawaii corporation. This measure will enable the completion of the health care facility that will provide needed services to an underserved area of Oahu.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 378, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Aduja, Kawamoto).

**SCRep. 1669      Ways and Means on H.B. No. 379**

The purpose of this measure is to extend the authorization for the issuance of special purpose revenue bonds for the development of the Pacific Saging Center, Inc.

Act 292, Session Laws of Hawaii 1999, authorized the issuance of special purpose revenue bonds to assist the Pacific Saging Center, Inc. to develop a health care facility to serve the public. The authorization to issue the bonds lapses on June 30, 2003. This measure will extend the authorization period until June 30, 2008.

Your Committee finds that the initial purpose for issuing the special purpose revenue bonds for the Pacific Saging Center, Inc. remains in the public interest and for the public health, safety, and general welfare.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 379, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Aduja, Kawamoto).

**SCRep. 1670      Ways and Means on H.B. No. 380**

The purpose of this measure is to extend the authorization from June 30, 2003 to June 30, 2008, to issue special purpose revenue bonds for a health care facility to be developed by Pacific Sports Medicine and Research Center at Koa Ridge, Oa'ahu.

The bill also authorizes the issuance of refunding bonds from time to time after June 30, 2008.

The Legislature has attempted both to encourage health-oriented tourism and to serve Hawai'i's aging population by supporting health care projects. The Legislature recognized the need for and value of this specific project in 1999, when it authorized the issuance of special purpose revenue bonds in Act 181. Your Committee finds that, as the project is only now nearing the groundbreaking stage, extending the time to issue these bonds is necessary. Your Committee also recognizes the need to extend the deadline for issuing the refunding bonds beyond the June 30, 2008, deadline to issue the original bonds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 380, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Aduja, Kawamoto).

**SCRep. 1671      Ways and Means on H.B. No. 381**

The purpose of this measure is to extend the authorization date for special purpose revenue bonds issued to the Pacific Wellness Center.

The bill also clarifies the refunding provisions of the special purpose revenue bonds issued to the Pacific Wellness Center.

Your Committee finds that the Pacific Wellness Center is developing a facility specializing in the Hawaiian healing arts and the medicinal use of local plants. The facility will also contain an Institute of Acupuncture for the study and practice of the ancient Chinese application of acupuncture. The public interest in these medicinal methods of treatment warrants the continued support of the Pacific Wellness Center as it develops this facility.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 381, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Aduja, Kawamoto).

**SCRep. 1672      Ways and Means on H.B. No. 382**

The purpose of this measure is to support the development of a health care facility in Central Oahu.

Specifically, this bill will enable the Pacific Women's Center, Inc., to construct a birthing center on Koa Ridge on Oahu by extending the authorization to issue \$5,000,000 in special purpose revenue bonds from June 30, 2003, to June 30, 2008, previously authorized by Act 291, Session Laws of Hawaii 1999.

This bill also provides that refunding special purpose revenue bonds may be issued beyond June 30, 2008, and specifies that the refunding of special purpose revenue bonds shall apply to any refunding of authorized special purpose revenue bonds, regardless of whether the special purpose revenue bonds have matured or are the subject of redemption or whether the refunding special purpose revenue bonds are bonds for multi-project programs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 382, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Aduja, Kawamoto).

**SCRep. 1673      Ways and Means on H.B. No. 383**

The purpose of this bill is to extend from June 30, 2003 to June 30, 2008, the authorization to issue special purpose revenue bonds for the benefit of Wahiawa-Central Oahu Health Center, Inc.

Furthermore, this bill permits the refunding of the authorized bonds at any appropriate time, including after the June 30, 2008, lapse date.

Your Committee finds that the Wahiawa-Central Oahu Health Center, Inc. is engaged in the planning, design, and construction of a patient-focused facility on a portion of a two hundred ten acre Koa Ridge parcel of land. Your Committee further finds that Wahiawa-Central Oahu Health Center, Inc. may be assisted through the issuance of special purpose revenue bonds because its health care facility is a health care project pursuant to part II, chapter 39A, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 383, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 2 (Aduja, Kawamoto).

**SCRep. 1674      Ways and Means on H.B. No. 475**

The purpose of this measure is to require the Auditor to conduct a management audit of the Public Utilities Commission.

Your Committee finds that previous management audits of the Public Utilities Commission conducted in 1975 and 1989 uncovered serious concerns with the Commission's operation. Among other things, excessive workloads and inadequate resources restricted the Commission's ability to effectively manage itself.

Your Committee finds that a management audit will allow the Commission to better recognize its strengths and weaknesses, improve how it fulfills its statutory mandates, and ensure that it is able to handle the challenges facing Hawaii's rapidly changing economy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 475, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 3 (Inouye, Kanno, Kim).

**SCRep. 1675      (Majority) Ways and Means on H.B. No. 485**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Hanahau`oli School.

Hanahau`oli School is a private not-for-profit elementary school in Makiki. The school is seeking a bond authorization in the amount of \$5,000,000 for building construction and acquisition of property under the recent constitutional amendment allowing these bonds for not-for-profit private schools. Your Committee notes that special purpose revenue bonds do not use state funds and do not take away any funds for public education. Your Committee finds that Hanahau`oli School was founded in 1918 and is a school of good standing in the community, and that the bonds authorized in this bill will greatly assist Hanahau`oli School in the carrying out of its mission.

Your Committee further finds that the acquisition, construction, or improvement of Hanahau`oli School's educational facilities is a "project" as defined in or pursuant to Act 257, Session Laws of Hawaii 2002, and that the financing thereof is assistance to a not-for-profit private elementary school that serves the general public.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 485, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (English, Tsutsui). Excused, 3 (Inouye, Kanno, Kim).

**SCRep. 1676 (Majority) Ways and Means on H.B. No. 488**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds.

Specifically, this measure authorizes up to \$15,000,000 in special purpose revenue bonds to be issued for the purpose of assisting Mid-Pacific Institute in financing and refinancing the planning, acquisition, construction, and improvement of its educational facilities in the State of Hawaii.

Your Committee finds and determines that the planning, acquisition, construction, and improvement of Mid-Pacific Institute's educational facilities constitutes a "project" as defined in or pursuant to Act 257, Session Laws of Hawaii 2002, and that the financing of these facilities is assistance to a not-for-profit private sectarian elementary school and secondary school that serves the general public.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 488, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (English, Tsutsui). Excused, 3 (Inouye, Kanno, Kim).

**SCRep. 1677 Ways and Means on H.B. No. 645**

The purpose of this measure is to authorize the issuance of special purpose revenues bonds for the benefit of the Queen's Health Systems and its nonprofit affiliates.

Specifically, the bill authorizes the issuance of up to \$200,000,000 in bonds. The bond revenue will be spent by the Queen's Medical Center, a nonprofit Queen's Health Systems affiliate, for purposes that include renovation of existing health care facilities, construction of new health care facilities, and acquisition of equipment, assets, and information technology.

Your Committee finds that the bond proceeds will enable the Queen's Medical Center to provide a national level of health care services. The funds will support the Queen's health care professionals in pursuing the more effective, appropriate, and safest treatment and prevention for patients.

Your Committee notes that the Queen's Health Systems has an outstanding bond authorization in the amount of \$150,000,000 that will lapse on June 30, 2003. None of that has been used or is expected to be used, and this bond authorization will be Queen's only bond revenue funding mechanism.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 645, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Inouye, Kim).

**SCRep. 1678 (Majority) Ways and Means on H.B. No. 939**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds.

Specifically, this bill authorizes the issuance of special purpose revenue bonds in an amount not to exceed \$5,000,000 the proceeds of which are to be used to make various improvements to Hoala School in Wahiawa, Oahu.

Act 257, Session Laws of Hawaii 2002, authorized the issuance of special purpose revenue bonds for improvement projects for not-for-profit private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities serving the general public.

Hoala School is an independent nonsectarian school serving the public currently with one hundred thirty-one students from kindergarten through the twelfth grade, principally from the North Shore and Central and Leeward Oahu. The immediate needs of Hoala School are infrastructural and structural improvements to implement its master plan for the school.

Your Committee finds that the proposal to issue special purpose revenue bonds to assist Hoala School meets the purpose and intent of Act 257, Session Laws of Hawaii 2002.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 939, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (English, Tsutsui). Excused, 3 (Inouye, Kanno, Kim).

**SCRep. 1679 (Majority) Ways and Means on H.B. No. 1564**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Chaminade University.

Your Committee finds that this measure will allow for the issuance of special purpose revenue bonds to provide \$10,000,000 for Chaminade University to undertake a variety of campus projects, with priority given to remodel and refurbish student housing, and secondarily to finance an expansion and renovation of classrooms and laboratories that support mathematics and the natural sciences.

Your Committee further finds that the recent amendment to the Hawaii Constitution to allow for the issuance of special purpose revenue bonds for private school construction and renovation will allow Chaminade University to make substantial improvements that will benefit not only the University's student body but the entire community.

Your Committee finds and determines that the planning, acquisition, construction, and improvement of Chaminade University's educational facilities and the furnishing thereof constitute a "project" as defined in or pursuant to Act 257, Session Laws of Hawaii 2002, and that the financing thereof is assistance to a not-for-profit private sectarian university that serves the general public.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1564, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (English, Tsutsui). Excused, 3 (Inouye, Kanno, Kim).

**SCRep. 1680 Transportation, Military Affairs, and Government Operations on H.C.R. No. 17**

The purpose of this measure is to urge and authorize the Governor to establish a state-province relationship between Hawaii and the province of Ilocos Norte of the Republic of the Philippines.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development and Tourism.

Your Committee finds that the State of Hawaii and the Philippines have maintained close ties over the years, as set forth in the body of this measure. Therefore, your Committee supports formalizing this relationship.

Your Committee also supports a five-year introductory period for any new state-province relationships such as this one. At the end of the five-year period, the State can better review the advantages and merit of the relationship.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 17, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Menor).

**SCRep. 1681 Transportation, Military Affairs, and Government Operations on H.C.R. No. 51**

The purpose of this measure is to request that the Secretary of the Department of Homeland Security establish a pacific oceanic administrative region within the Department of Homeland Security to be headquartered in Honolulu.

Your Committee received testimony in support of this measure from the Department of Defense.

In these uncertain times, your Committee finds that establishment of a regional homeland security office in Hawaii would enable the State to respond quickly and efficiently in the event of a terrorist attack or similar domestic disturbance.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 51, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kanno, Menor).

**SCRep. 1682 Transportation, Military Affairs, and Government Operations on H.C.R. No. 54**

The purpose of this measure is to urge all participating public and private entities to collaborate in the development of an officially recognized Urban Search and Rescue (US&R) team in Hawaii.

Your Committee received testimony in support of this measure from the Department of Defense and a concerned resident. Four volunteer search and rescue personnel testified orally in support of this measure.

Your Committee finds that following a major disaster in the State, it may take twelve hours or more for a US&R team to reach Hawaii to support search and rescue efforts. Since time is critical in any search and rescue effort, your Committee agrees that establishing a properly trained US&R team in Hawaii is extremely important.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 54, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Menor).

**SCRep. 1683      Transportation, Military Affairs, and Government Operations on H.C.R. No. 63**

The purpose of this measure is to request the Oahu Metropolitan Planning Organization (OMPO) to consider the Waianae second access road project in its regional transportation plan of 2004 and to identify immediate sources of funding for the project.

Your Committee received comments regarding this measure from OMPO.

Currently, the Waianae Coast has only one access road, a situation that poses a safety risk to the citizens of the Waianae Coast and causes considerable inconvenience when the roadway is closed for any length of time. Your Committee finds that there is an increasing need for an alternative access road to the Waianae Coast to alleviate traffic congestion and accommodate the growing population of leeward Oahu.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 63, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Menor).

**SCRep. 1684      Transportation, Military Affairs, and Government Operations on H.C.R. No. 76**

The purpose of this measure is to urge the United States Congress to support legislation that will improve federal benefits for Filipino veterans of World War II.

Your Committee finds that the men and women who serve the United States in times of war deserve our utmost honor and respect. Filipino veterans of World War II played a vital role in preserving freedom and democracy, and saving the United States and the world from tyranny.

Several measures that have been referred to your Committee in recent years have addressed this issue, and your Committee continues to support the provision of full veterans' benefits for Filipino veterans of World War II.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 76, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Menor).

**SCRep. 1685      Transportation, Military Affairs, and Government Operations on H.C.R. No. 77**

The purpose of this measure is to urge the United States Congress to support legislation that will improve federal benefits for Filipino veterans of World War II.

Your Committee finds that the men and women who serve the United States in times of war deserve our utmost honor and respect. Filipino veterans of World War II played a vital role in preserving freedom and democracy, and saving the United States and the world from tyranny.

Several measures that have been referred to your Committee in recent years have addressed this issue, and your Committee continues to support the provision of full veterans' benefits for Filipino veterans of World War II.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 77, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Menor).

**SCRep. 1686      (Joint) Transportation, Military Affairs, and Government Operations and Science, Arts, and Technology on H.C.R. No. 120**



The purpose of this measure is to establish a wireless enhanced 911 interim working group.

Your Committees received testimony in support of this measure from the Consumer Advocate, the Honolulu Police Department, T-Mobile, AT&T Wireless, Verizon Wireless, and Sprint. The Legislative Reference Bureau (LRB) submitted comments.

Your Committees find that it is in the public interest to ensure adequate ongoing funding to support enhanced 911 service. Therefore, your Committees support this measure as a means to bring all interested parties together, including the State, counties, wireless communications carriers, and consumers, to propose an ongoing funding source from wireless subscribers who represent a growing group of users of the enhanced 911 system.

As affirmed by the records of votes of the members of your Committees on Transportation, Military Affairs, and Government Operations and Science, Arts, and Technology that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 120, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Baker, English, Kanno, Menor, Hemmings).

**SCRep. 1687 (Joint) Labor and Transportation, Military Affairs, and Government Operations on H.C.R. No. 182**

The purpose of this measure is to request that the Department of Labor and Industrial Relations and the Department of Health, with the assistance of the Administrator of the Employees' Retirement System, prepare and conduct a study relating to the occupational and health risks of refuse collection workers.

The Department of Health submitted comments on the measure. The Department of Labor and Industrial Relations submitted testimony in opposition to the measure.

The measure further requests that the study's results be compared with the occupational risks of other county workers such as firefighters, police officers, certain investigators, and water safety officers to determine whether refuse collection workers should enjoy the same retirement benefits as those county workers.

Your Committees find that county refuse collection workers provide an essential service to the State, and are in constant contact with potentially dangerous materials. This contact and risk may account for the inordinately high number of industrial injuries reported by county refuse workers, which warrants further study.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 182, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Baker, Menor, Sakamoto, Taniguchi, Whalen).

**SCRep. 1688 Transportation, Military Affairs, and Government Operations on H.C.R. No. 188**

The purpose of this measure is to request the Department of Transportation (DOT) to study the feasibility of establishing flyer stops within the right-of-way of Oahu's H-2 freeway and connecting to park-and-ride facilities.

With Oahu's traffic congestion steadily worsening, your Committee believes that the State must explore every possible avenue to encourage our residents to use public transportation. The creation of flyer stops within the right-of-way of Oahu's H-2 freeway and connecting to park-and-ride facilities may make it easier for commuters to use the bus, and therefore your Committee agrees that the idea is worth reviewing further.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 188, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Kanno).

**SCRep. 1689 Transportation, Military Affairs, and Government Operations on H.C.R. No. 197**

The purpose of this measure is to request the City and County of Honolulu to determine the feasibility of constructing a multi-use path along the Waianae coast from Maili beach park to Makaha surfing beach.

Your Committee received testimony in support of this measure from three concerned residents.

Your Committee finds that a multi-use path along the Waianae Coast will give residents and visitors another option when traveling on the leeward coast. Not only will a bike path ease traffic congestion, it will give travelers a healthier alternative to automotive travel. Therefore, your Committee supports this measure, which calls for a feasibility study to be prepared for the Legislature prior to next session.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 197, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kanno, Menor).

**SCRep. 1690 Human Services on Gov. Msg. No. 306**

Recommending that the Senate advise and consent to the nomination of the following:

STATE INDEPENDENT LIVING COUNCIL

DIANA C. TIZARD, for a term to expire June 30, 2005,

Testimony in support of the nominee was submitted by the State Council on Developmental Disabilities and the State Disability and Communication Access Board.

Your Committee finds that Diana C. Tizard served as the Executive Director of the State Planning Council on Developmental Disabilities for twenty-five years, from 1987 until her retirement in August 2002, and is well respected in the developmental disabilities community. During her tenure at the Council, her advocacy initiatives and efforts directly contributed to:

- (1) The closure of the Waimano Training School and Hospital;
- (2) Passage of Act 133, Session Laws of Hawaii 1998, which incorporated the principles of self-determination for individuals with developmental disabilities into state law, making Hawaii the first and only state in the nation to recognize the rights of individuals with developmental disabilities to choose and have input as to the services and supports they receive; and
- (3) Obtaining federal funds to implement new and innovative ways to support families of individuals with developmental disabilities.

Upon review of the testimony and statements submitted by the nominee, your Committee finds that Diana C. Tizard has the necessary character, experience, and qualifications to serve on the Statewide Independent Living Council.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Inouye, Tsutsui).

**SCRep. 1691 Human Services on Gov. Msg. Nos. 370 and 371**

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE INDEPENDENT LIVING COUNCIL

G.M. No. 370 KENNETH TERUYA AKINAKA, MRA, for a term to expire June 30, 2006; and

G.M. No. 371 PATRICIA LOCKWOOD, for a term to expire June 30, 2007,

Upon review of the testimony and statements submitted by the nominees, your Committee finds that Kenneth Teruya Akinaka and Patricia Lockwood have the necessary character, experience, and qualifications to serve on the Statewide Independent Living Council.

Testimony in support of Kenneth Teruya Akinaka was submitted by the Statewide Independent Living Council.

Kenneth Teruya Akinaka, MRA, is the CARF Accreditation Specialist, Hepatitis C Research Coordinator, and Resource Development Director at Drug Addiction Services of Hawaii, Inc. (DASH), a substance abuse treatment service provider. He also has small business experience, as the founder of Professional Systems Management (PSM) and creator of PSM's "60 Second Organizer" office organizing system. He holds a Bachelor of Arts in Psychology with honors from San Francisco State University and a Masters in Rehabilitation Administration from the University of San Francisco. He has demonstrated a willingness and experience in working with organizations that help individuals with disabilities. His expertise on Hepatitis C, substance abuse, and the disabilities associated with these conditions will broaden the knowledge base of the Statewide Independent Living Council. In addition, Mr. Akinaka is actively involved and serves on the boards of a number of professional and community organizations.

Patricia Lockwood is the Executive Director of the Hawaii Centers for Independent Living, a nonprofit organization composed of independent living centers statewide to promote independent living and the integration of persons with disabilities into the community, and as such is a designated member of the Statewide Council on Independent Living, pursuant to section 348-9, Hawaii Revised Statutes. Ms. Lockwood has significant experience in developing and implementing independent living programs and supporting services in Montana and Hawaii that will strengthen the Statewide Independent Living Council. She is also a person with a disability (multiple sclerosis) and a strong advocate for the rights of individuals with disabilities.

As affirmed by the records of votes of the members of your Committee on Human Services that are attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Inouye, Trimble).

**SCRep. 1692 Human Services on Gov. Msg. Nos. 416, 417, 418, 419, 420 and 421**

Recommending that the Senate advise and consent to the nominations of the following:

STATE REHABILITATION COUNCIL

- G.M. No. 416 RENE BERTHIAUME, for a term to expire June 30, 2006;
- G.M. No. 417 GENE R. DESCALZI, for a term to expire June 30, 2006;
- G.M. No. 418 NANCY G. KINGHORN, for a term to expire June 30, 2006;
- G.M. No. 419 RICHARD W. SMITH, for a term to expire June 30, 2006;
- G.M. No. 420 VIRGINIA G. TOMPKINS, for a term to expire June 30, 2004; and
- G.M. No. 421 BARBARA J. WARD, for a term to expire June 30, 2004,

Upon review of the testimony and statements submitted by the nominees, your Committee finds that Rene Berthiaume, Gene R. Descalzi, Nancy G. Kinghorn, Richard W. Smith, Virginia G. Tompkins, and Barbara J. Ward have the necessary character, experience, and qualifications to serve on the State Rehabilitation Council. The State Rehabilitation Council, established through the 1992 Amendments to the federal Rehabilitation Act of 1973, acts in an advisory capacity to the Vocational Rehabilitation and Services for the Blind Division on services that address the employment needs of individuals with disabilities.

Testimony in support of Rene Berthiaume was submitted by the Natural Resources Conservation Service, U.S. Department of Agriculture; Institute for Human Services, Inc.; Vietnam Veterans Post 10583; Rehabilitation Assessment & Planning Specialists; and two private citizens.

Testimony in support of Gene R. Descalzi was submitted by two private citizens.

Testimony in support of Nancy G. Kinghorn was submitted by two private citizens.

Testimony in support of Richard W. Smith was submitted by the Department of Human Services; Kalopa Enterprises, Inc.; and one private citizen.

Testimony in support of Virginia G. Tompkins was submitted by four individuals associated with the Veterans Administration Center for Aging, a rehabilitation unit serving Hawaii's veterans, and the Spark M. Matsunaga VA Medical and Regional Office Center; and one private citizen.

Testimony in support of Barbara J. Ward was submitted by the Center for Disability Studies at the University of Hawaii; three individuals associated with the Department of Education; and one private citizen.

Rene Berthiaume is Vice President and Housing Development Specialist of Network Enterprises, Inc., which provides rehabilitation services for individuals with disabilities. He has over thirty years of experience in the areas of human services, construction, and housing, as well as demonstrated expertise developing, funding, and implementing rehabilitation programs for individuals with disabilities. Mr. Berthiaume holds a degree in Rehabilitation Administration Management from the University of San Francisco and is active in numerous professional and community organizations.

Gene R. Descalzi, also known by his radio name, Gene Davis, is the Public Relations Manager at Ronald McDonald House Charities of Hawaii. He has over thirty years of experience in public relations and media, including over two decades as a media professional at radio stations in Hawaii, California, and Osaka, and holds a degree in Communications and Journalism from Chaminade University.

Nancy G. Kinghorn was previously an elementary school teacher; however, she developed macular dystrophy, a visual impairment that has left her legally blind. She continues to be actively involved in her community and currently serves as a volunteer usher at the Hawaii Theatre. She is also a "very focused" and articulate advocate for people with disabilities.

Richard W. Smith currently serves as the chair of the State Rehabilitation Council and is nominated for a second term. He is a small business owner on the island of Hawaii. In addition, he is a member of the State and Local Workforce Development Councils and facilitates the collaboration between the two entities. He is also actively involved in numerous professional, civic, and community organizations. Richard W. Smith exemplifies "unconditional aloha and dedication to others."

Virginia G. Tompkins has served as the Administrative Officer for the Veterans Administration Center for Aging since its opening in 1997, and recently was appointed the Equal Employment Opportunity Manager for the Veterans Administration Medical Center and Regional Office. She has over forty years of experience as a teacher and administrator of vocational rehabilitation services programs, and has extensive knowledge about all aspects of the vocational rehabilitation.

Barbara J. Ward is a Hawaii-licensed Speech/Language Pathologist with over twenty years of experience in Hawaii public schools. She also teaches and supervises graduate students at the Speech & Hearing Clinic at the University of Hawaii at Manoa. She has worked closely with Department of Education's Autism Program to improve services, including vocational assessment and training, for students with disabilities statewide.

As affirmed by the records of votes of the members of your Committee on Human Services that are attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Inouye, Trimble).

**SCRep. 1693      Transportation, Military Affairs, and Government Operations on Gov. Msg. No. 369**

Recommending that the Senate advise and consent to the nomination of the following:

STATE HIGHWAY SAFETY COUNCIL

JEFF GOLDSMITH, for a term to expire on June 30, 2007,

After careful consideration, your Committee finds that the nominee has extensive experience as a manager and team leader for the American Automobile Association (AAA), and will be invaluable in helping the Department of Transportation (DOT) deal with highway safety issues.

Your Committee received testimony in support of the nominee from the DOT, the Kern Council of Governments, and four concerned citizens.

Your Committee finds that Jeff Goldsmith is currently the District Manager for AAA's Hawaii office. He has been with AAA for the past six years. Prior to joining AAA, the nominee was a sales manager for Classic Custom Vacations, where he was responsible for training, marketing and sales.

Your Committee further finds that the nominee is a firm believer in making Hawaii's roads safer for drivers, motor vehicle occupants, and pedestrians.

Jeff Goldsmith attended the University of La Verne, where he studied organization management. He also attended the San Bernardino Sheriffs Academy, where he became a Level 2 police officer. He is also a 2002 graduate of the Leadership Bakersfield program.

Your Committee concludes that Jeff Goldsmith's experience in management and leadership will certainly be an asset to the State Highway Safety Council.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Menor).

**SCRep. 1694      Transportation, Military Affairs, and Government Operations on Gov. Msg. No. 372**

Recommending that the Senate advise and consent to the nomination of the following:

MEDICAL ADVISORY BOARD

JOYCE CASSEN, M.D., for a term to expire June 30, 2006,

After careful consideration, your Committee finds that the nominee has extensive practical and academic experience in the field of medicine and would be a tremendous asset to the Medical Advisory Board.

Your Committee received testimony in support of the nominee from the Department of Transportation and two local physicians.

Joyce Cassen, M.D., is a graduate of Case Western Reserve University School of Medicine and completed her residency in ophthalmology at the Cleveland Clinic Foundation. In addition, the nominee earned her Bachelor of Arts degree, cum laude, in chemistry, and a Ph.D. in experimental pathology, also from Case Western Reserve University.

Your Committee finds that the nominee is licensed to practice medicine in three states, and is on the active staff at Queen's Medical Center and Kuakini Medical Center. She is currently an ophthalmologist with the Aina Haina Eye Center.

The nominee is extremely active professionally and has published numerous articles and studies. She also has taught several medical courses in her field and often presents at medical conferences.

Your Committee concludes that the nominee's professional skill, drive, and experience will make her an asset on the Medical Advisory Board.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Menor).

**SCRep. 1695      Transportation, Military Affairs, and Government Operations on Gov. Msg. No. 401**

Recommending that the Senate advise and consent to the nomination of the following:

ADVISORY BOARD ON VETERANS SERVICES

FRANK A. CRUZ, for a term to expire June 30, 2007,

Your Committee received testimony in support of the nominee from the Department of Defense, the Office of Veterans' Services (OVS), and the Chair of the OVS Advisory Board.

Your Committee finds that the nominee is a highly decorated military officer who has lived in the State for thirty-two years. As President of the Kauai Veterans Council, Commander of Veterans of Foreign Wars Post 3855, and the Adjutant of the Military Order of the Purple Heart, the nominee understands veterans issues and has a strong commitment to Kauai's veterans.

Your Committee further finds that the nominee is dedicated to improving the provision of veterans' services to residents of Kauai and throughout the State, and his participation on the OVS Advisory Board would help the State in many ways.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

**SCRep. 1696      Transportation, Military Affairs, and Government Operations on Gov. Msg. No. 411**

Recommending that the Senate advise and consent to the nomination of the following:

STATE HIGHWAY SAFETY COUNCIL

CAROL H. McNAMEE, for a term to expire June 30, 2007,

After careful consideration, your Committee finds that the nominee has extensive experience in traffic safety issues and will be invaluable in helping the Department of Transportation (DOT) deal with highway safety issues.

Your Committee received testimony in support of the nominee from the DOT, the Department of the Prosecuting Attorney of the City and County of Honolulu, Mothers Against Drunk Driving (MADD), and a concerned citizen.

Your Committee finds that the nominee is currently the vice president of public policy for MADD on the national board. She has served on the Governor's Impaired Driving Task Force twice and has been an advocate of traffic safety issues for more than twenty years.

Carol H. McNamee has a Bachelor of Science degree from Stanford University. She has received numerous awards for her past service, including the DOT's Alakai Award, presented for Leadership in Highway Safety. She also received a President's Golden Achievement Award from MADD--National Organization, and a Service in the Field of Alcohol Countermeasures Award from the National Highway Traffic Safety Administration.

Your Committee concludes that Carol H. McNamee's vast experience in traffic safety issues will certainly be an asset to the State Highway Safety Council.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee, after full consideration of the background, character, experience, and

qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Aduja, Kanno, Menor).

**SCRep. 1697      Transportation, Military Affairs, and Government Operations on Gov. Msg. No. 412**

Recommending that the Senate advise and consent to the nomination of the following:

STATE HIGHWAY SAFETY COUNCIL

BRYAN S. WAUKE, for a term to expire June 30, 2007,

Your Committee received testimony in support of the nominee from the Department of Transportation (DOT).

Your Committee finds that the nominee has extensive experience as a Police Officer, which will be invaluable in helping the DOT deal with highway safety issues.

Your Committee further finds that the nominee is a Major with the Honolulu Police Department's Traffic Division. Major Wauke has been with the Honolulu Police Department for twenty-three years. Major Wauke is a firm believer in educating both pedestrians and drivers alike in safety on our roadways so that we can put an end to the traffic-related tragedies that have occurred over time.

Your Committee further finds that Major Wauke is a graduate of Wayland University and the FBI Academy for Law Enforcement Officers and has received numerous commendations from various organizations, including Mothers Against Drunk Driving. Major Wauke was instrumental in the planning of the new training facilities for the Honolulu Police Department and is an active member of the American Society for Law Enforcement Training.

Your Committee concludes that Major Bryan Wauke would certainly be an asset to the Highway Safety Council.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

**SCRep. 1698      Transportation, Military Affairs, and Government Operations on Gov. Msg. No. 422**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON TRANSPORTATION

JOHN ROMANOWSKI, for a term to expire June 30, 2007,

Your Committee received testimony in support of the nominee from the Department of Transportation (DOT), the General Contractors Association of Hawaii, Hawaii Island Contractors Association, the Contractors Association of Kauai, and a private citizen.

Your Committee finds that the nominee's vast experience as an engineer and in the construction industry will be invaluable in helping the DOT deal with transportation issues.

A longtime Hawaii resident, Mr. Romanowski is an outstanding member of the construction community as vice president of Jas. W. Glover, Ltd., whose operations include general contracting and the manufacturing and sales of aggregates and aggregate based products in Hilo, Kona, and Lihue, and managing general construction projects specializing in site work, highways, paving, and utilities on Oahu, Hawaii, and Kauai.

Your Committee finds that the nominee is also the Hawaii State Director for the National Asphalt Paving Association, and President of the Hawaii Asphalt Paving Industry.

Your Committee concludes that the nominee will greatly assist the State by serving on the Commission on Transportation.

As affirmed by the record of votes of the members of your Committee on Transportation, Military Affairs, and Government Operations that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kanno, Menor).

**SCRep. 1699      Commerce, Consumer Protection and Housing on Gov. Msg. No. 312**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF MASSAGE THERAPY

WILFRED S. PANG, for a term to expire June 30, 2007,

Testimony in support of the nomination was submitted by The Shiatsu Therapeutic Association of America, Mauka-Makai in Hawaii, Aisen Shiatsu School, Inc., and Aisen Chiryō Doin, Inc.

Mr. Wilfred S. Pang is a licensed massage therapist who graduated from Aisen Shiatsu School and studied lomilomi massage with Kumu Kalua Kaiahua. In addition to maintaining a private practice, the nominee teaches at Aisen Shiatsu School, and provides massage therapy to seniors at the Palolo Chinese Home and Central Union Church Adult Day Care Center.

Mr. Pang's commitment to serving the public is evidenced by a long and distinguished history of community service. He is a former chairman of the Hawaii State Commission on Children and Youth, former trustee for Palama Settlement, past president and trustee of the Hawaii Lions Eye Foundation and Eye Bank, and former advisor, board member, and big brother for Big Brothers and Big Sisters of Hawaii. In addition, he helped organize and served as a director with the National Association and International Association of Crime Victims Compensation Boards. Mr. Pang is a 1967 recipient of the legal profession's Liberty Bell Award, given to an individual who has demonstrated leadership and dedication to the principles of a democratic system of government.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1700 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 339 and 340**

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 339 LINDA D. HAMILTON, for a term to expire June 30, 2007; and

G.M. No. 340 REBECCA S. WILLIAMS, for a term to expire June 30, 2007;

Testimony in support of the nominee Linda D. Hamilton was submitted by Susan Page Modeling Agency and School, Kemper & Watts, Michael F. Schwinn D.D.S., and Olsen Staffing Services.

Testimony in support of nominee Rebecca S. Williams was submitted by Winer Meheula Devens & Bush, PriceWaterhouseCoopers, and Outrigger Enterprises, Inc.

Ms. Linda D. Hamilton is owner and operator of LDA Business Services, Inc., a bookkeeping service. She has over twenty-five years of experience working for certified public accounting firms and private accounting practices, and over the years has taken tax and continuing education courses. Ms. Hamilton currently serves as treasurer of the Downtown Exchange Club and Epilepsy Foundation of Hawaii and is a former treasurer for the Professional Women's Network.

Ms. Rebecca S. Williams has a bachelor's degree in accounting from Texas A&M University and a law degree from the University of Houston. She is a self-employed certified public accountant and financial adviser, with prior professional experience as Director of Tax and Investor Services for Outrigger Enterprises, Tax Manager for Coopers and Lybrand, Tax Specialist for Deloitte & Touche, and in public accounting with Arthur Young & Co. Ms. Williams has been licensed to practice public accountancy in Hawaii since 1984 and is a member of the American Institute of Certified Public Accountants.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1701 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 341 and 342**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF ACUPUNCTURE

G.M. No. 341 GARY K. SAITO, for a term to expire June 30, 2007; and

G.M. No. 342 MIKE HASHIMOTO, for a term to expire June 30, 2007,

Testimony in support of nominee Gary K. Saito was received from five individuals, including a doctor of acupuncture and members of various health professions. The Big Island Acupuncture Association and two individuals opposed the nomination of Gary K. Saito. A doctor of acupuncture submitted testimony in support of nominee Mike Hashimoto.

Dr. Gary K. Saito is a doctor of chiropractic in private practice. He also serves as clinic director for the Integrative Healthcare Department of The Honolulu Medical Group, managing the delivery of complementary and alternative medical services. Several statements in support of Dr. Saito's nomination referred to the nominee's competency, integrity, and ability to fairly and objectively represent the public interest.

Dr. Mike Hashimoto earned a Doctor of Philosophy in Acupuncture degree from the University of Oriental Studies and a Doctor of Chinese Medicine degree from The Research Center of Chinese Medicine. He holds a Hawaii acupuncture license, has practiced the profession in the State since 1972, and currently operates his own clinic. The nominee served as Dean of Academic Affairs for the Oriental Medical Institute of Hawaii from 1984 through 1992 and has published several articles on acupuncture. Dr. Hashimoto previously served on the Board of Acupuncture, most recently as its Chairperson from 1992 through 2000.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1702 Commerce, Consumer Protection and Housing on Gov. Msg. No. 356**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF ELECTRICIANS AND PLUMBERS

KEVIN H.M. CHONG KEE, for a term to expire June 30, 2007,

Testimony in support of the nomination was submitted by Kokea Construction & Consultants, Inc., Shigemura, Lau, Sakanishi, Higuchi and Associates, Inc., and two individuals.

Mr. Kevin H.M. Chong Kee is a graduate of the electrical apprentice program at Honolulu Community College with over thirty years of experience in residential and commercial electrical contracting. Since 1985, Mr. Chong Kee has operated his own electrical contracting business. Mr. Chong Kee's community activities include serving as 2nd Vice Chairman of the Hawaii Republican Party.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1703 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 357, 358 and 359**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PROFESSIONAL ENGINEERS, ARCHITECTS, SURVEYORS, AND LANDSCAPE ARCHITECTS

G.M. No. 357 PETER T. DYER, for a term to expire June 30, 2007;

G.M. No. 358 RANDALL M. HASHIMOTO, for a term to expire June 30, 2007; and

G.M. No. 359 SHAUN USHIJIMA, for a term to expire June 30, 2007,

Lester H. Inouye and Associates, Inc., testified in support of the nomination of Peter T. Dyer. The Department of Commerce and Consumer Affairs, Board of Professional Engineers, Architects, Surveyors, and Landscape Architects, State Comptroller, and an individual testified in support of the nomination of Randall M. Hashimoto. Testimony in support of the nomination of Shaun Ushijima was received from CM&D, Hida, Okamoto & Associates, Inc., KAI Hawaii, Inc., Next Design LLC, Mechanical Enterprises, Inc., and Park Engineering.

Mr. Peter T. Dyer is retired from his position as Provost of Windward Community College and has an extensive history of service to the community. He served on the boards of the Hawaii Credit Union League, University of Hawaii Federal Credit Union (UHFCU), and Kahuku Hospital Corporation. He currently serves as treasurer of the UHFCU, and on the boards of the North Shore Career Training Corporation and The Outdoor Circle. From 2002 to 2003, Mr. Dyer served as president of the Rotary Club of Kaneohe. In



supportive testimony, Mr. Dyer was described as very knowledgeable, highly professional in his undertakings, unbiased, and a methodical decisionmaker.

Mr. Randall M. Hashimoto is a licensed surveyor with over thirty-five years of surveying experience. He has worked in both the private and public sectors, and since 1995, has held the position of State Land Survey Administrator. Mr. Hashimoto has served on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects (Board) for four years, including as its Chair in 2000, and is the person primarily responsible for updating the Board's professional land surveying examination.

Mr. Shaun Ushijima graduated from the University of Hawaii with a bachelor's degree in architecture. He established Ushijima Architects, Inc. in 1994, specializing in educational and commercial design. Prior to starting his own firm, the nominee worked as a project manager for Design Partners, Inc., where he specialized in residential design.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1704 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 373, 374, 375, 376 and 377**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF MEDICAL EXAMINERS

- G.M. No. 373 WENDELL K.S. FOO, M.D., for a term to expire June 30, 2006;
- G.M. No. 374 RONALD H. KIENITZ, D.O., for a term to expire June 30, 2007;
- G.M. No. 375 PETER A. MATSUURA, M.D., for a term to expire June 30, 2007;
- G.M. No. 376 JOHN T. MCDONNELL, M.D., for a term to expire June 30, 2007; and
- G.M. No. 377 MARIA BRUSCA PATTEN, D.O., for a term to expire June 30, 2007,

Based upon your Committee's evaluation of the testimony received from, and in support of, the nominees, your Committee finds that each nominee should be afforded an opportunity to serve the public.

Wendell K.S. Foo, M.D., is an Assistant Clinical Professor of the Department of Surgery, University of Hawaii, John A. Burns School of Medicine, where he received an M.D. degree. He is Chief of Anesthesiology at the Hawaiian Eye Surgical Center, in Wahiawa, and Chief of Anesthesiology of the Hawaii Endoscopy Center, St. Francis Medical Center, in Honolulu. He is a U.S. Army Reserve Colonel who served in the U.S. Marine Corps in Vietnam. The nominee has served as Chairman of the Hawaii Medical Association Annual Session Meeting, 2003; Director, Board of Directors, SurgiCare of Hawaii, 1994 to 1998; Founding Member, The Queen's Medical Center 24-Hour-In-House Obstetrics and Trauma Team, 1988; and Medical Staff, Department of Anesthesiology, Hoag Presbyterian Hospital, Newport Beach, California, 1977 to 1979. He has participated in community organizations such as Hospice Hawaii, Aloha Medical Mission, Bishop Museum, and Goodwill Industries.

Testimony in support of Dr. Foo was received from the Senator from the 18<sup>th</sup> District, Hawaii Medical Association (HMA), and two individuals. Your Committee notes the testimony of the Senator that Dr. Foo is "totally able and willing to handle the position, and has the track record, ability, integrity, and even-handedness to do so."

Ronald H. Kienitz, D.O., is Medical Director for the Concentra Medical Centers, Honolulu, and a Clinical Assistant Professor with the Western University of Health Sciences, Occupational/Family Medicine. He serves as a medical expert witness in Hawaii courts, military courts, and workers' compensation cases, and on the Hawaii Medical Conciliation Panel. He holds a Board Certification in Preventive/Occupational Medicine, and is a Fellow of the American College of Preventive Medicine, and a Fellow of the American College of Occupational and Environmental Medicine. He is also a Certified Independent Medical Examiner and is certified by the National Board of Examiners, Osteopathic Medicine. The nominee serves on the Board of Pharmacy in Hawaii and Michigan.

Testimony in support of Dr. Kienitz was received from the Hawaii Medical Association (HMA), The Chamber of Commerce of Hawaii, and one physician. According to the HMA, the nominee was recently elected to serve as the President Elect of the Honolulu County Medical Society.

Peter A. Matsuura, M.D., is an orthopaedic surgeon in Hilo. He belongs to the American Board of Orthopaedic Surgeons. He received an MD degree from the University of California at Irvine, California College of Medicine, and a BS degree in zoology from the University of California at Davis. He is a Fellow of the American Academy of Orthopaedic Surgeons, and is a member of numerous medical associations and societies. He is Chairperson of Surgical Specialists at Hilo Medical Center and Chair of its Ambulatory Care/OR Committee. The nominee is published in professional journals and has been a presenter in numerous professional symposiums.

Testimony in support of Dr. Matsuura was received from the Hawaii Medical Association, and four physicians.

John T. McDonnell, M.D., is in private practice, specializing in allergy and immunology, and is Clinical Assistant Professor of Medicine, John A. Burns School of Medicine. He received an MD degree from the New Jersey College of Medicine & Dentistry, and a BS degree in biology from St. Peter's College. He is Board Certified by the American Board of Pediatrics, American Board of Allergy & Immunology, and Conjoint Board of the American Board of Internal Medicine and the American Board of Pediatrics. The nominee was President of the Honolulu County Medical Society, 1987, and President of the Hawaii Medical Association, 1991.

Testimony in support of Dr. McDonnell was received from the Hawaii Medical Association, Aloha Eye Clinic, Ltd., Straub Clinic & Hospital, two physicians, and one individual.

Maria Brusca Patten, D.O., has been a physiatrist with Department Neurosciences at Kaiser Permanente Honolulu since 2001 where she was Subchief, Physical Medicine Department from 1997 to 2001. She received a D.O. degree from the College of Osteopathy Medicine of the Pacific, and a B.A. degree from the University of California, Berkeley. She was Chief Resident for the Stanford University Hospital Physical Medicine and Rehabilitation Residency Program at the Santa Clara Valley Medical Center. She is the Neurosciences Department Peer Review Liaison for Kaiser Hawaii, and Chair of the Medical Acupuncture Action Committee of the Hawaii Medical Association. The nominee is a Diplomate with the American Board of Physical Medicine and Rehabilitation.

Testimony in support of the Dr. Patten was received from three physicians. Your Committee notes from the nominee's personal statement that she understands the importance of Board of Medical Examiners in the professional lives of physicians and patients, who rely upon good quality health care and the maintenance of high professional standards of health care.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found each nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to each nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1705 Commerce, Consumer Protection and Housing on Gov. Msg. No. 378**

Recommending that the Senate advise and consent to the nomination of the following:

MOTOR VEHICLE INDUSTRY LICENSING BOARD

DAVID D.S. CHUN, for a term to expire June 30, 2007,

The Department of Commerce and Consumer Affairs (DCCA), Motor Vehicle Industry Licensing Board, and First Hawaiian Bank Dealer Center testified in support of the nomination.

Mr. David D.S. Chun is a licensed motor vehicle dealer and employed as general manager for Honolulu Ford. He has worked in the motor vehicle industry for over thirty-five years and has served on the boards of the Hawaii Automobile Dealers Association and Car and Truck Renting and Leasing Association. For the past four years, Mr. Chun has utilized his industry expertise in his capacity as a member of the Motor Vehicle Industry Licensing Board to assist DCCA in the regulation of motor vehicle dealers and the protection of consumers.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1706 Commerce, Consumer Protection and Housing on Gov. Msg. No. 379**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF EXAMINERS IN NATUROPATHY

SHERYL L. THOMPSON, for a term to expire June 30, 2007,

Testimony in support of the nomination was received from an individual.

Ms. Sheryl L. Thompson is a postal clerk and provision supervisor at Pearl Harbor. The nominee has an interest in integrated medical practices which combine the use of homeopathic and allopathic practices and which favor the application of natural remedies before the use of allopathic medicines. In supporting testimony, Ms. Thompson was described as a person of integrity who believes in the principles of accountability and responsibility for one's actions.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the

nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1707 Commerce, Consumer Protection and Housing on Gov. Msg. No. 380**

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF NURSING

TERESA SAKAI R.N., for a term to expire June 30, 2007,

Two individuals submitted testimony in support of the nomination.

Ms. Teresa Sakai has over twenty-five years of experience in the nursing profession. In addition to holding an associate's, a bachelor's, and a master's degrees in nursing, the nominee is licensed as an advanced practice registered nurse. Ms. Sakai is employed as Coordinator of Inservice Education at Kauai Veterans Memorial Hospital and also provides direct care in the hospital's various nursing units. Ms. Sakai has utilized her nursing skills to serve the community through her volunteer work with the American Red Cross, WIC program, American Heart Association, and Hepatitis B Immunization Clinic, and Diabetes Camp, among other organizations and programs.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1708 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 383 and 414**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PHARMACY

G.M. No. 383 DULCE TOMI ONAGA, for a term to expire June 30, 2007; and

G.M. No. 414 KARL H. MIYAMOTO, for a term to expire June 30, 2007,

Four individuals testified in support of the nomination of Dulce Tomi Onaga. Three individuals testified in support of the nomination of Karl H. Miyamoto.

Ms. Dulce Tomi Onaga earned a Bachelor of Science degree in nursing from Marquette University and has worked in the health care field for over twenty years. As a registered nurse at Pacific Cardiology providing direct care to patients, she is involved in patient education, including education in the use of pharmaceuticals. As an instructor in critical care at St. Francis Medical Center, Ms. Onaga was required to have an understanding of pharmacology and pathophysiology. Testimony presented in her behalf described the nominee as a dedicated and knowledgeable individual and a strong patient advocate.

Mr. Karl H. Miyamoto earned a Bachelor of Science degree in pharmacy from the University of Washington. He holds a Hawaii pharmacy license and is Pharmacy Manager for the Beretania and Kailua Safeway pharmacies. He has also worked as a pharmacist in various hospital and clinical settings. Supportive testimony described Mr. Miyamoto as a person with a superior understanding of the practice of pharmacy and an individual of integrity and honesty.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1709 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 384 and 415**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PSYCHOLOGY

G.M. No. 384 LAURA E. OZAK, J.D., for a term to expire June 30, 2007; and

G.M. No. 415 WILLIAM C. REZENTES, III, Ph.D., for a term to expire June 30, 2007,

Three individuals testified in support of Ms. Ozak's nomination. Six individuals testified in support of Dr. Rezentes' nomination.

Ms. Laura E. Ozak is a registered nurse and attorney employed by a law firm as a medical-legal nurse consultant. Prior to earning a law degree, the nominee worked for over ten years as a critical care nurse. For the past two years, Ms. Ozak has been a certified Court Volunteer Guardian Ad Litem for the Family Court of the First Circuit, advocating for the best interests of children in the foster care system.

Dr. William C. Rezentes, III, is a psychologist in private practice. Dr. Rezentes has a broad range of experience in the field of psychology, including implementation of the Integrated Behavioral Health Program at the Waimanalo Health Center, serving as a psychological consultant to the Queen Liliuokalani Children's Center, providing mental health consultation services to the Hawaii Job Corps, serving as a police psychologist with the Honolulu Police Department, and teaching in the psychology program at Chaminade University. In his work, Dr. Rezentes has demonstrated a commitment to helping and serving the needs of the underserved in the community.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1710 Commerce, Consumer Protection and Housing on Gov. Msg. No. 386**

Recommending that the Senate advise and consent to the nomination of the following:

REAL ESTATE COMMISSION

TRUDY I. NISHIHARA, for a term to expire June 30, 2007;

Based upon your Committee's evaluation of the testimony received from, and in support of, the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Testimony in support of the nominee was received from the Hawaii Aloha Chapter of Certified Residential Specialists, Hawaii Association of Realtors, and The Honolulu Board of Realtors.

Trudy I. Nishihara is Principal Broker, Owner, Vice President, and Treasurer of Realty Group, which she founded in 2000 with her husband. She was previously Partner, Vice President, and Branch Manager Vice President for The Prudential Locations Inc. She has been a licensed broker in Hawaii since 1986, and belongs to numerous professional realtor associations such as the Honolulu Board of Realtors, Hawaii Association of Realtors, and the National Association of Realtors.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1711 Commerce, Consumer Protection and Housing on Gov. Msg. No. 402**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF VETERINARY EXAMINERS

ROGER M. KONDO, D.V.M., for a term to expire June 30, 2007;

Based upon your Committee's evaluation of the testimony received from, and in support of, the nominee, your Committee finds that the nominee should be afforded an opportunity to serve the public.

Testimony in support of the nominee was received from Child and Family Service and PRL Restaurant Economics.

Roger M. Kondo, D.V.M., is a practicing veterinarian with The Honolulu Pet Clinic. He is a graduate of Iolani School, and received a B.S. degree from Ohio State University, an M.S. degree from the University of Hawaii, and a D.V.M. degree from Washington State University. He served on the Board of Veterinary Examiners in 1992, and is a member of the Hawaii Veterinarian Medical Association, American Veterinary Medical Association, and American Animal Hospital Association – Hospital Certified Director.

According to testimony, the nominee has expertise, compassion, and genuine interest in the welfare of Hawaii's animals. Protecting the health of the public is his primary concern.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1712 Commerce, Consumer Protection and Housing on Gov. Msg. No. 406**

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOXING COMMISSION OF HAWAII

DELLA K. MARTIN (YOUNG), for a term to expire June 30, 2007,

Testimony in support of the nomination was received from the Pearlside Boxing Club, Wailuku Boxing, B.C., and Evolution Boxing Club.

Ms. Della K. Martin (Young) is the first female to judge a professional boxing event in Hawaii. She has judged professional boxing matches since 1999, and has served as a boxing official since 1985 in various amateur events, including the US Championships, Golden Gloves Championships, Junior Olympic Championships, and PAL events. The nominee holds several positions within the Local Boxing Committee, including timekeeper, judge, secretary, and chief of officials.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1713 Commerce, Consumer Protection and Housing on Gov. Msg. No. 413**

Recommending that the Senate advise and consent to the nomination of the following:

MOTOR VEHICLE REPAIR INDUSTRY BOARD

JAN N. WIEDMAN, for a term to expire June 30, 2007,

Testimony in support of the nomination was submitted by CUMANCO, Jim On & Beerman, and Marr Hipp Jones & Pepper.

Since 1994, Mr. Jan N. Wiedman has served as general counsel for Cutter Management Co. Having worked exclusively within the automotive industry for almost the last ten years, Mr. Wiedman is knowledgeable about the laws and regulations applicable to the automotive industry and familiar with current industry issues. Supporters of the nominee testified that his industry expertise, objectivity, independence, honesty, and ability to work with others qualify him for a position on the Motor Vehicle Repair Industry Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection and Housing that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 1714 (Joint) Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations on Gov. Msg. Nos. 241 and 263**

Recommending that the Senate advise and consent to the nominations of the following:

KAHO'OLAWA ISLAND RESERVE COMMISSION

G.M. No. 241 GILBERT COLOMA-AGARAN, for a term to expire June 30, 2003; and

G.M. No. 263 GILBERT COLOMA-AGARAN, for a term to expire June 30, 2007,

Upon review of the background information submitted by the nominee, your Committees find that Gilbert Coloma-Agaran was born and raised on Maui, graduating from Maui High School. He went on to graduate from Yale College with a degree in history and to receive a law degree from Boalt Hall, the University of California, Berkeley. Mr. Coloma-Agaran practiced law in Honolulu and

Wailuku before entering public service. He has been the first deputy to the chair of the Board of Land and Natural Resources (BLNR), deputy director of the Department of Commerce and Consumer Affairs, director of Labor and Industrial Relations, and chair of BLNR. He has served on the Commission on Water Resources Management, Board of Agriculture, Hawaii Tourism Authority, Kaho'olawe Island Reserve Commission, Natural Area Reserves Commission, Aloha Tower Development Corporation, Agribusiness Development Corporation, Natural Energy Laboratory of Hawaii Authority, Western Pacific Regional Fishery Management Council, United States Coral Reef Task Force, Hawaii Workforce Development Council, and Barbers Point Naval Air Station Redevelopment Commission. Mr. Coloma-Agaran currently serves on the boards of the National Asian Pacific Bar Association - Hawaii Chapter and the Yale Club of Hawaii. He is an active member of the Hawaii Institute for Public Affairs, Filipino Chamber of Commerce of Hawaii, Maui Young Business Roundtable, the University of Hawaii Basketball Boosters Club, the Hawaii State Bar Association, Kahului Filipino Community Association, Pinili-Badoc Maui Association, and Saranay Maui.

Testimony in support of the nominee was submitted to your Committees by the Kaho'olawe Island Reserve Commission (KIRC) and the Maui County Council.

Your Committees' members diligently questioned the nominee regarding his administrative qualifications, his vision and priorities for the KIRC, and related policy issues presently before the Legislature. In addition, your Committees questioned Mr. Coloma-Agaran about the State's liability concerns upon the transfer of access control from the Navy to the State later this year. Mr. Coloma-Agaran explained that a draft plan for managing Kaho'olawe is being reviewed, but that because the Navy had to change its commitment levels of possible ordnance clean up, the management plan will have to reflect a shift in priorities, and several measures must be revised. He assured your Committees, however, that such a plan is a priority of the KIRC.

Your Committees find that Mr. Coloma-Agaran is well qualified to both complete the term of the last commissioner representing Maui County, and to fulfill the following, consecutive appointment to a full four-year term. Mr. Coloma-Agaran has extensive experience as a senior administrator for the State, and his legal background allows him to understand, and explain to the KIRC, the various legal and liability issues raised by the November 2003 transfer of control of access from the Navy to the State. His familiarity with Kaho'olawe and its issues, and with state and county governments make Mr. Coloma-Agaran a valuable resource to the KIRC.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation, Military Affairs, and Government Operations that are attached to this report, your Committees, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommend that the Senate advise and consent to the nomination.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 3 (English, Kanno, Menor).

**SCRep. 1715 Water, Land, and Agriculture on Gov. Msg. No. 280**

Recommending that the Senate advise and consent to the nomination of the following:

AGRIBUSINESS DEVELOPMENT CORPORATION

ERIC D. WEINERT, for a term to expire June 30, 2005,

Upon review of the background information submitted by the nominee, your Committee finds that Eric D. Weinert earned a degree in Business Administration, with a major in accounting, from the University of Wisconsin, Madison, and passed the Certified Public Accounting examination. In 1979, he began a grafted fruit tree nursery business on the island of Hawaii, which has since become the largest fruit tree nursery in the State. Mr. Weinert began an exotic fruit orchard business five years later, marketing the fruit nationally and internationally to retail and wholesale customers. Maintaining his focus on tropical fruit farming in Hawaii, Mr. Weinert helped found the statewide association of Hawaii Tropical Fruit Growers and the Hawaii Tropical Fruit Cooperative for commercial farmers, and was active in the establishment of Hawaii Pride, LLC., the first all-electric irradiator in the world that is dedicated to fruit fly and insect disinfestation.

Testimony in support of the nominee was submitted to your Committee by the Agribusiness Development Corporation (ADC), the Hawaii Agriculture Research Center, and the Hawaii Farm Bureau.

Your Committee members diligently questioned the nominee regarding his administrative qualifications, his vision and priorities for the ADC, and related policy issues presently before the Legislature. Your Committee finds that Mr. Weinert would be the first tropical fruit farmer to join the ADC Board. In addition, your Committee questioned Mr. Weinert about the potential of building an irradiation disinfestation facility on Oahu and about how to garner consumer acceptance of the use of such a facility on local produce. Mr. Weinert responded that he supported the idea of building a technologically advanced disinfestation facility near the Honolulu International Airport, particularly as he has helped run a state-of-the-art facility on the island of Hawaii.

Your Committee finds that Mr. Weinert, already a success in agribusiness, has an understanding of the interconnectedness of Hawaii's evolving agribusiness industry, is an adept problem solver, and brings the vision and skill necessary to implement cutting-edge technology in the production, processing, and marketing of local agricultural products. He has been, and continues to be, active in Hawaii's agricultural sector, and has worked extensively with state and federal agencies to develop agricultural markets and exportation protocols for the United States mainland and foreign nations.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (English).

**SCRep. 1716 Water, Land, and Agriculture on Gov. Msg. No. 281**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE ALOHA TOWER DEVELOPMENT CORPORATION

SIDNEY A. QUINTAL, for a term to expire June 30, 2007,

Upon review of the background information submitted by the nominee, your Committee finds that Sidney A. Quintal was born and raised in Hawaii. He graduated from Kamehameha Schools and earned a Bachelor's degree in of Business Administration, majoring in Business Management, from Woodbury University - Los Angeles. Mr. Quintal served honorably in the U.S. Army, earning several medals of commendation, including the Purple Heart. After working as an investment research analyst and as a life insurance and pension specialist in California, Mr. Quintal returned to Hawaii as vice president of a specialty sign and rental services company, then becoming president of a local multiproduct and services organization with branches on all the main Hawaiian Islands. Mr. Quintal also has been very active in community, business, and professional organizations. He has been a Honolulu Police Department Reserve Officer for fifteen years, and remains an active member of the board for Crime Stoppers Honolulu, and an active member of the Hawaii Visitors Industry Security Association, General Contractors Association, American Traffic Safety Services Association, the Oahu and Maui Chambers of Commerce, and the Small Business Regulatory Review Board. In 1999, he won recognition as the Ernst & Young Entrepreneur of the Year - General Business.

Testimony in support of the nominee was submitted to your Committee by Victoria Ward, Ltd., and two retired Honolulu Police officers.

Your Committee members diligently questioned the nominee regarding his administrative qualifications and his vision and priorities for the Aloha Tower Development Corporation (ATDC). Your Committee finds that Mr. Quintal has an honest desire to serve his community and regularly develops new ways to provide better service, minimize expenses, and create a return. His business experience and financial knowledge will be an asset to the ATDC as it strives to enhance and improve the current and future economic conditions in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (English).

**SCRep. 1717 Water, Land, and Agriculture on Gov. Msg. Nos. 308 and 309**

Recommending that the Senate advise and consent to the nominations of the following:

KANEOHE BAY REGIONAL COUNCIL

G.M. No. 308 DAVID A. KRUPP, PhD, for a term to expire on June 30, 2006;

G.M. No. 309 ROBIN GAY MAKAPAGAL, for a term to expire on June 30, 2006,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Council to which they have been nominated.

Your Committee notes the following specific qualifications of the nominees:

Mr. Krupp is an associate professor of biological and marine sciences at Windward Community College and is affiliate faculty at the Hawaii Institute of Marine Biology, which is part of the University of Hawaii's School of Ocean and Earth Science and Technology. He has an extensive scientific background, knowledge of Hawaii's marine ecology, administrative experience, and an expert reputation in the marine community.

Ms. Makapagal, a licensed social worker at the Queen Lili'uokalani Children's Center, Windward Unit, has been a member of the Kahaluu Neighborhood Board since 1996. She has a history of community involvement and advocacy, with a focus on the preservation of Kaneohe Bay as a valuable resource for all of Hawaii's people.

Testimony in support of David A. Krupp, PhD, and Robin Gay Makapagal was submitted to your Committee by the Board of Land and Natural Resources.

Your Committee members diligently questioned the nominees regarding their administrative qualifications, their visions and priorities for the Council, and related policy issues presently before the Legislature.

Your Committee finds that Mr. Krupp, as the designated representative of the Hawaii Institute of Marine Biology, has been attending Kaneohe Bay Regional Council meetings since his appointment, pending Senate confirmation. In that time, Mr. Krupp has already made a valuable contribution to the Council by arranging appearances by several notable speakers to make presentations to the Council. Your Committee also finds that Ms. Makapagal, as the unanimous choice of the Kahaluu Neighborhood Board, will ensure that the board's concerns are addressed during Council discussions relating to improving overall conditions within Kaneohe Bay.

As affirmed by the two records of votes of the members of your Committee on Water, Land, and Agriculture that are attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

**SCRep. 1718 Water, Land, and Agriculture on Gov. Msg. Nos. 311**

Recommending that the Senate advise and consent to the nomination of the following:

LAND USE COMMISSION

RAE McCORKLE, for a term to expire June 30, 2007,

Upon review of the background information submitted by the nominee, your Committee finds that Rae McCorkle earned a Bachelor of Arts degree in English from San Francisco State University and a law degree from Gonzaga University School of Law. She held two prestigious law clerk positions, one with the Hawaii Supreme Court, before joining the law firm of McCorrison Miller Mukai MacKinnon. There she was a litigation partner, but retired this year. Ms. McCorkle has been active in community, business, and professional organizations, including the Federal Bar Association, the American Bar Association Tort and Insurance Practice Session Auto Law Committee, Criminal Justice Act Federal Review Panel, Junior League of Honolulu, Young Republicans, and the Hawaii Opera Guild. She has volunteered for the Drugs and Kids Program, Hawaii Bar Association Pro Bono Legal Program, Child Advocacy Center, Court Annexed Arbitration Program, and is a pro bono counsel for Hawaii International Child.

Testimony in support of the nominee was submitted to your Committee by: the Department of Labor and Industrial Relations; the Chamber of Commerce of Hawaii; Urban Land Institute Hawaii; AIG Hawaii Insurance Company, Inc.; Speech and Language Pathology Associates; Pacific Century Fellows; Hawaii International Child; and eighteen community members. The Sierra Club submitted comments on the nominee.

Your Committee members diligently questioned the nominee regarding her administrative qualifications, her vision and priorities for the Land Use Commission (LUC), and related policy issues presently before the Legislature. In addition, your Committee questioned Ms. McCorkle about any possible conflicts of interest between her past position as the Governor's finance director and her position on the LUC, which will require decision-making on potentially profitable land use petitions. Ms. McCorkle responded that her job as campaign finance director ended upon the Governor's election, and that the LUC has a code of ethics which she would abide by, as well as following advice from the Attorney General on a case-by-case basis. Your Committee finds that the nominee has a good reputation for ethical decisions, including taking a leave of absence from her partnership in a law firm and resigning her leadership positions from the Federal Bar Association and American Bar Association before taking the campaign finance director position. Ms. McCorkle has since retired from her partnership with the law firm.

Your Committee finds that Ms. McCorkle's critical thinking skills, experience with interviewing people and gaining background information, and ability to learn new, complicated subject matter thoroughly and quickly will enable her to understand the varied and complex issues that come before the LUC. She is known as an able consensus builder who is both able to listen and to communicate well.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (English).

**SCRep. 1719 Water, Land, and Agriculture on Gov. Msg. No. 313**

Recommending that the Senate advise and consent to the nomination of the following:

MOLOKAI IRRIGATION SYSTEM WATER USERS ADVISORY BOARD

GEORGE W. MAIOHO, for a term to expire June 30, 2007,

Upon review of the background information submitted by the nominee, your Committee finds that George W. Maioho was born and raised in Hawaii, graduating from Kamehameha Schools and earning an Associate Degree in Business Careers from Maui Community College, Molokai. Mr. Maioho has worked for the Honolulu and Maui Police Departments, was an Airman for the U.S. Air Force, and for more than twenty years has been the ranch manager for Kapualei Ranch, on Molokai. He is a director on the following boards:



Hikiola Cooperative; Lokahi Pacific; Na Puuwai, Inc.; Molokai Livestock Cooperative; Molokai 4-H Livestock Leader; and the Heifer Project International Advisory Board.

Testimony in support of the nominee was submitted to your Committee by the Department of Hawaiian Home Lands (DHHL) and the Board of Agriculture.

Your Committee members diligently questioned the nominee regarding his administrative qualifications, his vision, and his priorities for the Molokai Irrigation System Water Users Advisory Board, and related policy issues presently before the Legislature. Your Committee finds that Mr. Maioho currently sits on the Molokai Irrigation System (MIS) Water Users Advisory Board and understands the issues and challenges surrounding its operation. An active water customer of the system, he also serves as the DHHL District Supervisor for Molokai. Therefore, as a continuing member of the MIS Water Users Advisory Board, he will be able to ensure that homestead farmers' water rights are protected.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

**SCRep. 1720 Water, Land, and Agriculture on Gov. Msg. Nos. 344, 345, 346 and 424**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

G.M. No. 344 WILLIAM J. AILA, JR., for a term to expire June 30, 2007;

G.M. No. 345 PAUL K. KIMURA, for a term to expire June 30, 2007;

G.M. No. 346 EVELYN E. SOUZA, for a term to expire June 30, 2006; and

G.M. No. 424 MAEDA C. TIMSON, for a term to expire June 30, 2006,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering various government functions. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the authority to which they have been nominated.

Your Committee notes the following specific qualifications of the nominees:

William J. Aila, Jr., the Department of Land and Natural Resource's Harbor Master for Wai`anae Boat Harbor, has been actively involved in community and maritime organizations.

Paul K. Kimura is a small business owner in Kakaako and a charter member and past president of the Kakaako Improvement Association.

Evelyn E. Souza is the Parent Community Networking Center Facilitator at Makakilo Elementary School and an active community member.

Maeda C. Timson, a vice president at First Hawaiian Bank, was the recipient of the 1994 Kapolei Outstanding Achievement Award for Community Service and the 2000 award for Lifetime Service. She has been actively involved in the planning of the Kalaeloa Redevelopment area, and is currently a member of the Makakilo/Kapolei/Honokai Hale Neighborhood Board.

Testimony in support of William J. Aila was submitted to your Committee by the Oahu Council Association of Hawaiian Civic Clubs and the Representative of the 45th District.

Testimony in support of Paul K. Kimura was submitted to your Committee by the Hawaii Community Development Authority, the Kakaako Improvement Association, and a colleague.

Testimony in support of Evelyn E. Souza was submitted to your Committee by the Parent Community Networking Center, and the principal and staff of Mauka Lani Elementary School, and by the Estate of James Campbell.

Testimony in support of Maeda C. Timson was submitted to your Committee by the Estate of James Campbell, the State Senator for the 19th District, City and County of Honolulu Councilmember for the 9th District, and four concerned citizens. One concerned citizen testified in opposition to the nominee.

Your Committee members diligently questioned the nominees regarding their administrative qualifications, their visions and priorities for the Authority, and related policy issues presently before the Legislature. Your Committee finds that Mr. Aila will be an asset to the Authority in the struggle to balance the preservation of historic and cultural sites as land development occurs in Kalaeloa. Mr. Kimura's experience as a small business owner gives him an important perspective that will be helpful in decision making as a

member of the Authority. Ms. Souza has lived in Makakilo for more than thirty years, and has witnessed Kalaheo's transition from plantation fields and a military base into a modern community. Ms. Timson has first-hand knowledge of the intricacies of city and state government and the process of local land development, having participated in the base reuse and closure process of the former Barbers Point Naval Air Station, as well as the City and County of Honolulu's community-based planning process for creation of the Ewa Development Plan.

As affirmed by the records of votes of the members of your Committee on Water, Land, and Agriculture that are attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

**SCRep. 1721 Water, Land, and Agriculture on Gov. Msg. Nos. 381 and 382**

Recommending that the Senate advise and consent to the nominations of the following

ADVISORY COMMITTEE ON PESTICIDES

G.M. No. 381 BARBARA A. BROOKS, Ph.D., for a term to expire June 30, 2007; and

G.M. No. 382 RONALD F.L. MAU, for a term to expire June 30, 2007,

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees are volunteers, willing to serve without compensation, and will work with compassion and commitment to assist in administering the responsibilities of the Advisory Committee on Pesticides. Your Committee further finds that the nominees have been appointed based upon their professional credentials, integrity, and a desire to make Hawaii better through their participation on the Advisory Committee on Pesticides.

Your Committee notes the following specific qualifications of the nominees:

- (1) Dr. Brooks has more than twelve years of experience as an environmental toxicologist specializing in human risk assessments, and is currently the State Toxicologist with the Department of Health. She has reviewed health risk assessments of state and federal facilities, participated in public hearings on risk issues, derived petroleum cleanup criteria for soil and groundwater contamination, completed toxicological assessments of petroleum products, and developed a risk-based tiered approach to investigation and corrective action at contaminated sites.
- (2) Dr. Mau's entomological career spans thirty years, during which time he has focused on managing vegetable, tree fruit, flowers, and foliage pests. He is a faculty member of the University of Hawaii's Department of Plant and Environmental Protection Sciences, and has been Department Chair and Associate Dean and Director of the Cooperative Extension. He is a strong advocate and researcher of integrated pest management (IPM), which is the process of using multiple strategies of pest management based on biological principals. He is a principal investigator in the Hawaii Area-wide Fruit Fly IPM Program.

Testimony in support of Barbara A. Brooks was submitted to your Committee by the Department of Health, the Board of Agriculture, University of Hawaii Environmental Health Program, Hawaii Agriculture Research Center, and three colleagues.

Testimony in support of Ronald F.L. Mau was submitted to your Committee by the Board of Agriculture, Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, and a colleague.

Your Committee members diligently questioned the nominees regarding their administrative qualifications, their visions and priorities for the Advisory Committee on Pesticides, and related policy issues presently before the Legislature. Your Committee finds that Dr. Brooks has extensive experience in evaluating health risks from exposure to pesticides in the environment, and has a good understanding of appropriate regulatory actions. A major focus of her work with the Department of Health has been an evaluation of the health risks from pesticide-contaminated fish caught in Hawaii. Dr. Mau understands many of the regulatory programs affecting pesticides and has a working knowledge of the current pesticide requirements. He brings the added expertise of an extension specialist who works directly with farmers and understands their issues.

As affirmed by the records of votes of the members of your Committee on Water, Land, and Agriculture that are attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

**SCRep. 1722 Water, Land, and Agriculture on Gov. Msg. No. 404**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON WATER RESOURCE MANAGEMENT

STEPHANIE A. WHALEN, for a term to expire on June 30, 2007,

Upon review of the background information submitted by the nominee, your Committee finds that Stephanie A. Whalen earned a Bachelor's Degree in Chemistry from Holy Names College, and a Masters of Science in Pharmacology from the University of Hawaii. Ms. Whalen is the current president and director of the Hawaii Agriculture Research Center (HARC) and president of the Kunia Water Cooperative. Prior to her almost ten years with HARC, she was the head of the Environmental Science Department, Experiment Station, Hawaiian Sugar Planters' Association. She also worked for several years as a chemist.

The Department of Agriculture, the Department of Land and Natural Resources, the Agribusiness Development Corporation, the College of Tropical Agriculture and Human Resources of the University of Hawaii, the Office of the County Clerk of the County of Hawaii, Gay & Robinson, Inc., Kilauea Agronomics, LLC, Agro Resources, Inc., Kamehameha Investment Corporation, Twin Bridge Farms, the Kauai County Farm Bureau, the Hawaii Leeward Planning Conference, the Maui County Farm Bureau, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau, the Hawaii Crop Improvement Association, the Hawaii Cattlemen's Council, Inc., the Hawaii Forest Industry Association, the Pineapple Growers Association of Hawaii, E.I. Dupont Co., and Enterprise Honolulu, the Hawaii Island Economic Development Board, Alluvion, Inc., Waialua Vine-ripe, the Hawaii Egg Producers Association, and three individuals submitted testimony in support of the nominee, including one who submitted oral testimony in support of the nominee.

Earthjustice; the Hawaii Chapter of the Sierra Club; KAHEA; Tropical Orchid Farm, Inc.; and forty-six individuals submitted testimony in opposition to the nominee.

Your Committee members diligently questioned the nominee regarding her administrative qualifications, her vision and priorities for the Commission on Water Resource Management (Commission), and related policy issues presently before the Legislature. In addition, your Committee questioned Ms. Whalen regarding concerns expressed by environmentalists that the Commission does not have a balanced membership, but instead has several representatives of business, agribusiness, and ranching -- all big water users. No one represents the environment or the public at large. Your Committee wishes to clarify that the opposition centered on the nomination process and not on the qualifications or character of the nominee.

Ms. Whalen responded that she does not represent big business, nor does she serve any specific corporate interest. She said that she believes she will bring the balance that people are requesting. Your Committee recognizes that a balance is needed on this important commission. It had expressed that concern to the previous governor, and will now write to the current governor, requesting that future nominees help fill certain voids on the Commission, including the lack of representation of small, independent users and the environmental point of view.

Concerns were also raised about having too many of the regulated serve as the regulators because that trend has led to chronic difficulties for the Commission meeting quorum requirements. Because commissioners must recuse themselves from cases that come before them due to conflicts of interest and the appearance of impropriety, and because many major water disputes involve the large interests represented by the commissioners, the likelihood of recusals increases with the significance of a case. Ms. Whalen responded that everyone who has worked with water in the State would raise questions about having a potential conflict, and her background is so diverse that she could not be seen as having a pecuniary relationship with anyone. She stated, however, that she would ask the Attorney General for advice in applicable cases.

Ms. Whalen also responded to concerns about her level of expertise in water resource management. Section 164C-7, Hawaii Revised Statutes requires members of the Commission to have "substantial experience in the area of water resource management". Your Committee believes that the nominee adequately responded to the Committee's inquiries by explaining that she has gained extensive experience by working with operators, helped develop groundwater strategies for the State, earned an extensive science background, and has consistently done her homework. Thus, she has learned a lot over the years about how water should be managed: by looking at all the necessary uses of water and by finding a balance between conserving the environment and protecting the users of the resource.

Your Committee finds that Ms. Whalen has worked with the agricultural community for more than thirty years, helping them with, among other things, compliance with environmental laws and regulations. Those regulations can be very technical and complicated, requiring increasing levels of scientific knowledge to make astute decisions that protect and benefit the people and environment of Hawaii. She has provided technical expertise on water and other environmental matters as a member of various state advisory committees and at the Legislature. Ms. Whalen's strong background in science and technical expertise gives her a solid foundation upon which to make management decisions. Not only working at the state level, Ms. Whalen has frequently interacted with researchers and administrators from countries around the world during her work to advance Hawaii's agricultural research and development, giving her a global perspective. Her strong collaborative and leadership skills enable her to interact at the local, state and national levels, taking into account the many community needs.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Agriculture that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Whalen).

**SCRep. 1723      Ways and Means on Gov. Msg. No. 399**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, FIRST TAXATION DISTRICT (OAHU)

MANOJ SAMARANAYAKE, CPA

Upon review of the statements submitted by the nominee, your Committee finds that Manoj Samaranayake will work with compassion and commitment on the Board of Taxation Review, First Taxation District. Your Committee is confident that the nominee will add his expertise and experience to serve not only the public's needs, but also the best interests of the State on the Board of Taxation Review.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 6 (Aduja, Inouye, Kanno, Kawamoto, Kim, Sakamoto).

**SCRep. 1724      Ways and Means on Gov. Msg. No. 400**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, FOURTH TAXATION DISTRICT (KAUAI):

MATT H. TAKATA

Upon review of the background information submitted by the nominee, your Committee finds that Mr. Takata is in every way qualified to serve as a member on the Board of Taxation Review, Fourth Taxation District (Kauai).

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Aduja, Espero, Inouye, Kanno, Sakamoto).

**SCRep. 1725      Judiciary and Hawaiian Affairs on Jud. Com. No. 5**

Recommending that the Senate consent to the nomination of the following:

DISTRICT COURT OF THE FIRST CIRCUIT

LONO J. LEE;

Your Committee received testimony in support of the nominee from the Honolulu County Department of Community Services, the State Representative from the Fifty-first House District, Hawaii State Bar Association (HSBA), Hawaii Government Employees Association, ILWU Local 142, Kamehameha Lions Club, five attorneys, and seventeen individuals.

The Board of Directors of the HSBA has found the nominee to be a qualified candidate. As part of the HSBA Board's procedures for taking a position on judicial appointments, the candidate is asked to submit a resume, respond to a questionnaire, and to appear before the Board to answer questions. The HSBA Board utilizes a modified version of the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. These Guidelines include the following criteria for judicial positions: integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, public service, collegiality, and writing ability.

Lono J. Lee is currently a per diem judge for the District Court of the First Circuit, and a practitioner specializing in family law, criminal and civil law, personal injury, workers' compensation, and labor law. He is a former Deputy Corporation Counsel, Department of the Corporation Counsel, City and County of Honolulu. The nominee has been active volunteering for the 21<sup>st</sup> Century Oahu Community Vision Project for the City and County of Honolulu, where he has devoted countless hours in the development and advocacy of community projects that address the needs of families in his community. Your Committee notes the testimony of State Representative from the Fifty-first House District, that the nominee is flexible and quick to respond to various cases and situations, and he has the experience necessary to handle any case and any situation, abilities which he has well-demonstrated as a per diem judge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, character, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Ihara, Kawamoto).

**SCRep. 1726      Health on S.R. No. 42**

The purpose of this measure is to request a review of the importation to Hawaii of tuna processed with "tasteless smoke" or carbon monoxide.

Testimony supporting this measure was received from one individual. Testimony opposing this measure was received from the Department of Health, Hawaii Food Industry Association, and Hawaii International Seafood, Inc.

Your Committee has amended this measure by replacing its title and contents with provisions that request the Department of Health to:

- (1) Establish a pilot project to demonstrate the efficiency and effectiveness of an electronic death registration system;
- (2) Pursue federal grants to fund the pilot project; and
- (3) Report on the pilot project to the 2004 Legislature.

Your Committee finds that the Department of Health has been working toward streamlining the death certificate registration process through the use of electronic documents and further encourages the department to continue with its efforts.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 42, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 42, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hogue).

**SCRep. 1727      Ways and Means on S.R. No. 23**

The purpose of this measure is to request a feasibility study on the construction of permanent fair grounds on the lower Halawa parking lot at Aloha Stadium.

Your Committee finds that, in view of the fact that the lower Halawa parking lot at Aloha Stadium has long served as the venue for numerous fundraising events, including the 50th State Fair, Hawaii State Farm Fair, and the Sports Carnival, there is no need for a feasibility study. Rather, your Committee finds that the Stadium Authority should simply designate the lower Halawa parking lot as the state fairgrounds. Your Committee finds that declaring this area as the state fairgrounds may facilitate greater use of these grounds and generate additional funding for Hawaii's nonprofit groups.

Your Committee has therefore amended this resolution by:

- (1) Amending the title to read: "REQUESTING THE STADIUM AUTHORITY TO DESIGNATE THE LOWER HALAWA PARKING LOT AT ALOHA STADIUM AS THE STATE FAIRGROUNDS";
- (2) Amending the text by deleting references to a study by the Legislative Reference Bureau and inserting language requesting the Stadium Authority to designate the lower Halawa parking lot at Aloha stadium as the state fairgrounds; and
- (3) Making technical nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 23, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 23, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1728      Ways and Means on S.R. No. 28**

The purpose of this measure is to request the Legislative Reference Bureau to study the establishment of an Office of International Affairs within state government.

Specifically, this Resolution requests the:

- (1) Legislative Reference Bureau to study and recommend the most appropriate duties and responsibilities of, as well as where to locate within the framework of state government, an Office of International Affairs;
- (2) Governor, the Speaker of the House of Representatives, and the President of the Senate each to designate at least one individual knowledgeable about the relevant issues who shall be available to consult with the Legislative Reference Bureau; and
- (3) Legislative Reference Bureau to submit its findings and recommendations to the Legislature twenty days before the convening of the Regular Session of 2004.

Your Committee finds that Hawaii's mid-Pacific location makes it a geographical bridge between East and West. In addition, Hawaii has many other resources that suggest a more active international role for our State. Currently, a number of internationally focused programs exist in various departments and agencies. Your Committee believes that Hawaii should wait no longer to examine our assets and opportunities; instead, we must determine our role in international affairs around the globe to better understand our challenges and opportunities at home and abroad.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 28, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1729      Ways and Means on S.R. No. 57**

The purpose of this measure is to request the Auditor to perform a sunrise review of the regulation of hypnotherapists.

Specifically, this Resolution requests a review of the regulation as set forth in Senate Bill No. 2497 (2002), as it may be subsequently amended. Particular attention is requested in the areas of the costs and benefits of the activities of hypnotherapists for the consumer, and a summary of existing laws in the other states that do and do not license hypnotherapists.

Section 26H-6, Hawaii Revised Statutes, requires the Legislature to refer to the Auditor by Resolution a request for analysis of any new regulatory measure that would subject unregulated professions to regulatory controls. The Legislature adopted S.C.R. No. 16 during the Regular Session of 2002, requesting such a review of the regulation of hypnotherapists under Senate Bill No. 2497. The Auditor neither performed the review nor submitted a report to the Legislature as requested. Your Committee is passing out this Resolution in the express hope that the Auditor will give this matter the attention it requires.

Your Committee finds that hypnotherapy can be a very powerful therapeutic for a multitude of problems, such as smoking cessation, motivation, performance enhancement, weight control, and phobias. However, it is not without risks. Your Committee also finds that a lack of professional training may cause bad experiences for patients, and thus regulation may be in the best interest of state residents. The Auditor's report is a necessary step in deciding whether to regulate.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 57 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1730      Ways and Means on S.R. No. 71**

The purpose of this measure is to request the Auditor to conduct a management and financial audit of the Department of Public Safety, Narcotics Enforcement Division.

Your Committee finds that certain concerns and allegations regarding the operational and fiscal management of the Narcotics Enforcement Division of the Department of Public Safety justify the request for a management and financial audit of this division.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 71 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1731      Ways and Means on S.R. No. 96**

The purpose of this measure is to establish a wireless enhanced 911 interim working group.

Specifically, this measure requests the formation of a working group comprised of members from various government agencies and wireless providers to:

- (1) Study the funding needed to support new wireless identification and location services consistent with the rules of the Federal Communications Commission for the transmission of 911 calls from wireless carriers to enhanced 911 emergency systems; and
- (2) Recommend a surcharge to be imposed on wireless subscribers to enable the counties to provide enhanced 911 services and the carriers to recover their costs.

This measure also requests the Legislative Reference Bureau to submit a report of the working group's findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2004.

Your Committee finds that sustained funding for wireless enhanced 911 services is essential to public safety and in the public interest. This measure will encourage representative stakeholders to work together to propose ongoing funding to provide continued support for these services throughout the State.

Your Committee has amended this measure by clarifying that the Legislative Reference Bureau is requested to provide assistance to the working group in drafting proposed legislation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 96, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 96, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).

**SCRep. 1732      Ways and Means on S.R. No. 101**

The purpose of this measure is to request that the Legislative Reference Bureau undertake a study to identify effective state practices for raising academic achievement among low scoring students and narrowing the achievement gap between low scoring students and top scoring students.

In addition, this measure requests that the Legislative Reference Bureau:

- (1) Identify effective state practices for increasing the percentage of students reaching the “proficient” level of achievement, as defined in the National Assessment of Educational Progress; and
- (2) Submit its findings and recommendations, including proposed legislation if any, to the Legislature not less than twenty days prior to the convening of the Regular Session of 2004.

Your Committee finds that by the end of school year 2013-2014, the Department of Education must ensure that all students meet or exceed a “proficient” level of academic achievement on required state assessments (i.e., reading, mathematics, and science) and other academic measures (i.e., graduation rate for high schools and retention rate for elementary and middle schools). In addition, certain “subgroups” of students (i.e., economically disadvantaged students, students from major racial and ethnic groups, students with disabilities, and students with limited English proficiency) must make “adequate yearly progress” on all required state assessments and other academic measures.

Your Committee also finds that raising academic achievement among low scoring students, narrowing the achievement gap between low scoring students and top scoring students, and increasing the percentage of students reaching a “proficient” level of academic achievement carry forward Goal 3 of the national education goals that students should demonstrate knowledge in challenging subject matter, with the objective that the academic performance of all students will increase significantly in every quartile.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 101 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Aduja, Kanno, Sakamoto, Tsutsui, Hemmings).