

SECOND DAY

Thursday, January 19, 2006

The Senate of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006, convened at 11:37 o'clock a.m. with the President in the Chair.

The Divine Blessing was invoked by the Honorable Rosalyn H. Baker, Hawaii State Senate, after which the Roll was called showing all Senators present with the exception of Senator Fukunaga who was excused.

The President announced that he had read and approved the Journal of the First Day.

HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 1 and 2) were read by the Clerk and were disposed of as follows:

Hse. Com. No. 1, transmitting H.C.R. No. 1, which was adopted by the House of Representatives on January 18, 2006, was placed on file.

On motion by Senator Hee, seconded by Senator Hogue and carried, H.C.R. No. 1, entitled: "HOUSE CONCURRENT RESOLUTION RELATING TO RECESS DAYS FOR THE REGULAR SESSION OF 2006," was adopted.

Hse. Com. No. 2, transmitting H.C.R. No. 2, which was adopted by the House of Representatives on January 18, 2006, was placed on file.

On motion by Senator Hee, seconded by Senator Hogue and carried, H.C.R. No. 2, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR TO ADDRESS THE LEGISLATURE ASSEMBLED IN JOINT SESSION," was adopted.

INTRODUCTION OF SENATE BILLS

On motion by Senator Hee, seconded by Senator Hogue and carried, the following bills passed First Reading by title and were deferred:

Senate Bill

No. 2047 "A BILL FOR AN ACT RELATING TO PAWNSHOPS."

Introduced by: Senator Baker, by request.

No. 2048 "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR INCREASING POWER GENERATING CAPACITY FOR THE QUEEN'S MEDICAL CENTER."

Introduced by: Senator Bunda, by request.

No. 2049 "A BILL FOR AN ACT RELATING TO DERELICT VEHICLE."

Introduced by: Senator Bunda, by request.

No. 2050 "A BILL FOR AN ACT RELATING TO DEFINITION OF NEIGHBORHOOD ELECTRIC VEHICLE."

Introduced by: Senator Bunda, by request.

No. 2051 "A BILL FOR AN ACT RELATING TO COMMERCIAL DRIVER LICENSING."

Introduced by: Senator Bunda, by request.

No. 2052 "A BILL FOR AN ACT RELATING TO DRIVER LICENSING."

Introduced by: Senator Bunda, by request.

No. 2053 "A BILL FOR AN ACT RELATING TO THE FUEL TAX."

Introduced by: Senator Bunda, by request.

No. 2054 "A BILL FOR AN ACT RELATING TO MOTOR VEHICLES."

Introduced by: Senator Bunda, by request.

No. 2055 "A BILL FOR AN ACT RELATING TO WAIVER OF ABANDONED VEHICLE PUBLIC AUCTION REQUIREMENTS."

Introduced by: Senator Bunda, by request.

No. 2056 "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR INCREASING POWER GENERATING CAPACITY FOR THE QUEEN'S MEDICAL CENTER."

Introduced by: Senator Bunda, by request.

No. 2057 "A BILL FOR AN ACT RELATING TO TIME SHARE ZONING."

Introduced by: Senator Bunda, by request.

No. 2058 "A BILL FOR AN ACT RELATING TO LIABILITY."

Introduced by: Senator Bunda, by request.

No. 2059 "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY."

Introduced by: Senator Bunda.

No. 2060 "A BILL FOR AN ACT RELATING TO THE STATE BUDGET."

Introduced by: Senator Bunda, by request.

At this time, Senator Baker, on behalf of the Senate, extended happy birthday wishes to Senator Hooser.

Senator Kim rose on a point of personal privilege and stated:

"Mr. President, I rise on a point of personal privilege to invoke Senate Rule 84.

"Mr. President, on January 11th I sent a memorandum stating the following to the Senate Clerk: 'This memorandum is a follow-up to my previous letters dated June 20th and July 1st, 2005, requesting a year-to-date itemized statement of the appropriations and expenditures for the current 2005 and 2006 Senate budget and,' I emphasize the word 'and,' 'the final version of the Senate zero-based budget for 2005 and 2006.' A

copy of the proposed Senate zero-based budget for 2005 and 2006 was submitted with my request so that there would be no question as to what I was requesting.

“As of this date, I have not received what I asked for from the Senate Clerk. Therefore, under Senate Rule 84, I request again in writing, which I have here and will deliver to the Senate Clerk, and orally that the Senate Clerk answer the questions as asked for in my most recent memo dated January 11, 2006, that was sent to his office.

“I also ask that the itemized statement include a column that answers the question as to what is the actual cash balance on hand in the Senate account as of December 31, 2005, and January 12, 2006. Actual cash balance is defined as the sum of monies that is in the bank at the close of the business day on the above-specified dates. And if he has any difficulty with the definition of actual cash balance, I urge for him to contact me and I’ll be happy to clarify what exactly is being requested.

“To further clarify, I ask that the budget information include a breakdown of all staff positions by persons and their respective salaries; all personal contracts by person, the amounts; and the staff travel by person and the costs associated with such travel for the year ending 2005.

“The Senate zero-based budget 2005 and 2006 was and is still requested. A copy of the proposed zero-based budget 2005 and 2006 dated 11/24/04, 9:29 a.m., version three was submitted with my previous request so that there would be no question as to what I was requesting. I once again ask for this information.

“Mr. President and colleagues, this information that I’m requesting is needed to allow me to fulfill my obligation as Vice President of the Senate as stated in Rule 4 of our Senate Rules. As you are well aware, the general statement of appropriation expenditures that is usually distributed to Senators does not provide the necessary information to fulfill Senate Rule 4, which states: ‘The Vice President and the President shall prepare and administer,’ shall prepare and administer, ‘a budget for the Senate.’

“Rule 84 requires that the Senate Clerk, as an officer of the State Senate, must reply to my written and oral requests. And as stated in my reply to you, Mr. President, dated July 15, 2005, when the Clerk provides me with this information, I will review the material and will gladly discuss any concerns with you that I may have.

“Finally, members, I believe and I advocate that any member of this Body is entitled to all information regarding the Senate budget, especially when it is specifically requested. No member should have to ask repeatedly or wait seven months for the information that our Clerk is responsible for.

“Thank you.”

The President then said:

“We are in receipt of your memo and we also have had letters from the Office of Information Practices and we are in receipt of that. We will respond to them by the due date, which is the 25th and we will do that. My understanding, however, is that OIP will be closing their books because all of the suggested reports have been forwarded to you.”

Senator Kim rose and said:

“Mr. President, a follow-up on that.

“I have spoken with OIP and they asked me if it was fulfilled. I informed them this morning that in fact I have not received everything that was asked for. According to Rule 84, the Clerk needs to respond by tomorrow.

“Thank you.”

The President responded:

“We are in receipt of the letter from OIP and it did say that they were going to close the records. So, we will share that letter with you.”

Senator Hee rose on a point of personal privilege as follows:

“Mr. President, I rise on a point of personal privilege.

“Mr. President and members, in the Honolulu Star Bulletin dated January 18th on the front page was an article entitled: ‘UH rated among lowest in per dollar efficiency.’ The National Center for Higher Education Management Systems ranks the University of Hawaii as among the five lowest performing higher education systems per dollar spent. One of the co-authors is Dennis Jones who is a consultant to the University of Hawaii. According to the study, the four-year UH campuses produced the least bachelor degrees relative to their student populations, with low numbers of degrees awarded within six years of high school graduation and per undergraduate.

“When the level of funding is considered, Hawaii ranks second to the last, ahead of Alaska, in productivity. While Hawaii attracts a fair amount of per capita research and development funds, it also spends much more per faculty member to bring in that money. The University of Hawaii at Manoa’s overall rating for public research institutions is second to the last, ahead of only Vermont.

“Mr. President, in report No. 05-15 dated December 2005, the auditor said, ‘the Manoa campus’s budget impedes the efficient and effective use of resources. For FY 05-06, the Board of Regents’ approved budget for the Manoa campus included approximately \$200 million in general funds of which only \$13 million required justification. Thus, Manoa campus’s budget process results in a budget that is largely unfounded and is not based on results.

“The Manoa campus lacks a formal mechanism for monitoring program use of funds, resulting in little assurance that the campus has an adequate understanding of its overall fiscal condition. The Manoa campus also lacks formal policies and procedures to ensure proper use of general and tuition funds.

“Mr. President, in a memorandum of agreement signed by the vice chancellor of administration for finance and operations on September, 2004 and the director of intercollegiate athletics on the same date, the MOA said the terms set forth in this MOA shall replace all previous MOA for the purpose of allocation and repayment of \$1 million in tuition and fees, special funds allocated in FY 03 to the athletic department. The repayment of a loan by the athletic department is as follows:

\$200,000 due September 30, 04;
\$400,000 due June 30, 05; and
\$400,000 due June 30, 06.

To date, zero – ZERO – has been repaid. This is an example of the fiscal mess at Manoa, and the Committee on Higher Education will begin the task of ferreting out the reason set forth by the auditor. We will invite Dennis Jones, the consultant to the University of Hawaii for the National Center

for Higher Education Management Systems, at a future hearing and we'll try to ferret out and get their reasons for the situation of fiscal irresponsibility conducted by the University of Hawaii system, the University of Hawaii, Manoa, specifically.

"Thank you, Mr. President."

Senator Hemmings rose on a point of personal privilege and said:

"Mr. President, I, too, share the previous speaker's concerns about malfeasance, mismanagement, and the terrible straits that the University of Hawaii system seems to be in. I would like to remind everyone, especially our colleagues in this room, the reason for it – that because the previous Governor and his minions in the Legislature were not happy with some of the things that the university did in previous elections. The facts are that the university budget was dramatically reduced, and as I understand it, the funding has not even caught up to the level as it was in the 90s.

"I want to also remind all of us that with bipartisan support the Board of Regents fired the former president of the University of Hawaii for excessive mismanagement of state funds. The good Senator from Moanalua even did a white paper pointing out that just in hiring his cronies, the former president spent millions, millions of extra dollars.

"I would like to point out that the University of Hawaii, under the leadership of David McClain and the current Board of Regents, is on the way to solving the problems that they have inherited from the previous administration and from the previous president.

"Mr. President, I'm very proud to stand up and point out the abuses of the prior administration and the prior president of the University of Hawaii, and I'm very proud to say David McClain and the Board of Regents in two short years or less have done much to clean up the mess that the previous speaker spoke about.

"Thank you, Mr. President."

ADJOURNMENT

At 11:53 o'clock a.m., on motion by Senator Hee, seconded by Senator Hogue and carried, the Senate adjourned until 11:30 o'clock a.m., Friday, January 20, 2006.

Respectfully submitted,

Clerk of the Senate

Approved:

President of the Senate