

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-Fourth Legislature of the State of Hawaii, Regular Session of 2007, 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, 2010, 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 N.J. Chun Oakland

Fourteenth Senatorial District

Donna Mercado Kim

Fifteenth Senatorial District

Norman Sakamoto

Nineteenth Senatorial District

Mike Gabbard

Twentieth Senatorial District

Will C. Espero

Twenty-Fourth Senatorial District

Jill Tokuda

Twenty-Fifth Senatorial District

Fred Hemmings

Signed by Rosalyn H. Baker, David Y. Ige and Paul Whalen.

INTERIM SPECIAL COMMITTEE REPORTS

Spec. Com. Rep. No. 1

Your Joint Legislative Committee on Family Caregiving, created pursuant to Act 285, Session Laws of Hawaii 2006, and having been directed to report to the Legislature by S.B. No. 3253, S.D. 1, H.D. 1, C.D. 1 (2006), entitled:

“A BILL FOR AN ACT RELATING TO CAREGIVING,”

begs leave to report as follows:

PART I. BACKGROUND**Introduction**

Family caregiving has always been a universal experience of all ethnicities, lifestyles, and income levels. Recently, however, caregiving of family elders has become more than an act of love and familial responsibility. Due to a shortage of care providers in Hawaii, family caregiving has become a critical element of our health and long-term care system. By 2020, more than one in four individuals is expected to be sixty years old or older. The need for personal care assistance due to physical, sensory, cognitive, and self-care disabilities increases with age. As Hawaii's

population ages, many more families will be providing higher levels of long-term care to frail and disabled older adults at home. A comprehensive public policy to strengthen support for family caregivers is essential.

Legislative Mandate

Your Joint Legislative Committee (JLCFC) was created by Senate Bill No. 3253, S.D. 1, H.D. 1, C.D. 1, which was enacted as Act 285, Session Laws of Hawaii (SLH) 2006. The JLCFC members are: Senator Les Ihara, Jr. and Representative Marilyn B. Lee, Co-Chairs; Senators Rosalyn Baker, Suzanne Chun Oakland, and Gordon Trimble; and Representatives Josh Green, M.D., and Alex Sonson. Former Representatives Dennis A. Arakaki and Anne V. Stevens have also served on the JLCFC.

Act 285, SLH 2006, directed the JLCFC to develop a comprehensive public policy to strengthen support for family caregivers who provide unpaid, informal assistance to persons age sixty and older with physical or cognitive disabilities. At the request of several testifiers, the JLCFC clarified that the definition of family caregivers included non-family members who are often friends, neighbors or good Samaritans. The JLCFC was also directed to consider providing support in categories including:

- (1) Coordinated services and policies;
- (2) Training and education;
- (3) Respite services;
- (4) Financial incentives; and
- (5) Balancing work and caregiving.

The JLCFC was directed to seek input from the Department of Health, Department of Human Services, Department of Taxation, University of Hawaii, Executive Office on Aging, and the elderly, disability, business, and faith-based communities. The JLCFC was also directed to submit its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2007.

Approach of the JLCFC

The JLCFC met for informational briefings on September 27, October 3, October 18, November 1, and November 16, 2006. In addition, the JLCFC met with the Legislature's Kupuna Caucus for a joint informational briefing on November 3, 2006, and held meetings on November 17 and December 13, 2007.

The JLCFC conferred with all of the organizations as directed by Act 285, SLH 2006. Input was obtained from individual members of the public and representatives of the following organizations: Department of Health; Department of Human Services; Department of Taxation; Executive Office on Aging (EOA); Policy Advisory Board for Elder Affairs; University of Hawaii at Manoa, School of Social Work; University of Hawaii at Hilo; State Council on Developmental Disabilities; University of Hawaii Community College System; City and County of Honolulu, Elderly Affairs Division; County of Hawaii, Office of Aging; County of Maui, Office on Aging; County of Kauai Agency on Elderly Affairs; Hawaii Caregiver Coalition; Hawaii Alliance for Retired Americans; AARP Hawaii; Project Dana; Aging and Disability Resource Center; Alzheimer's Association, Aloha Chapter; ARC in Hawaii; Child & Family Service; Chamber of Commerce of Hawaii, Health Committee; National Federation of Independent Businesses; Society of Human Resource Management; Faith Action for Community Equity; Catholic Charities Hawaii; Hawaii Conference United Church of Christ and Church of the Crossroads; Muriel Sisters; Kilohana Adult Day Care Program; National Alliance on Mental Illness Oahu; Mental Health Association in Hawaii; Goodwill Industries of Hawaii; Queen Lili'uokalani Children's Center; and Brain Injury Association of Hawaii.

In addition, the JLCFC obtained input from unpaid, individual family caregivers representing the following family caregiver categories: older adult family caregiver taking care of an older adult; family caregiver who does not live with the care recipient; family caregiver who is employed; family caregiver who is taking care of someone at end-of-life; family caregiver taking care of someone with Alzheimer's Disease; family caregiver taking care of multiple care recipients; family caregiver support group facilitator; and long-distance family caregiver. The JLCFC also heard testimony from representatives of the following programs currently in place in other states: Oregon's Lifespan Respite Care System, Minnesota's Alternate Care Program, the California Paid Family Leave Program, and the Virginia Caregivers Grant Program.

The JLCFC is aware that Senate Concurrent Resolution No. 13 (2006) is related to Act 285, SLH 2006, as it requests the Governor to convene a Work-Family Task Force to review Hawaii's work-family laws and policies, and requests the Legislative Reference Bureau (LRB) to study other states' laws and practices that promote good work-family policy. Therefore, the JLCFC obtained input from a member of the Governor's Long Term Living Initiative Subcommittee on Family Caregivers, as well. As of the time this report was written, the LRB study was not available for publication.

PART II. SUBSTANTIVE ISSUES

The JLCFC adopted a policy of determining what the State can do to foster a person's ability to age-in-place, particularly through the support of family caregivers. After hearing all of the testimony presented, and cognizant of its direction to consider providing support in the categories designated in Act 285, SLH 2006, the JLCFC also adopted a policy of establishing a comprehensive and sustainable, community-based family caregiver support system to maximize resources in all communities.

The JLCFC envisions a comprehensive and sustainable, community-based family caregiver support system that has components including:

- (1) A coordinated referral and case management service;
- (2) Centralization of available services;
- (3) Volunteers;
- (4) Education and training; and
- (5) Financial assistance.

In making its recommendations, the JLCFC focused on addressing the immediate needs of family caregivers, as well as, facilitating the development of a comprehensive, community-based family caregiver support system by recommending measures that will contribute to that goal.

Finding A: In 2003, the *Hawaii Health Survey* reported that an estimated 192,390 individuals in the State provide regular care or assistance to a person aged sixty years or older. The figure may be higher as testifiers noted the possibility of many “hidden” family caregivers in Hawaii who do not identify themselves as family caregivers. According to a publication by the EOA entitled *Family Caregivers: A Summary of National and Local Data, December 2004*, the EOA “has been sponsoring collection of a limited number of data elements on caregiving through the Hawaii Health Survey.” While the EOA’s data collection yields helpful family caregiving data, it is still necessary to gather more information on this subject to enable the State to apply resources and services in a more efficacious manner.

Recommendation A: The JLCFC recommends that a comprehensive needs assessment be conducted to determine, among other things, the size of the current family caregiver population, extent of unmet caregiving needs of elders, what percentage of care recipients’ needs being met by paid versus family caregivers, and the impact of family caregiving on employment and the family caregiver’s income. The comprehensive needs assessment should identify past surveys, such as the 2003 *Hawaii Health Survey*, and include focus groups. The needs assessment may include a telephone survey or other method for gathering reliable data regarding family caregivers’ needs, such as, adding additional family caregiving questions to the upcoming *Hawaii Health Survey*. Policy questions should be developed to guide the needs assessment. The findings of the needs assessment can be used to facilitate the development of a comprehensive and sustainable, community-based family caregiver support system.

Finding B: For many family caregivers, their role as family caregiver arises as suddenly as the care recipient’s health declines, leaving the family caregivers with an immediate need for services, but little preparation or education regarding who to contact for assistance or what services are available to them. In addition, the family caregivers may not know who is capable or qualified to provide them with the services that they or the care recipients need. The testimony revealed that family caregivers would benefit from a single point of access system that coordinates services and policies, and that provides referrals to services and providers. Also, family caregivers themselves need support services, including respite services and training, education, and counseling on areas such as caregiving and dealing with end-of-life issues.

Recommendation B: The JLCFC recommends that:

- (B1) The work of the JLCFC be extended for one year beyond its sunset date of June 30, 2007, to develop a comprehensive and sustainable, community-based family caregiver support system. The JLCFC should focus on how the Hawaii Aging and Disability Resource Center (ADRC) can serve as a single-entry, one stop source for family caregiver services and referrals in Hawaii County (where it currently being developed), as well as, in the other counties. The JLCFC should consider how successful service referral models, such as, the Palolo Chinese Home HiNOA Program and the Beacon Hill Village concierge service in Boston, Massachusetts can be expanded or replicated to provide similar referral services in Hawaii communities. The JLCFC should also monitor any pilot programs recommended herein and report on their possible integration into a comprehensive, community-based family caregiver support system;
- (B2) A pilot program be established and funded to reimburse family caregivers who provide free and continuing day-to-day care in the home to a qualified relative who is a functionally dependent person or who is suffering from cognitive impairment. The pilot program should include a report to the Legislature on the outcomes and costs of the pilot program;
- (B3) A volunteer-hours exchange pilot program be established and funded to develop a Hawaii community model based on volunteer credit banking programs on the mainland and in other countries. The pilot program should include a report to the Legislature on the outcomes and costs of the pilot program;
- (B4) A pilot program be established and funded to provide emergency and evening respite services. The pilot program should include a report to the Legislature on the outcomes and costs of the pilot program;
- (B5) During the 2007 legislative interim, the JLCFC explore a paid family leave program under the state Temporary Disability Insurance Law, similar to the California Paid Family Leave Program, to provide wage replacement benefits to employees who take time off from work to care for a seriously ill family member; and
- (B6) Support be given to including an appropriation in the Executive Budget for the UH Center for Aging Research and Education (CARE) to transition from a volunteer staff to a paid director and paid faculty to establish a bonafide research and training center.

Finding C: There is an immediate need to expand in-home services (e.g., housekeeping, bathing services, home-delivered meals, etc.) and access services (e.g., transportation, case management, escort, etc.), both on Oahu, and particularly on the neighbor islands, to facilitate family caregiving and aging-in-place. Most of the family caregivers and others who testified noted an immediate need for financial assistance, as well. Many family caregivers are faced with the difficult choice of continuing employment or leaving work to care for a family member. This places a financial strain on the family caregiver. However, the State benefits from the value of the services that family caregivers provide to care recipients by way of deferred paid caregiving and institutionalization. According to *Family Caregivers: A Summary of National and Local Data, December 2004*, one study “estimated that approximately 115,000 family caregivers in Hawaii provided personal care to persons aged 15 years old and older, for a total of approximately 107 million hours, resulting in an estimated economic value of caregiving of approximately \$875 million per year.”

Recommendation C: The JLCFC recommends that:

- (C1) An appropriation be made to Kupuna Care to expand its in-home and access services statewide and to add the flexibility to provide services to the caregivers of the qualified care recipients, as well;
- (C2) An appropriation be made for the Sage PLUS Program to expand its health insurance information, counseling, and referral services to the neighbor islands and to support its operating costs;
- (C3) Proposed federal funding cuts to successful, established programs be monitored to determine if alternative sources of funding are necessary to maintain the programs;
- (C4) A tax credit be provided for the cost of home modifications to enable the family caregiver to better assist the care recipient in the home;
- (C5) A narrow tax credit, a grant-in-aid to the counties, or a “cash and counseling” model be explored to address family caregivers’ present needs. Any tax credit, grant, or “cash and counseling” model should be targeted to a specific population and should include a mechanism for supporting family caregivers’ purchase of “quality-of-life” items for the care recipient (e.g., adult incontinence products, lotions, etc.); and

(C6) A resolution be passed requesting the Board of Professional Engineers, Architects, Surveyors and Landscape Architects at the Department of Commerce and Consumer Affairs promote awareness of family caregiving needs in the architectural design of new residences.

Finding D: Numerous testifiers appeared on behalf of grandparents in support of recognizing their role as family caregivers for their grandchildren. As the JLCFC's was directed to focus on family caregivers who provide unpaid, informal assistance to persons age sixty and older with physical or cognitive disabilities, this group fell outside the scope of this report. However, it should be noted that the National Family Caregiver Support Program under the reauthorized Older Americans Act is available to family caregivers of older adults age sixty and older, as well as grandparents of children age eighteen years and younger.

Recommendation D: The JLCFC recommends that the definition of family caregiver be amended to include this population of family caregivers, as well.

Finding E: Local communities must be prepared to accommodate their aging population. Planning should be done now to accommodate "aging in place" in the community and to accommodate those facilities and services that will make aging in place possible. Local governments should review existing policies, programs, and services that affect the aging population and aging services and develop an "aging in place" in the community plan.

Recommendation E: The JLCFC recommends that the counties examine current zoning laws, building codes, and subdivision requirements and eliminate encumbrances to family caregiving and aging in place as may be appropriate to prepare to meet our aging population's needs.

PART III. CONCLUSION

The JLCFC recommends that legislation be introduced in the 2007 legislative session to implement the recommendations outlined in this report. Co-chairs Senator Les Ihara, Jr. and Representative Marilyn B. Lee, and other members of the JLCFC will jointly sponsor the necessary legislation.

Signed by Senator Les Ihara, Jr., and Representative Marilyn Lee, Co-Chairs on behalf of the Committee.

Committee members: Senators Les Ihara, Jr., Rosalyn H. Baker, Suzanne Chun Oakland, Gordon Trimble; Representatives Marilyn B. Lee, Josh Green, M.D., Alex M. Sonson.

Spec. Com. Rep. No. 2

Your Committees on Human Services of the Senate and House of Representatives, to which was referred S.C.R. 52, S.D. 1 (2006), entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE COMMITTEES ON HUMAN SERVICES OF THE SENATE AND HOUSE OF REPRESENTATIVES TO CONVENE INTERIM HEARINGS ON THE USE OF LEGAL INTERVENTIONS AVAILABLE TO THE FAMILY COURT."

beg leave to report as follows:

PART I. BACKGROUND

Introduction

In the 2004 Regular Session, the Senate adopted Senate Resolution No. 40 authorizing the Senate Committee on Human Services to convene interim hearings on the Hawaii Family Court. The purpose of the interim hearings was to explore ways to:

- (1) Make the Family Court more accessible, family oriented, and focused on reduction in caseload;
- (2) Limit the long-term use of interventions such as temporary restraining orders and protective orders;
- (3) Ensure greater accountability of court-appointed personnel such as custody evaluators and guardians ad litem; and
- (4) Reduce the needless expenditure of time and money on counterproductive litigation relating to child custody.

During the course of those interim hearings, task force groups were formed and submitted their findings and recommendations to the Senate Committee on Human Services. Some of the recommendations were adopted and received legislative attention, but there were still issues that remained unresolved.

Legislative Mandate

In order to continue work on the unresolved issues, the Senate and the House of Representatives adopted S.C.R. 52, S.D. 1 (2006), authorizing the Committees on Human Services of the Senate and the House of Representatives to convene interim hearings on the use of legal interventions available to the Family Court, including:

- (1) An assessment of the caseload;
- (2) The long-term use of temporary restraining orders;
- (3) The selection, use, and accountability of custody evaluators, guardians ad litem, factfinders, parenting coordinators, and other court-appointed personnel;
- (4) An evaluation of definitions of "the best interests of the child";
- (5) An examination of issues that may have an impact on the fair and timely resolution of cases; and
- (6) The identification of practices that meet an acceptable national standard of care for the children and families before the Family Court.

The Committees on Human Services of the Senate and House of Representatives were also requested to:

- (1) Establish one or more task forces to facilitate their work with representation from the Department of Human Services; Department of Health; Hawaii Association of Marriage and Family Therapists; Family Law Section of the Hawaii State Bar Association; National

Association of Social Workers, Hawaii Chapter; Children's Rights Council; Hawaii Coalition for Dads; Legal Aid Society of Hawaii; Volunteer Legal Services Hawaii; Hawaii State Coalition Against Domestic Violence; Domestic Violence Clearinghouse and Legal Hotline; Mediation Center of the Pacific; EPIC Ohana Conferencing; and American Psychological Association; and

- (2) Report their findings, along with any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2007.

Approach

The Chair of the Senate Human Services Committee, Senator Suzanne Chun Oakland, and the Chair of the House Human Services Committee, Representative Alex M. Sonson, convened the S.C.R. 52 Task Force (Task Force), with representation from all of the organizations as directed by S.C.R. 52, S.D. 1 (2006), to facilitate their work.

The Task Force held public meetings on July 17, August 22, October 9, November 27, December 1, December 15, 2006, and January 5, 2007.

The Task Force prioritized four categories and formed four committees to explore which issues should be prioritized within each category and to report their findings and recommendations to the Task Force. The four committees were:

- (1) Best Interests of the Child Committee;
- (2) Family Court Models Committee;
- (3) Family Court, Sunshine & Accountability Committee; and
- (4) Temporary Restraining Orders Committee.

In addition to conferring with all of the organizations as directed by S.C.R. 52, S.D. 1 (2006), between the Task Force and the four committees, input was obtained from individual members of the public and representatives of the following organizations: the Judiciary; University of Hawaii, School of Social Work; Hawaii State Commission on the Status of Women; City and County of Honolulu Prosecutor's Office; American Civil Liberties Union of Hawaii; Hawaii Association of Family Therapists; VOICES, Maui Chapter; VOICES, Oahu Chapter; Coalition for a Drug-Free Hawaii; Hawaii Women Lawyers; Women Helping Women, Maui Chapter; Na Lei Lokahi; Na Keiki Law Center; Parents for Righteousness; and Stop the Violence.

The Family Court Custody Investigation Unit also made a presentation to the Task Force.

PART II. COMMITTEE FINDINGS

Best Interests of the Child Committee

The Task Force requested the Best Interests of the Child Committee to explore and prioritize the possibility of defining "best interests of the child," adopting a standard and criteria for best interests of the child, and the reintroduction of S.B. No. 3233 (2006) to authorize parents to amend provisions of the parenting plan.

The Best Interests of the Child Committee held public meetings on October 18, October 30, and November 9, 2006.

The Best Interests of the Child Committee examined various models, including the Jameson Study, to compile a list of the best interests of the child standards that a court should consider when deciding the issue of child custody. After a full discussion, the Best Interests of the Child Committee agreed upon the standards listed in Attachment A.

The Best Interests of the Child Committee considered whether various child custody related presumptions should exist. The Best Interests of the Child Committee determined that the domestic violence presumption in section 571-46, Hawaii Revised Statutes, should remain. The Best Interests of the Child Committee found that once the court determines that domestic violence is not an issue, there should be a rebuttable presumption of joint custody (e.g., both parents share equally in the parenting of the child). If the joint custody presumption is disputed, the court would then consider the best interests of the child standards listed in Attachment A.

The Best Interests of the Child Committee also discussed the issue of enabling parents to amend parenting plans when both parents agree to the changes. The Best Interests of the Child Committee reviewed the law and determined that a mechanism already exists for parents who are in agreement to amend their parenting plans.

Family Court Models Committee

The Task Force requested the Family Court Models Committee to explore and prioritize the possibility of a non-adversarial "triage" model, "parenting time (visitation) facilitation specialists," a parent advocate or facilitator for custody cases, co-parenting education classes, expansion of Kids First, parents presenting their story at Kids First to encourage settlement, Alternative Dispute Resolution or co-parenting models not being used if battered spouse or parent, protecting a battered spouse (psychological and physical abuse) by investigating alleged abuse before a custody evaluation, evaluating the degree of conflict or abuse prior to determining custody and visitation, decreasing conflict and the effect of a "presumption," neutral pre-court services with trained personnel to identify domestic violence and mediation-type services and to report findings to the court, shaping the system to help families reduce the emotional drain on the larger community, getting government sectors to be more consumer-oriented, and a process for informing agencies serving families about changes in the law.

The Family Court Models Committee held public meetings on September 26, October 16, October 27, and November 3, 2006.

After a full discussion, the Family Court Models Committee found that:

- (1) A process, known as the Family Court Parenting Plan Model, should exist to assist parents to develop a parenting plan without and prior to family court intervention;
- (2) Child custody matters involving domestic violence should be exempt from the process and should be screened out at any time in the process in addition to the first screening;
- (3) After the initial screening for domestic violence, parents should participate in an expanded version of Kids First that includes:

- (A) Education about parenting after divorce;
 - (B) Parenting roles within one home and across homes;
 - (C) Optional advanced parenting education;
 - (D) An opportunity for children to provide their activities schedules;
 - (E) An introduction to the concept of a parenting plan; and
 - (F) An overview of divorce and paternity procedures;
- (4) If the parents are unable to develop a parenting plan after participation in the expanded version of Kids First, the parents should meet with a Trained Parenting Plan Facilitator for a series of facilitations, if necessary, to assist with their development of a parenting plan;
 - (5) The Trained Parenting Plan Facilitator should be able to make confidential recommendations for services to either parent at any time in the process;
 - (6) The process should be confidential, non-adversarial, without the presence of attorneys, and the parents should have the same Trained Parenting Plan Facilitator throughout the process;
 - (7) If after participating in the process the parents still cannot develop a parenting plan, they should proceed to Family Court with any agreed upon issues and for resolution of the outstanding issues; and
 - (8) The parents should have the same judge throughout the child custody proceedings.

The Family Court Models Committee also found that there is a further need to:

- (1) Assess the level of children's involvement in the process, including the possibility of expanding services to meet children's needs in regard to the impact of a child custody dispute;
- (2) Research and recommend best practices in the development of a parenting plan;
- (3) Research and recommend best practices in the training and qualifications of the trained parenting plan facilitator, including training on the issues facing both the petitioner and the respondent;
- (4) Evaluate the current assessment of domestic violence matters; and
- (5) Research the possible establishment of a domestic violence court.

Family Court, Sunshine & Accountability Committee

The Task Force requested the Family Court, Sunshine & Accountability Committee to explore and prioritize the possibility of a Family Law Advisory Committee, open meetings, public disclosure of the Judiciary's claim that it is self-evaluating, more communication between the Judiciary and the public or consumers, monitoring the enforcement of recently enacted laws, further judicial accountability, sanctioning attorneys for misrepresentation, developing guidelines for factfinders to focus on the "best interests of the child," the Judiciary providing updates on custody evaluation and Alternative Dispute Resolution programs, reviewing factfinders' fees, defining the guardian ad litem's responsibilities, clarifying and developing a glossary of the different court-appointed personnel, and greater public involvement in the Judiciary.

The Sunshine & Accountability Committee held public meetings on October 18, October 30, and November 9, 2006.

After a full discussion, including the review of various models, past legislation, and research (Attachment B), the Sunshine & Accountability Committee prioritized:

- (1) The establishment of a Family Law Advisory Committee;
- (2) Expanding the scope of chapter 92, Hawaii Revised Statutes, known as the Sunshine Law, to include non-adjudicatory functions of the Judiciary;
- (3) Investigating public and media access to Family Court hearings and the constitutionality of the Family Court Confidentiality Form; and
- (4) Training custody evaluators.

At the Sunshine & Accountability Committee's request, the Task Force sent a letter to Chief Justice Ronald T. Y. Moon, on or about October 16, 2006, requesting information regarding the Family Court Confidentiality Form. Copies of the letter to Chief Justice Moon and the response from the Deputy Chief Judge of the Family Court of the First Judicial Circuit, Frances Q. F. Wong, and the Chief Court Administrator of the First Circuit Court, William A. Santos, dated October 25, 2006, are provided under Attachment C.

Temporary Restraining Orders Committee

The Task Force requested the Temporary Restraining Orders Committee to explore and prioritize the possibility of reexamining the temporary restraining orders process, reducing the filings of false temporary restraining orders, reexamining the temporary restraining orders statute to look at "imminent harm," the temporary restraining orders requirement for an order of protection, assistance in evenings or weekends, a consequence or sanction for filing a false temporary restraining order, and the need for a pre-screening process to identify abuse.

The Temporary Restraining Orders Committee held public meetings on September 26, October 17, October 26, and November 8, 2006.

After a full discussion, the Temporary Restraining Orders Committee determined that there is a need:

- (1) For additional information from the Family Court regarding temporary restraining orders;
- (2) For temporary restraining orders to address the issue of minors in greater detail;
- (3) To specify how the child is being harmed if including the child on an Ex Parte Petition for a Temporary Restraining Order for Protection;

- (4) For an agency to investigate and file a written report with the Family Court regarding allegations of harm to a child;
- (5) To modify the Ex Parte Petition for a Temporary Restraining Order for Protection form as follows:
 - (A) The form should request information on the parties' legal relationship to the child (e.g., birth or adoptive parent, legal guardian, member of household, joint or sole custody, etc.);
 - (B) There should be some indication on the form whether there has been agency contact and if so, it should be specified;
 - (C) There should be a question on the form regarding whether there are "any other known legal actions regarding the child or the parties"; and
 - (D) The form should be expanded to include an area for a narrative to elaborate on the "threats of abuse to the child"; and
- (6) To get better information before the Family Court Judge.

PART III. COMMITTEE RECOMMENDATIONS

Each Committee submitted a report of its full findings and recommendations to the Task Force (Attachment D). The Committees' recommendations were discussed at length by Task Force members and adopted in the form presented under Part IV.

PART IV. TASK FORCE RECOMMENDATIONS

Based on the findings and recommendations of the four committees, and after a full discussion and a majority vote of the members, the Task Force recommends that with regard to:

Best Interests of the Child

- (1) Custody and visitation (parenting time) criteria and procedure be amended to specify what the court shall consider when determining the best interests of the child;
- (2) The Legislative Reference Bureau be requested to study joint or shared physical and legal custody presumptions in Family Law as enacted and applied by other jurisdictions;

Family Court Models

- (3) The Judiciary be requested to review similar, existing parenting plan initiatives and implement a pilot Family Court Parenting Plan Model program in the First Circuit Family Court;
- (4) A task force be convened to evaluate the current assessment of domestic violence matters and the possibility of establishing a domestic violence court in the First Circuit Family Court;
- (5) One or more task forces be convened during the interim to further study and make recommendations regarding the remaining issues identified by the Family Court Models Committee;

Family Court, Sunshine & Accountability

- (6) A Citizen's Family Law Advisory Committee be established and placed, for administrative purposes, within the Judiciary;
- (7) A letter be written to the Chief Justice of the Hawaii State Supreme Court, Ronald T. Y. Moon, requesting information regarding the Family Court's practice and procedure of sealing records and other documents in the legal matters within its jurisdiction;
- (8) A letter be written to the Deputy Chief Judge of the Family Court of the First Judicial Circuit, Frances Q. F. Wong, requesting information regarding Family Court custody evaluators and policies related to custody evaluators;
- (9) The Legislative Reference Bureau be requested to study custody evaluator training models applied in other jurisdictions;
- (10) A task force be convened during the interim to further study and make recommendations regarding Family Court custody evaluator issues;

Temporary Restraining Orders

- (11) A letter be written to the Deputy Chief Judge of the Family Court of the First Judicial Circuit, Frances Q. F. Wong, requesting further information regarding temporary restraining orders;
- (12) A written copy of the referral should be provided to the parties prior to a hearing in any case involving allegations of child abuse;
- (13) A task force be convened during the interim to further study and make recommendations regarding the remaining issues and recommendations identified by the Temporary Restraining Orders Committee; and

Other

- (14) The Committees on Human Services of the Senate and the House of Representatives be requested to reconvene the Task Force to further study some of the remaining recommendations made by the committees.

PART V. CONCLUSION

After a majority vote of the members, the Task Force recommends that legislation be introduced in the 2007 legislative session to implement the recommendations outlined in this report. The co-conveners of the Task Force, Senator Suzanne Chun Oakland and Representative Alex M. Sonson, will sponsor the necessary legislation.

Signed by Senator Suzanne Chun Oakland and Representative Alex M. Sonson, Chairs, on behalf of the Committees.

CONFERENCE COMMITTEE REPORTS

Conf. Com. Rep. 1 on S.B. No. 1529

The purpose of this measure is to clarify the civil adjudication of civil traffic infractions.

Your Committee on Conference finds that this measure would provide clear, unambiguous, and consistent methods of processing traffic infractions in a more expedient and less burdensome manner, while ensuring protections against self-incrimination for defendants. Currently, a vast majority of lesser traffic offenses can be adjudicated without requiring the defendant's appearance in court. However, some methods used in processing traffic infractions remain unclear, ambiguous, and inconsistent. This measure attempts to address these issues. Your Committee on Conference notes that the measure permits the court to schedule the criminal and civil cases concurrently.

Your Committee on Conference has adopted the S.D. 2 version of this measure that is substantially similar to the H.D. 2 version, in addition to changing references to "citations" to "infractions", with the concurrence of the Judiciary. Your Committee on Conference has also changed the effective date from July 1, 2112, to January 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1529, 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. 1529, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators English, Hee, Hooser, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Hooser). Representatives Souki, Waters, Pine, Managers on the part of the House. Ayes, 2. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. 2 on S.B. No. 1709

The purpose of this measure is to treat three-wheeled mopeds designed to carry a driver and a passenger seated side by side the same way as single driver mopeds except for the requirement that the driver sit astride and alone on the moped.

Your Committee finds that three-wheeled mopeds are increasingly common on the roadways. Three-wheeled mopeds are typically rented to tourists by moped rental companies. Current law does not allow these vehicles to be classified as a moped.

The intent of this measure is to allow three-wheeled mopeds that are designed to carry a passenger to operate on highways, streets, and roadways in the same way as single driver mopeds except with regards to operating in bicycle lanes. Three-wheeled mopeds that are designed to carry a passenger are generally larger than single driver mopeds and present safety issues that may not be covered under existing laws that regulate single driver mopeds. This measure addresses those safety issues.

Your Committee on Conference has amended this measure by adopting the H.D. 2, and added language that clarifies that:

- (1) A driver of a three-wheeled moped is required to have bodily injury and property damage insurance; and
- (2) Are prohibited on bicycle lanes.

Your Committee on Conference also amended the effective date from July 1, 2112, 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. 1709, 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. 1709, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators English, Tsutsui, Gabbard, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Tsutsui). Representatives Souki, Waters, Ching, Managers on the part of the House. Ayes, 2. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 3 on S.B. No. 946

The purpose of this measure is to allow a person whose driver's license has been revoked for life to reapply and be reissued a driver's license upon specified conditions and procedures.

Your Committee on Conference finds that a lifetime suspension of a driver's license, though warranted when imposed, eventuates in an inequality after a driver becomes rehabilitated from substance abuse.

The intent of this measure is to provide fairness and equity in the driver's license revocation process. The law should account for rehabilitation under certain safeguards as contained in this measure. However, this measure should not be construed as forgiving the offending driver. Your Committee on Conference recommends passage of this measure out of compassion for those who have paid the debt of their past indiscretions.

Your Committee on Conference has amended this measure by adopting the S.D. 2 version, a substantially similar measure, and inserting a fee of \$50 to cover administrative costs. Your Committee has also changed the effective date to July 1, 2008, at the request of the Administrative License Revocation Office in order to allow time for implementation.

As affirmed by the record of votes of the managers 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, 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. 946, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators English, Hee, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, none. Representatives Souki, Waters, Nishimoto, Marumoto, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Marumoto).

Conf. Com. Rep. 4 on S.B. No. 1528

The purpose of this measure is to clarify that all traffic offenses and violations under the statewide traffic code are treated as traffic violations, not convictions.

Your Committee on Conference finds that this measure would affirm that traffic offenses are infractions, and therefore are deemed civil rather than criminal matters. This measure is in keeping with Hawaii appellate case law.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2020, 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. 1528, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1528, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators English, Hee, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, none. Representatives Souki, Waters, Meyer, Managers on the part of the House. Ayes, 2. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. 5 on S.B. No. 1704

The purpose of this bill is to amend chapter 514A, Hawaii Revised Statutes (HRS), by reenacting parts I, V, and VII, of chapter 514A, HRS, that were previously repealed by Act 164, Session Laws of Hawaii 2004, and to make other housekeeping amendments.

Your Committee finds that Act 213, Session Laws of Hawaii 2000, and Act 131, Session Laws of Hawaii 2003, required the Real Estate Commission to review chapter 514A, HRS, make findings and recommendations for the recodification of that chapter, and submit legislation consistent with its review to the Legislature. The recodified condominium law was submitted and subsequently enacted as Act 164, Session Laws of Hawaii 2004, Act 93, Session Laws of Hawaii 2005, and Act 273, Session Laws of Hawaii 2006, as chapter 514B, HRS. However, parts I, V, and VII of chapter 514A, HRS, were repealed during the process. This has made it more difficult for members of associations of apartment owners, boards, and others in the condominium business created prior to July 1, 2006, to understand and discern exactly what laws and rights are applicable to them.

Your Committee has amended this measure, as recommended by the Real Estate Commission, by:

- (1) Adding a new section to amend section 467, HRS, to include apartments defined in section 514A-3, HRS, and governed by chapter 514A, HRS, in the definition of "hotel condominium";
- (2) Adding a new section to amend section 514B-161, HRS, to require that if an apartment owner or the board of directors requests mediation of a dispute involving the interpretation or enforcement of the association of apartment owners' declaration, bylaws, or house rules, the other party in the dispute shall be required to participate in mediation;
- (3) Changing the effective date to provide that:
 - (a) Sections 2, 3, and 4, of this measure shall take effect retroactive to July 1, 2006;
 - (b) Section 514A-121.5(b) to (j) in section 2 of this measure shall be repealed on June 30, 2009; and
 - (c) Cases pending before the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs as part of the condominium dispute resolution pilot project established by section 28 of Act 164, Session Laws of Hawaii 2004, on June 30, 2006, that may have been dismissed due to the repeal of part VII of chapter 514A, HRS, shall be reinstated and subject to section 514A-121.5, in section 2 of this measure;
- (4) Making necessary technical and conforming amendments to sections 514A-6 and 514A-121.5, HRS, in section 2 of this measure; and
- (5) Making other technical, nonsubstantive 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. 1704, 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. 1704, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Espero, Slom, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Espero). Representatives Herkes, McKelvey, Marumoto, Managers on the part of the House. Ayes, 2. Noes, none. Excused, 1 (McKelvey).

Conf. Com. Rep. 6 on S.B. No. 1047

The purpose of this measure is to allow a driver who is at least nineteen years of age who meets certain requirements to obtain a commercial driver's license to drive in intrastate commerce.

Your Committee on Conference finds that there is a shortage of commercial drivers in Hawaii and the age requirement for commercial licenses makes recruiting younger individuals, such as high school seniors, difficult because they have to wait years to obtain a license.

The current age required to receive a commercial driver's license is twenty-one. This measure would increase the pool of qualified commercial drivers by lowering the age to nineteen. Your Committee is keenly aware that lowering the age may not solve the problem of the shortage of drivers, and may present highway safety concerns. However, the measure addresses these concerns in large part by ensuring that the applicant has a safe driving record in order to obtain a commercial driver's license.

In addition, your Committee on Conference believes that increasing the eligible pool of commercial drivers will increase demand for commercial driving schools and other instructional programs to enable the licensing of more commercial drivers. High school seniors would be more inclined to consider commercial driving as a career if the license eligibility age were nineteen.

Your Committee has amended the measure by deleting the requirement that a commercial drivers license applicant under the age of twenty-one complete a Department of Transportation administered training program and by changing the effective date from July 1, 2012, to upon its approval. Your Committee has also made a technical amendment to remove an extraneous subsection designation in section 1 of the bill.

As affirmed by the record of votes of the managers 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. 1047, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1047, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators English, Hooser, Gabbard, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Hooser). Representatives Souki, Waters, Nishimoto, Pine, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. 7 on S.B. No. 1410

The purpose of this measure is to conform Hawaii's insurance laws to national standards regarding:

- (1) Long-term care insurance; and
- (2) The sharing of information with foreign insurance regulatory agencies by the Insurance Commissioner to facilitate the regulation of the insurance industry.

Your Committee finds that this measure is a reflection of model standards developed by the National Association of Insurance Commissioners.

Your Committee has amended this measure by making technical changes 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 S.B. No. 1410, 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. 1410, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Ihara, Slom, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Ihara). Representatives Herkes, McKelvey, Yamane, Marumoto, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (McKelvey).

Conf. Com. Rep. 8 on S.B. No. 920

The purpose of this measure is to prevent abuses that may occur from the distribution of condominium association membership lists. Specifically, this measure prohibits:

- (1) The use or distribution of membership lists without the prior written consent of the condominium association's board of directors; and
- (2) The condominium's managing agent, manager, and board of directors from using information from membership lists to create any separate list as a means of evading the restrictions on the use of such information.

Your Committee finds that condominium association member lists are the property of the association and members' information must be kept private. The intent of this measure is to stop managing agents from using condominium member lists without the prior written consent of the board of directors of a condominium association.

Your Committee has amended this measure by:

- (1) Adding language to specify that the consent requirements and the restrictions on the creation of separate lists found in subsections (f) and (g) in section 2 of this measure shall not apply to any time share plan regulated under chapter 514E, Hawaii Revised Statutes; and
- (2) Making this measure effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 920, 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. 920, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Espero, Slom, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Espero). Representatives Herkes, McKelvey, Marumoto, Managers on the part of the House. Ayes, 2. Noes, none. Excused, 1 (McKelvey).

Conf. Com. Rep. 9 on S.B. No. 139

The purpose of this bill is to clarify that the cigarette tax moneys collected and earmarked, pursuant to section 245-15, Hawaii Revised Statutes, to fund the Cancer Research Center of Hawaii, emergency medical services, trauma care, and community health centers shall be calculated on a per cigarette basis. This bill further ensures that moneys are earmarked for each special fund through 2011 and beyond.

Your Committee on Conference amended this bill by changing the tax collection date for moneys earmarked for the Hawaii Cancer Research Special Fund from prior to September 29, 2006, to prior to October 1, 2007. Your Committee finds that prior to October 1, 2007, completes a fiscal quarter and will avoid administrative problems for the Department Of Taxation.

Your Committee on Conference further amended this bill by making technical, nonsubstantive changes 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. 139, 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. 139, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Fukunaga, Baker, Whalen, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Green, Mizuno, Chong, Meyer, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Chong).

Conf. Com. Rep. 10 on S.B. No. 755

The purpose of this measure is to provide standards for the selection of County Ethics Commissioners to ensure their impartiality and independence.

Your Committee on Conference finds that, in the interest of ensuring sufficient independence and impartiality, the selection process of the State Ethics Commissioners should serve as a model for the selection of County Ethics Commissioners. Each member of the State Ethics Commission is appointed by the Governor from a list of two persons nominated by the Judicial Council, and complies with Article XIV of the Constitution of the State of Hawaii, which provides that: "Ethics commissioners shall be selected in a manner which assures their independence and impartiality."

Your Committee further finds that, in contrast, members of the Honolulu Ethics Commission are appointed by the Mayor and confirmed by the Honolulu City Council, both of which are subject to oversight by the County Ethics Commission.

To remedy this perceived conflict of interest, this measure requires the counties to establish a selection process that ensures a minimal amount of involvement of persons who are to be subject to an ethics commission's oversight by requiring each County Ethics Commissioner to be appointed from a list of nominees selected by an independent body and not subject to confirmation by the county legislative body.

Your Committee has amended this measure to further clarify the selection process of County Ethics Commissioners by requiring that county ethics commissioners in each county to be selected by an independent body as set forth by county ordinance in each county.

The intent of your Committee on Conference is to create improved standards for the selection of County Ethics Commissioners that will allow them to fulfill their duties in an independent and impartial manner.

As affirmed by the record of votes of the managers 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. 755, 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. 755, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Inouye, Tsutsui, Hemmings, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Tsutsui). Representatives Waters, B. Oshiro, Pine, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 11 on S.B. No. 618

The purpose of this measure is to require the Department of Education to establish a program for awarding honorary high school diplomas to individuals who were unable to complete high school due to military service during World War II, the Korean Conflict, or the Vietnam War and individuals interned during the Japanese and Japanese-American Internment during World War II.

Your Committee on Conference finds that during times of need, many citizens disrupt their lives and education to serve and protect their country through military service. In the past, many of Hawaii's citizens were unable to complete their compulsory education due to military service during World War II, the Korean Conflict, or the Vietnam War, or due to the Japanese and Japanese-American Internment during World War II. This measure recognizes the tremendous hardships suffered and sacrifices made by our loyal and courageous veterans and interned citizens through the establishment of a program for bestowing high school diplomas on these worthy individuals.

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

- (1) Changing references to an "honorary diploma" to a "veterans high school diploma"; and
- (2) Making technical, nonsubstantive changes 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. 618, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 618, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Inouye, Sakamoto, Hemmings, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Hemmings). Representatives Takumi, Evans, Har, Finnegan, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 12 on S.B. No. 1008

The purpose of this measure is to enhance the regulation of annuity sales by establishing standards and procedures for insurers and insurance producers that make recommendations to consumers regarding the purchase or exchange of annuities.

Your Committee finds that there is a need to protect consumers who purchase annuity products. This measure is based upon model legislation and the intent is to ensure that the insurance needs and financial objectives of consumers in transactions involving annuity products are appropriately and adequately addressed.

Your Committee has amended this measure by:

- (1) Adding language clarifying that nothing in this measure shall be construed to affect any provision of chapter 485A, Hawaii Revised Statutes, relating to the Uniform Securities Act;
- (2) Making the measure effective January 1, 2008; provided that section 5 shall take effect on July 1, 2008, and that section 4 shall be repealed on July 1, 2008; and
- (3) Making technical, nonsubstantive 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. 1008, 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. 1008, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Espero, Trimble, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Trimble). Representatives Herkes, Lee, Marumoto, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 13 on S.B. No. 667

The purpose of this bill is to ensure that residents of this State have access to appropriate mental health services by licensed mental health counselors and to enable qualified mental health counselor applicants to obtain licensure.

Specifically, this bill provides for the licensing of qualified mental health services providers by:

- (1) Allowing alternative experience for the practicum intern and post-graduate experience required for mental health counselor licensure, for applicants who graduated from an accredited educational institution before July 1, 2007; and
- (2) Clarifying that the requirement that clinical supervisors hold certain licenses does not apply to the practicum intern and post-graduate experience supervision requirements for applicants graduating from an accredited educational institution prior to July 1, 2007.

Your Committee on Conference amended this bill by changing the delayed effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 667, 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. 667, S.D. 3, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Taniguchi, Baker, Fukunaga, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Whalen). Representatives Green, Herkes, McKelvey, Ward, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 14 on S.B. No. 1675

The purpose of this bill is to encourage the use of automated external defibrillators by strengthening the law regarding civil liability.

Specifically, this bill changes the term automatic external defibrillator to automated external defibrillator and provides immunity from liability to any individual who administers an automated external defibrillator in a good faith attempt to resuscitate another person in immediate danger of loss of life, instead of providing immunity only to those who have successfully completed a training program.

Your Committee on Conference amended this bill to encourage employers and businesses to provide this life saving technology by:

- (1) Removing employers from vicarious liability for civil damages resulting from the provision of an automated external defibrillator, clarifying that employer liability only attaches as a result of a person's or employer's gross negligence or wanton acts or omissions; and
- (2) Removing the requirement that only employers who provide a defibrillator program shall be immune from liability.

As affirmed by the record of votes of the managers 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. 1675, 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. 1675, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Hee, Fukunaga, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Green, Waters, Ward, Managers on the part of the House. Ayes, 2. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 15 on S.B. No. 1425

The purpose of this measure is to ensure that an adequate supply of licensed contractors is available to perform necessary repairs and reconstruction work during a state of emergency or disaster. Specifically, this measure:

- (1) Authorizes the Contractors License Board (Board) to issue emergency contractor's licenses to qualified out-of-state contractors;
- (2) Authorizes the Board to establish an Emergency Contractors Recovery Fund to assist in covering liability costs for persons injured as a result of work performed by a contractor that is issued an emergency license to perform necessary repair and reconstruction work during a state of emergency or disaster;
- (3) Authorizes the Board to collect fees from applicants for an emergency contractor's license;
- (4) Requires a determination by the Board that a shortage of a qualified workforce exists prior to issuing emergency contractor's licenses to qualified out-of-state contractors;
- (5) Requires that an applicant for an emergency contractor's license provide:
 - (A) Proof of workers' compensation, property damage, and liability insurance in an amount not less than \$300,000 per occurrence and \$600,000 in the aggregate;
 - (B) A current financial statement prepared by a certified public accountant;
 - (C) A credit report; and
 - (D) Proof of intent to pay any and all applicable state general excise taxes by means of a state tax clearance statement;
- (6) Clarifies that a contractor who is issued an emergency contractor's license is subject to requirements set by Hawaii's contractor laws under Chapter 444, Hawaii Revised Statutes; and
- (7) Specifies that an emergency contractor's license shall only be valid during the period that the emergency exists.

Your Committee on Conference finds that the after effects of hurricanes Katrina and Rita demonstrated the adverse consequences of having a short supply of skilled and licensed contractors. Currently, if a natural disaster or other state of emergency were to arise in Hawaii, the demand

for skilled and licensed contractors in Hawaii to perform the necessary repair and reconstruction work may exceed the actual supply. Your Committee on Conference further finds that allowing out-of-state contractors licensed in other jurisdictions to perform work in Hawaii under an emergency license represents a reasonable balance between the need for more contractors and the need to protect consumers.

To this end, your Committee on Conference amended this measure by:

- (1) Removing the provision authorizing the Board to establish an Emergency Contractors Recovery Fund;
- (2) Removing the minimum monetary amounts for insurance liability in the provision requiring proof of workers' compensation, property damage, and liability insurance;
- (3) Amending the provision requiring proof of licensure as a contractor in another state that follows the same adopted version of the applicable county's uniform building code to provide that the county in which the contractor is licensed have a similar, rather than the same uniform building code;
- (4) Clarifying language regarding submitting a state tax clearance statement;
- (5) Inserting language requiring the applicant to provide proof of bond in the amount and in such form as set forth in section 444-16.5, Hawaii Revised Statutes;
- (6) Removing the provision requiring a contractor who is issued an emergency contractor's license to be subject to requirements set forth by Hawaii's contractor license maintenance and penalty laws under chapter 444, Hawaii Revised Statutes;
- (7) Removing the provision requiring the emergency contractor's license to remain valid only during the period of the emergency; and
- (8) Making nonsubstantive changes for the purpose of style and clarity.

It is the intent of your Committee on Conference to ensure that there is an adequate supply of licensed contractors available to perform the necessary repairs and reconstruction work during a state of emergency or disaster and putting requirements in place to ensure public and consumer safety.

As affirmed by the record of votes of the managers 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. 1425, 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. 1425, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Inouye, Taniguchi, Sakamoto, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Sakamoto). Representatives Evans, Herkes, Har, McKelvey, Yamane, Finnegan, Managers on the part of the House. Ayes, 5. Noes, none. Excused, 1 (Finnegan).

Conf. Com. Rep. 16 on S.B. No. 870

The purpose of this measure is to:

- (1) Establish and designate an archaeological data survey as an online database program of the State of Hawaii Museum of Natural and Cultural History, beginning with the collections of Bishop Museum; and
- (2) Authorize the Museum, in consultation with the Office of Hawaiian Affairs and the Department of Land and Natural Resources, to withhold from the database, either temporarily or permanently, information that may pose a threat to the protection of valuable archaeological sites and artifacts.

Your Committee on Conference finds that requiring a consensus of the three entities to determine what information may be withheld from the data survey will ensure protection for vulnerable artifacts and sites that may be threatened with harm or degradation should information about them be readily available.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 870, 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. 870, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Espero, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, none. Representatives Ito, Chong, Carroll, Hanohano, Awana, Managers on the part of the House. Ayes, 4. Noes, none. Excused, 1 (Carroll).

Conf. Com. Rep. 17 on S.B. No. 1924

The purpose of this measure is to allow the Board of Land and Natural Resources to sell or exchange up to fifteen acres of state land to an eleemosynary organization under certain conditions without legislative approval for three years.

Specifically, this measure requires that:

- (1) The eleemosynary organization use the land for the construction and maintenance of a multi-purpose community center with sufficient size and facilities to serve a community of twenty-five thousand people;
- (2) The eleemosynary organization demonstrates the sufficient sources of funding for the construction and maintenance of the community center; and
- (3) If the land ceases to be used for the purposes and conditions of the multi-community center, the land will revert back to the State.

Your Committee on Conference has amended this measure by:

- (1) Establishing that section 171-50(c), Hawaii Revised Statutes, does not apply to this measure;

- (2) Properly citing sections 171-50(a) and (b), Hawaii Revised Statutes, within the measure, where applicable;
- (3) Clarifying that, if the land reverts back to the State, any pending liabilities assigned to the property, eleemosynary organization, or other party in effect prior to the reversion will not be transferred to the State;
- (4) Changing the effective date of this measure from July 1, 2020, to effective upon its approval; and
- (5) Making technical and nonsubstantive amendments 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. 1924, 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. 1924, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, Baker, Tokuda, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Ito, Chong, Sagum, Tokioka, Awana, Managers on the part of the House. Ayes, 4. Noes, none. Excused, 1 (Tokioka).

Conf. Com. Rep. 18 on S.B. No. 866

The purpose of this measure is to ensure that the Hawaii Tourism Authority (HTA) and Hawaii Visitors and Convention Bureau (HVCB) boards function independently from each other and that the relationship between the two boards remain at arm's length when the two entities transact tourism marketing contracts.

The measure accomplishes this purpose by prohibiting a person who has served as a member of the Board of Directors of the HVCB from sitting as a public, voting member of the Board of the HTA until at least two years have expired between the person's termination from service on the Board of the HVCB and the person's appointment to the Board of the HTA.

Your Committee on Conference finds that the *Special Master's Report to the Hawaii Tourism Authority on Recommendations Regarding The Hawaii Visitors and Convention Bureau*, dated December 31, 2003, by the Candon Consulting Group, LLC, recommended that the independence of the respective boards of directors of the HTA and the HVCB be preserved. Individuals have served consecutively as directors of both the HTA board and the HVCB board and visa-versa. This situation invites questions about the arm's length nature of the relationship between these two boards and their respective organizations. If enough members of each board regularly alternate service from one to the other, the independence of each entity would diminish or disappear. Your Committee notes that the intent of this measure is already embodied in HTA's current policy.

Your Committee on Conference further finds that, because tourism marketing contracts are executed between the HTA and the HVCB through a process that is exempt from the State Procurement Code, it is necessary to establish safeguards such as the two-year board service moratorium to ensure propriety.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2025 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. 866, 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. 866, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Nishihara, Kim, Trimble, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Trimble). Representatives Yamane, Manahan, Ching, Managers on the part of the House. Ayes, 2. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 19 on S.B. No. 1750

The purpose of this bill is to prevent injury and death to infants and young children caused from shaken baby syndrome by requiring hospitals that provide medical care to a newborn to provide each parent of the newborn with written educational information approved by the Department of Health and provided by nonprofit organizations about the dangerous effects of shaken baby syndrome and the different methods of preventing shaken baby syndrome.

Your Committee on Conference amended this bill by:

- (1) Removing the requirement that hospitals provide information on shaken baby syndrome and inserting language allowing hospitals to provide this information;
- (2) Requiring the Department of Health to report statistical information and recommendations for legislation to the Legislature; and
- (3) By making technical, nonsubstantive changes 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. 1750, 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. 1750, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Fukunaga, Whalen, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Fukunaga). Representatives Green, Mizuno, Ching, Managers on the part of the House. Ayes, 2. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 20 on S.B. No. 58

The purpose of this measure is to provide for the orderly disposition of a licensed dentist's practice in the event of the dentist's unexpected death or incapacity by allowing the executor or administrator of the dentist's estate, or the dentist's legal guardian or authorized representative, to operate the practice for up to one year for the purpose of winding down, transferring, or selling the practice.

The sudden death or incapacitation of a dentist not only affects patients' continuity of care, but also causes the dental practice to rapidly lose value for each day it remains closed. In such situations, the dentist's family may be forced to hurriedly sell the practice before it loses much of its value; the dentist's work staff may suddenly find themselves unemployed; and existing patients may be confused by the abrupt change in the

practice's ownership. Your Committee finds that this measure seeks to address these concerns by providing a sufficient transition period for a deceased or incapacitated dentist's practice to be closed, transferred, or sold.

Your Committee has amended this measure to make it effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 58, 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. 58, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Hee, Espero, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Slom). Representatives Green, Herkes, Waters, McKelvey, Mizuno, Awana, Managers on the part of the House. Ayes, 4. Noes, none. Excused, 2 (Waters, Awana).

Conf. Com. Rep. 21 on S.B. No. 1017

The purpose of this measure is to remove a provision that limited the use of funds appropriated for fiscal year 2006-2007 as a grant-in-aid to the Hawaii Habitat for Humanity Association only to homes built on leased state lands.

Your Committee finds that Hawaii Habitat for Humanity provides a valuable service to the people of Hawaii by providing low-income families with safe and affordable self-help houses with zero interest loans. Hawaii Habitat for Humanity helps many low-income families achieve the goal of homeownership at a time when affordable housing in the State is out of reach for many families.

The intent of this measure is to ensure that Hawaii Habitat for Humanity Association's zero-interest revolving fund can continue to assist low-income families achieve homeownership in the State.

Your Committee has amended this measure by reinstating the language regarding administration of the loans and changing the reference to chapter 201G, Hawaii Revised Statutes, to chapter 201H, Hawaii Revised Statutes, to ensure that a standard for operating the loan program exists.

As affirmed by the record of votes of the managers 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. 1017, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1017, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Espero, Slom, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Espero). Representatives Shimabukuro, Rhoads, Awana, Managers on the part of the House. Ayes, 2. Noes, none. Excused, 1 (Awana).

Conf. Com. Rep. 22 on S.B. No. 1803

The purpose of this measure is to provide health care coverage for Hawaii's residents by amending state health insurance laws with respect to small insurers.

Specifically, this measure:

- (1) Exempts a small group health issuer from having to offer a group health plan to small employers that employ only one employee, if the issuer offers the small employers at least one small group health plan that meets the requirements of chapter 393, Hawaii Revised Statutes, relating to prepaid health care plans; and
- (2) Exempts any accident or sickness insurer with less than thirty per cent share of the accident and sickness insurance market from the prohibition against requiring a prospective insured to purchase another class or an additional policy of the same class of insurance in order to obtain the desired accident and sickness insurance policy.

Your Committee finds that affordable health insurance is one of the State's most pressing concerns and that small insurers provide coverage to individuals, self-employed workers, and small business group plans that have one or few employees. Expanding coverage options will benefit consumers and should increase health insurance competition in Hawaii.

Your Committee has amended this measure by:

- (1) Adding language to allow the Insurance Commissioner to prohibit the exemption from section 431:2-201.5, Hawaii Revised Statutes, of group health plans offered to small employers that employ only one employee if the Insurance Commissioner determines that the group health insurer has the capacity to adequately deliver services to enrollees of additional groups subject to its obligations to existing employer groups;
- (2) Removing the exemption of any accident or sickness insurer with less than thirty per cent share of the accident and sickness insurance market from the prohibition against requiring a prospective insured to purchase another class or an additional policy of the same class of insurance in order to obtain the desired accident and sickness insurance policy;
- (3) Removing the requirement that the Insurance Commissioner conduct a review of the efficacy of this measure; and
- (4) Making this measure effective July 1, 2007.

As affirmed by the record of votes of the managers 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. 1803, 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. 1803, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Hee, Slom, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Slom). Representatives Green, Herkes, Yamashita, Mizuno, Souki, Ward, Managers on the part of the House. Ayes, 5. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 23 on S.B. No. 188

The purpose of this measure is to amend the Small Business Regulatory Flexibility Act by:

- (1) Requiring a small business impact statement to be submitted to the Small Business Regulatory Review Board (Board) as early as possible in the review process;
- (2) Requiring the Board to notify a small business that they may complain to the Ombudsman if the decision is to uphold an agency rule;
- (3) Expanding Board duties to include review of any proposed new or amended rule; and
- (4) Making housekeeping amendments.

Your Committee on Conference 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 managers 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. 188, 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. 188, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Taniguchi, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, none. Representatives Yamashita, Herkes, Waters, Wakai, Marumoto, Managers on the part of the House. Ayes, 4. Noes, none. Excused, 1 (Wakai).

Conf. Com. Rep. 24 on S.B. No. 1315

The purpose of this measure is to:

- (1) Codify sections of Act 292, Session Laws of Hawaii 2000, to make the Access Hawaii Committee, which provides oversight of the Internet portal manager, permanent; and
- (2) Add a representative of the Legislature's data management system and the Administrative Director of the Judiciary to the Committee.

Your Committee on Conference has amended this measure by:

- (1) Increasing the total membership from thirteen to fifteen;
- (2) Replacing a representative of the Legislature's data management system with a representative of the Senate appointed by the President of the Senate and a representative of the House of Representatives appointed by the Speaker of the House of Representatives; and
- (3) 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. 1315, 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. 1315, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Tsutsui, Ige, Slom, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Yamashita, Sagum, Ward, Managers on the part of the House. Ayes, 2. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 25 on S.B. No. 46

The purpose of this measure is to require public disclosure of proposed compensation or changes in compensation for administrative positions in the University of Hawaii system that are filled by civil-service exempt employees.

Specifically, this measure requires the disclosure to be made no later than ten business days before any related open meeting is convened for purposes of public comment.

Your Committee has amended this measure by:

- (1) Inserting three sections from the S.D. 1 version of this measure relating to public disclosure of proposed compensation or change in compensation, as follows:
 - (A) Section 2, amending section 89C-4, Hawaii Revised Statutes, as a new section 2 of this measure;
 - (B) Section 3, amending section 92-5(a), Hawaii Revised Statutes, as a new section 3 of this measure; and
 - (C) Section 5, amending section 304A-1004, Hawaii Revised Statutes, as a new section 5 of this measure;
- (2) Renumbering the existing section 2 as a new section 4 of this measure and changing the disclosure timeframe from ten to six business days in section 304-1001, Hawaii Revised Statutes;
- (3) Renumbering the remaining sections of the measure consecutively;
- (4) Changing the effective date from July 1, 2059, to upon approval; and
- (5) Making technical nonsubstantive changes for the 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 S.B. No. 46, 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. 46, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Kokubun, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, none. Representatives Chang, Sonson, Ching, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 26 on S.B. No. 987

The purpose of this measure is to support renewable energy by:

- (1) Clarifying the definition of “renewable energy producer” to include thermal energy sold to customers of district cooling systems, for purposes of leasing public lands;
- (2) Allowing a county to grant, sell or otherwise dispose of easements for chilled water and seawater distribution systems for renewable energy seawater air conditioning district cooling systems by negotiation without public auction; and
- (3) Establishing, as state and county policy, priority handling and processing of state and county permits for renewable energy projects.

Your Committee on Conference 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 managers 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. 987, 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. 987, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Menor, Kokubun, Inouye, Hooser, Trimble, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Kokubun). Representatives Morita, Ito, Carroll, Chong, Thielen, Managers on the part of the House. Ayes, 4. Noes, none. Excused, 1 (Thielen).

Conf. Com. Rep. 27 on S.B. No. 1943

The purpose of this measure is to:

- (1) Add biofuel processing facilities to the list of permitted uses in an agricultural district; and
- (2) Establish an energy feedstock program.

Your Committee on Conference has amended this measure by:

- (1) Adding a paragraph in the findings and purpose section to emphasize that it is the intent of the Legislature that Hawaii-based production of energy feedstock shall become a significant portion of the total feedstock intake for Hawaii biofuels processing facilities;
- (2) Adding crops for bioenergy to activities allowed in agricultural districts;
- (3) Clarifying the description of biofuel processing facilities; and
- (4) Establishing that, in addition to being exempt from civil service, the temporary staff authorized to be hired by the Department of Agriculture for the new energy feedstock program shall also be exempt from the State’s public sector collective bargaining laws.

As affirmed by the record of votes of the managers 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. 1943, 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. 1943, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Menor, English, Kokubun, Hooser, Trimble, Managers on the part of the Senate. Ayes, 5. Noes, none. Excused, none. Representatives Ito, Morita, Tsuji, Meyer, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 28 on S.B. No. 56

The purpose of this bill allows dentists to claim an exemption from jury service.

Your Committee has amended this bill by changing the delayed date to effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 56, 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. 56, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Kokubun, Nishihara, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Nishihara). Representatives Waters, B. Oshiro, Marumoto, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 29 on S.B. No. 1665

The purpose of this measure is to strengthen Hawaii’s animal cruelty laws. This measure creates an offense of cruelty to animals in the first degree by making it a felony to intentionally or knowingly torture, mutilate, or poison or cause the torture, mutilation, or poisoning of any pet animal resulting in serious bodily injury or death of the pet animal.

Your Committee finds that violence, whether against humans or animals, must not be tolerated in our society. Evidence suggests that there is a link between animal abuse and the commission of violent acts against humans. Your Committee further finds that Hawaii is one of only nine states in the United States which does not have a felony offense for domestic animal abuse.

Your Committee made the torturing, mutilation, and poisoning of pet animals a felony. Your Committee finds that pet animals provide a close emotional bond and relationship with their owners and family members and friends. Violence and harm committed against these animals have significant emotional impact to their owners and family. Thus, pet animals are protected by the felony provisions.

Your Committee amended this measure by:

- (1) Adding poisoning, along with torture and mutilation, to cruelty to animals in the first degree;
- (2) Eliminating the mandatory counseling provision for animal cruelty offenders;
- (3) Making conduct, against a pet animal, that result in serious bodily injury or death, a felony;
- (4) Defining pet animals as a dog, cat, domesticated rabbit, guinea pig, or caged birds, so long as they are not bred for consumption;

- (5) Making conduct against any animal resulting in substantial bodily injury, a misdemeanor;
- (6) Exempting the practice of cropping and docking from the felony provision but retaining the misdemeanor prohibition; and
- (7) Conforming the forfeiture provisions to apply to the felony prohibitions.
- (8) Making technical, non-substantive changes.

As affirmed by the record of votes of the managers 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. 1665, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1665, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Kokubun, Nishihara, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Waters, B. Oshiro, Sonson, Ching, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 30 on S.B. No. 1833

The purpose of this bill is to modify the provisions of the Hawaii Family Leave Act by providing the employee - not the employer - with the option of substituting accrued paid leave, such as vacation, personal, or paid family leave, for any part of the four-week period allowed for family leave. Currently, family leave may consist of paid leave, unpaid leave, or a combination of paid and unpaid leave.

A growing number of employees are taking family leave to care for elderly family members and loved ones. Such care often necessitates the substitution of other types of leave, including vacation leave, when the amount of allowed family leave is depleted. Your Committee on Conference believes that the manner in which family leave is taken should be a decision that is left to the employee and that an employer should not force an employee to exhaust the employee's accrued vacation leave to care for a family member.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 1833, 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. 1833, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Baker, Kokubun, Trimble, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Trimble). Representatives Sonson, Nakasone, Ward, Managers on the part of the House. Ayes, 2. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 31 on S.B. No. 1004

The purpose of this bill is to increase access to mental health care by establishing requirements under which qualified, licensed psychologists practicing at federally qualified health centers may prescribe certain types of psychotropic medication under the general supervision of a medical doctor.

Your Committee on Conference amended this measure by:

- (1) Removing the term and definition of "prescribing mental health professional" and replacing it with "supervising physician" which means a medically trained and licensed physician or psychiatrist who accepts professional responsibility for the provision of psychopharmacotherapy;
- (2) Clarifying that the requirement of a supervised practicum shall be by a medically trained and licensed physician or psychiatrist who accepts professional responsibility for the provision of psychopharmacotherapy and who is not in the employ of the person being directed or supervised;
- (3) Clarifying that it is the duty of a psychologist holding a conditional prescription certificate to inform the Board of Psychology (Board) the name of the supervising physician under whose supervision the psychologist will prescribe psychotropic medication and to promptly inform the Board of any change of the supervising physician;
- (4) Changing the agency responsible for the joint formulary advisory committee from the Department of Health to the Department of Commerce and Consumer Affairs;
- (5) Adding two psychologists working at federally qualified health centers to the joint formulary advisory committee membership;
- (6) Amending the date that the State Health Planning and Development Agency is to submit a report to the Legislature from 2010 to 2013; and
- (7) Altering the effective date in order to allow the Department of Commerce and Consumer Affairs time to develop rules and procedures and to read as follows:

"This Act shall take effect upon approval; provided that:

- (1) Prescriptive authority for qualified psychologists shall not be granted until July 1, 2008;
- (2) Section 5 of this Act shall take effect on July 1, 2009; and
- (3) On July 1, 2014, this Act shall be repealed and section 465-3, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day before the effective date of this Act."

As affirmed by the record of votes of the managers 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. 1004, 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. 1004, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Taniguchi, Baker, Trimble, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Trimble). Representatives Green, Herkes, Awana, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 32 on S.B. No. 1400

The purpose of this measure is to protect elderly consumers in our communities by requiring financial institutions to report suspected financial abuse.

Your Committee on Conference finds that reporting financial abuse to the Department of Human Services is important because the Department is better suited to carry out investigations of potential financial abuse of elders. Your Committee on Conference finds that mandating financial institutions to report suspected financial abuse to the Department would not increase the jurisdiction of the Department, since any report of financial abuse of a nondependent elder could be rereferred to the proper enforcement authorities. It is the intent of your Committee on Conference that the reporting financial institution is to have no liability for any further act or omission once it has made the required report to the Department of Human Services or the local law enforcement agency.

Your Committee on Conference amended this measure to:

- (1) Require financial institutions to report all suspected incidents of financial abuse of elders to the Department of Human Services in addition to local law enforcement agencies;
- (2) Require the Department to make a timely determination as to whether it has jurisdiction over the elder in question and to notify the reporting agency in cases where the department does not have jurisdiction;
- (3) Require financial institutions to report suspected cases not under the jurisdiction of the Department to the proper local law enforcement agency; making it clear that no financial institution shall be held liable for not reporting suspected cases to the local law enforcement agency where the Department fails to notify the financial institution of its lack of jurisdiction;
- (4) Revert back to Senate Draft No. 2 for the definition of "financial abuse," which is simpler and easier to understand; and
- (5) Go into effect 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. 1400, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1400, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Taniguchi, Hee, Ihara, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 2 (Hee, Hemmings). Representatives Shimabukuro, Herkes, Waters, McKelvey, Marumoto, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 2 (Herkes, Marumoto).

Conf. Com. Rep. 33 on S.B. No. 1161

The purpose of this measure is to provide due process to parties in family court protective order proceedings involving alleged domestic abuse by amending section 586-10.5, Hawaii Revised Statutes, to require the Department of Human Services' report on the matter to be provided to the parties at least two days before the hearing, if possible.

Your Committee finds that reports made by the Department of Human Services to the family court should be made in writing to ensure that a written record is established.

Your Committee amended this measure to amend section 586-10.5, Hawaii Revised Statutes, to:

- (1) Delete the option that would allow the Department of Human Services to provide an oral report regarding the dispositions of referrals made to the department in cases where there are allegations of domestic abuse involving minors or incapacitated persons; and
- (2) Require the court to:
 - (A) File the report and mail a copy to the petitioner and respondent at least two working days prior to the hearing date when possible; or
 - (B) When mailing the report within the required time frame is not possible, to provide a copy to the petitioner and the respondent at the hearing.

Your Committee also amended the title of section 586-10.5, Hawaii Revised Statutes, to reflect the additional responsibilities of the court.

Finally, your Committee amended the effective date of this measure from January 1, 2112 to January 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1161, 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. 1161, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Hee, Fukunaga, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Hemmings). Representatives Shimabukuro, Waters, Awana, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 34 on S.B. No. 228

The purpose of this bill is to create special sentencing for graffiti offenders and requiring the discharge of community service through graffiti eradication activities. The bill also establishes the graffiti eradication sentencing program within the judiciary and removes the five-year look-back period for aggravated criminal property damage.

Your Committee on Conference has provided new language to hold minors and their parents or guardians responsible for the minors' acts of graffiti. The minor or the minor's parent or guardian will be held responsible for the cost of materials and supplies to remove the graffiti. The minor will also be required to perform a minimum of eighty hours of community service eradicating other graffiti damaged property.

However, your Committee on Conference is concerned of the dangers involved in eradicating graffiti from such places as highway bridges or signs and has provided an alternative option for the court in these situations. This option would require the minor or the minor's parents or legal guardian to pay for the costs incurred in removing or repairing such property rather than endangering the minor.

Your Committee on Conference amended the bill by:

- (1) Removing Section 2 entitled special sentencing considerations and Section 3 creating a graffiti eradication program with the Judiciary and replacing the sections with new language that amends section 577-3.5, Hawaii Revised Statutes (H.R.S.) to require the court to order
 - (a) a minor who is found to have committed an act of graffiti, the minor's parents, or the minor's legal guardian to remove the graffiti from the affected property within 60 days and to pay for the cost of paint and materials or to pay for the actual cost of repairing or replacing the damaged property, and
 - (b) the minor to perform a minimum of eighty hours of community service removing graffiti from other properties; and
- (2) Changing the delayed date to take effect 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. 228, 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. 228, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Kokubun, Gabbard, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Kokubun). Representatives Waters, B. Oshiro, Pine, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 35 on S.B. No. 1603

The purpose of this measure is to reduce the exposure of state and county governments to liability and keep public beach parks with potentially dangerous conditions open to the public by:

- (1) Repealing the sunset dates of Act 190, Session Laws of Hawaii 1996 (Act 190), and Act 170, Session Laws of Hawaii 2002 (Act 170); thus making these provisions permanent laws;
- (2) Extending the sunset date of Act 82, Session Laws of Hawaii 2003 (Act 82), to June 30, 2010; and
- (3) Indemnifying county agencies when a state agency uses county facilities or avails itself of county aid or support.

Your Committee on Conference finds that Act 190 established a process to develop legally adequate warnings at public beach parks. Act 170 provides liability protection for lifeguard services on the beach and in the ocean. Act 82 established a risk assessment group to review warning sign design and placement and to protect the State and counties from liability arising from recreational activities on public lands.

Your Committee on Conference has amended this measure by:

- (1) Amending and extending the sunset date of Act 170, Session Laws of Hawaii 2002, from June 30, 2007, to June 30, 2010;
- (2) Amending and extending the sunset date of Act 82, Session Laws of Hawaii 2003, from June 30, 2008, to June 30, 2010;
- (3) Creating a task force within the Department of the Attorney General to:
 - (A) Collect data on and examine the effectiveness of providing lifeguards conditional liability protection for lifeguard services at State beach parks;
 - (B) Collect data on and examine the effectiveness and adequacy of warning signs at public beach parks, and protecting the State and counties from unlimited liability with regard to activities in the ocean and at public beaches;
 - (C) Collect data on and examine the effectiveness and adequacy of warning signs at public recreational lands, and protecting the State and counties from unlimited liability arising out of recreational activities on public lands; and
 - (D) Submit a written report of its findings and recommendations, including any proposed legislation, to the Legislature prior to the 2008 Regular Session; and
- (4) Amending section 46-72, Hawaii Revised Statutes, to conform the statutes of limitations for injuries or damages involving counties with the limitations applicable generally to the State and private citizens; and
- (5) Making technical and nonsubstantive amendments for the purposes of style and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1603, 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. 1603, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, Inouye, Hee, Hooser, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 2 (Hee, Slom). Representatives Ito, Waters, Thielen, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 36 on S.B. No. 162

The purpose of this measure is to designate Iolani Palace as the State of Hawaii Museum of Monarchy History and to exempt the State of Hawaii Museum of Monarchy History from the standards and conditions related to the receipt of funds contained in chapter 42F, Hawaii Revised Statutes.

Your Committee on Conference finds that the Friends of Iolani Palace has served as the "de facto" caretaker for over forty years by maintaining Hawaii's most significant historic house museum. While the Friends of Iolani Palace have received financial assistance from the State, this

assistance is not always received on a yearly or consistent basis. Thus, the Friends of Iolani Palace rely heavily on private donations and small, piecemeal state subsidies.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the purpose section by adding additional purposes relating to the examination of the use of funds appropriated and an annual report requirement of the functions accomplished;
- (2) Clarifying that it is the official designation of the Friends of Iolani Palace that shall be the State of Hawaii Museum of Monarchy History;
- (3) Transferring the responsibility to provide annual reports to the Legislature from the Director of the Friends of Iolani Palace to the State of Hawaii Museum of Monarchy History;
- (4) Changing the effective date of this measure to be effective upon its approval; and
- (5) Making technical and nonsubstantive amendments 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. 162, 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. 162, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, Baker, English, Hee, Tokuda, Slom, Managers on the part of the Senate. Ayes, 6. Noes, none. Excused, none. Representatives Ito, Chong, Sagum, Ching, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 37 on S.B. No. 1154

The purpose of this measure is to provide flexibility to the Board of Regents of the University of Hawaii in the financing and administration of capital projects within the jurisdiction of the University.

Your Committee on Conference finds that pursuant to Act 115, Session Laws of Hawaii 1998, the University of Hawaii was granted greater flexibility in managing its resources. Since that time, the University of Hawaii has gained increased autonomy over its operations and administration and established itself as an entity that is highly capable of handling a vast array of responsibilities, including financial strategy. This measure provides the University of Hawaii with increased financial autonomy through the authority to issue revenue bonds for university capital projects, subject to approval by the Governor. This authority will aid the University of Hawaii in ensuring that it remains a premiere institution of higher learning that will rival the elite universities of this nation and in continuing to provide safe and modern facilities for its students.

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

- (1) Including a \$100 million limit on the total principal amount of revenue bonds that may be issued by the Board of Regents;
- (2) Including an appropriation of \$100 million from the revenue bond proceeds authorized for university projects;
- (3) Changing the effective date to July 1, 2007; and
- (4) Making technical, nonsubstantive changes 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. 1154, 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. 1154, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Baker, Taniguchi, Tsutsui, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Taniguchi). Representatives Chang, Tokioka, Ching, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 38 on S.B. No. 138

The purpose of this measure is to ensure that the Diamond Head State Monument, one of Hawaii's most recognized natural monuments, is sufficiently preserved and cared for by establishing a sub-account within the state parks special fund into which eighty per cent of admission proceeds generated by the Diamond Head State Monument will be deposited to cover costs for operations, repair, and maintenance of the Diamond Head State Monument.

Your Committee on Conference finds that the moneys generated through admission fees to the Diamond Head State Monument are currently deposited into the state parks special fund to be used for the maintenance of state parks and state parks programs statewide. Your Committee on Conference believes that the funds the Diamond Head State Monument receives from the state parks special fund is not sufficient to ensure proper operation and maintenance of the monument. Establishing a sub-account within the state parks special fund into which a percentage of the proceeds generated by the admission fees to the Diamond Head State Monument to cover costs for operations, repair, and maintenance of the Diamond Head State Monument will provide additional financial support to protect and maintain this highly recognizable landmark.

Your Committee on Conference has amended this measure by:

- (1) Changing the percentage of the admission proceeds to be deposited into the sub-account to fifty-five per cent; and
- (2) Changing the effective date of this measure to July 1, 2007.

As affirmed by the record of votes of the managers 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. 138, 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. 138, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, Tsutsui, Tokuda, Slom, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Ito, Chong, Marumoto, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 39 on S.B. No. 1182

The purpose of this measure is to provide financial relief for residents of certain residential care homes by increasing the monthly needs allowance of care home residents.

Your Committee on Conference finds that the monthly needs allowance for residents of long-term care and community care home facilities in Hawaii has not been raised since 1988, when it was set at \$30. Your Committee on Conference further finds that the amount is far too low for these residents to procure the daily necessities essential to enjoy a minimally acceptable quality of life. Therefore, your Committee on Conference finds it is in the public's interest to raise the monthly needs allowance from \$30 to \$50.

Your Committee on Conference amended this measure to:

- (1) Provide that the monthly needs allowance shall also be paid to individuals who are incapacitated; provided that the operator of the residence or facility at which the person resides spends the money on behalf of the person and provides a written accounting of the spending;
- (2) Take effect on July 1, 2007; and
- (3) Make technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1182, 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. 1182, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Fukunaga, Baker, Hooser, Ihara, Sakamoto, Hemmings, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Ihara, Hemmings). Representatives Green, Shimabukuro, Mizuno, Rhoads, Awana, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 40 on S.B. No. 1222

The purpose of this measure is to:

- (1) Establish that all energy technology systems must be installed and placed in service in the State of Hawaii to obtain the State's income tax energy tax credit; and
- (2) Expand tax credits applicable to shareholder pro rata shares in S corporations.

Your Committee on Conference has amended this measure by changing the applicable years of this measure from taxable years beginning after December 31, 2007, to taxable years beginning after December 31, 2006.

As affirmed by the record of votes of the managers 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. 1222, 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. 1222, S.D. 3, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Menor, Fukunaga, Baker, Hooser, Trimble, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Hooser). Representatives Morita, M. Oshiro, Carroll, Chong, Thielen, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 2 (Chong, Thielen).

Conf. Com. Rep. 41 on S.B. No. 1191

The purpose of this measure is to make appropriations for various traffic improvements to enhance pedestrian safety, and to establish a photo red light imaging detector system program.

This measure makes appropriations to the Department of Transportation for the following purposes:

- (1) To identify and implement immediate improvements to high-risk crosswalks and road crossings;
- (2) To work with the counties and nonprofit organizations to identify and implement improvements to high-risk crosswalks and road crossings, and to concurrently conduct a study to identify state and county intersections where the time to cross the intersection is insufficient for the elderly, children, and disabled pedestrians, and to develop additional plans to make crosswalks and roadways safer;
- (3) For the purchase and installation of traffic countdown timers at state-controlled intersections;
- (4) For a public awareness campaign on pedestrian safety; and
- (5) For the purchase and installation of pedestrian-activated signals, and for pilot projects such as the painting of advanced crosswalk markings, hand-carried signs and flags, and enforcement of crosswalk laws for drivers and pedestrians, among others.

This measure also makes appropriations to the counties as follows:

- (1) For the purchase and installation of traffic countdown timers; provided that each county shall provide matching funds; and
- (2) For the purposes of establishing the photo red light imaging detector system program.

Your Committee on Conference finds that the elderly, children, and disabled persons are the most vulnerable to pedestrian accidents, while others are also at risk. Making Hawaii's roadways safer for pedestrians is consistent with Kamehameha's famous law, Ke Kanawai Mamalahoe, the Law of the Splintered Paddle, now in Article IX of the State Constitution. Ke Kanawai Mamalahoe ensures that every man, woman, and child is able to travel freely and in peace, with the right "to lie down to sleep by the roadside without fear of harm." Due to the alarming rise in pedestrian accidents so far this year, immediate action is needed.

Your Committee has amended this measure by:

- (1) Appropriating the sum of \$1,500,000 in each fiscal year (\$3,000,000 total) for expenditure by the Department of Transportation of which (\$1,800,000 total) to be expended for pedestrian safety improvements, and as matching grants-in-aid to each county (\$1,200,000 total) for pedestrian safety improvements;
- (2) Deleting all other appropriations;
- (3) Deleting the provisions relating to a photo red light imaging detector system; and
- (4) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 1191, 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. 1191, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators English, Baker, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, none. Representatives Souki, Lee, Nishimoto, Pine, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 42 on S.B. No. 1929

The purpose of this measure is to allow the Chief Procurement Officer to assess administrative fines for noncompliance with the Hawaii Public Procurement Code.

Your Committee on Conference finds that existing law does not provide for the assessment of administrative fines for noncompliance with procurement laws. While a criminal misdemeanor sanction applies to providers of services and vendors of goods for violation of the procurement code, there are no administrative sanctions for anyone whose actions may not warrant criminal prosecution. Furthermore, criminal sanctions are rarely utilized inasmuch as most procurement violations are usually inadvertent, a result of administrative error, lack of knowledge, or simple carelessness.

This measure is intended to address situations wherein an agency's inappropriate procurement decision or action appears to be a lack of concern to adequately understand the seriousness of the violation. In these flagrant but infrequent situations, the authority to assess an administrative fine will help to emphasize the importance of compliance with the State's procurement code.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provision requiring the procurement policy board to establish proposed administrative rules for submission to the Legislature;
- (2) Deleting the repeal of the misdemeanor penalty; and
- (3) Changing the effective date from July 1, 2034 to upon its approval, with the proviso that the repeal of the criminal penalty takes effect on the day that the administrative rules on fines take effect, in order to maintain the criminal penalty during the transition.

As affirmed by the record of votes of the managers 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. 1929, 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. 1929, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Nishihara, Tsutsui, Kim, Trimble, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Trimble). Representatives Yamashita, Waters, Magaoay, Ching, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Waters).

Conf. Com. Rep. 43 on S.B. No. 1066

The purpose of this measure is to:

- (1) Require the Department of Agriculture to prescribe a schedule of service fee and charges and collect appropriate service fees or charges for pest inspection, quarantine, and eradication services from any importer of commercial shipments;
- (2) Establish the pest inspection, quarantine, and eradication fund; and
- (3) Make an appropriation out of the pest inspection, quarantine, and eradication fund.

Your Committee on Conference finds that invasive species pose a significant threat to the environment, culture, economy, and quality of life in Hawaii. The lack of adequate and sustainable funding to prevent the introduction of invasive species into the State inhibits enforcement. Increased inspection at ports of entry will help prevent new invasive species from becoming established by proactively preventing their entry through enhanced vigilance. This measure will assist in funding preventative and mitigative invasive species activities.

Your Committee on Conference has amended this measure by:

- (1) Establishing a set fee for the inspection, quarantine, and eradication of invasive species computed on the basis of one dollar for each twenty-foot equivalent unit per containers, in lieu of requiring the Department of Agriculture to establish a fee schedule;
- (2) Deleting the appropriation section; and
- (3) Changing the effective date from July 1, 2025 to July 1, 2007.

As affirmed by the record of votes of the managers 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. 1066, 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. 1066, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Menor, Tsutsui, Hooser, Trimble, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Trimble). Representatives Tsuji, Morita, Souki, M. Oshiro, Brower, Ching, Managers on the part of the House. Ayes, 4. Noes, none. Excused, 2 (Souki, Ching).

Conf. Com. Rep. 44 on S.B. No. 17

The purpose of this measure is to prohibit government contracts with a value of less than \$1,000,000 for design professional services from requiring the design professional to defend the governmental body from any liability, damage, loss, claim, action, or proceeding.

This measure addresses the problems that arise from the fact that a great majority of architectural businesses may not be able to absorb the unpredictable costs of defending the State against all claims.

Your Committee on Conference has amended this measure by changing the effective date from January 1, 2112, to upon its approval and by making technical, nonsubstantive amendment for the purpose of 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. 17, 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. 17, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Nishihara, Hee, Kim, Trimble, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Trimble). Representatives Yamashita, Waters, Magaoay, Marumoto, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Waters).

Conf. Com. Rep. 45 on S.B. No. 12

The purpose of this measure is to ensure fair pricing methodologies in the health insurance market by:

- (1) Prohibiting health insurance rates that are excessive, inadequate or unfairly discriminatory;
- (2) Requiring health care insurers to submit rate filings for approval by the Insurance Commissioner; and
- (3) Establishing penalties and appeal procedures.

Your Committee on Conference amended this measure by:

- (1) Removing language that clarified that "managed care plan" shall not include any health plan established or funded by any federal, state, or county government;
- (2) Including language that requires every managed care plan to file in triplicate with the Insurance Commissioner, every rate, charge, classification, schedule, practice, or rule and every modification of any of the foregoing;
- (3) Requiring the Insurance Commissioner to establish rules to ensure that confidential and proprietary information is protected and shall not be subject to public inspection;
- (4) Clarifying that the rates shall be established in accordance with actuarial principles, based on reasonable assumptions, and supported by adequate supporting and supplementary rating information;
- (5) Amending the filing waiting period to sixty days and the extension period to fifteen days;
- (6) Adding language authorizing the Insurance Commissioner to "make the following rate effective when filed: any special filing with respect to any class of health insurance, subdivision, or combination thereof that is subject to individual risk premium modification and has been agreed to under a formal or informal bid process";
- (7) Adding language that provides that rate filings shall not apply to third party administrator services, prepaid dental insurance offered by managed care plans, prepaid vision insurance offered by managed care plans, and disability insurers licensed under chapter 431;
- (8) Requiring the Insurance Commissioner to "... specify interim rates sufficient to protect the interests of the managed care plan and its enrollees, ensure the solvency of the managed care plan, maintain the plan's health care delivery, and prevent any impairment of enrollees' health care benefits. When a new rate becomes legally effective and the new rate is higher than the interim rate, the commissioner shall allow the managed care plan to retroactively adjust the premiums to the time when the interim rate was first imposed. If the new rate is lower than the interim rate, the commissioner may order that the difference be applied to stabilize future rates or be refunded to current enrollees of the managed care plan";
- (9) Changing the effective date to January 1, 2008; and
- (10) Making technical, nonsubstantive changes 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. 12, 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. 12, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Taniguchi, Fukunaga, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Green, Herkes, M. Oshiro, Sonson, Marumoto, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 46 on S.B. No. 795

The purpose of this measure is to require the Department of Accounting and General Services to establish a Statewide Building Code Council and implement a statewide building code.

Specifically, the measure outlines the requirements and provisions to be contained in the statewide building code. The measure also appropriates an unspecified amount for the operations of the State Building Code Council, including technical assistance services, and training and administrative assistance, as required, to be expended by the Department of Accounting and General Services.

Your Committee on Conference finds that the State has historically allowed the individual counties to establish their own building codes. The adoption of a uniform statewide building code applicable to one and two family dwellings, all other residential uses, commercial and industrial buildings, and state buildings would make it possible for building owners, designers, contractors, and code enforcers within the State to apply consistent standards. Your Committee on Conference believes that the health and safety considerations relating to establishing a statewide building code is of statewide interest, especially relating to emergency disaster preparedness.

Your Committee on Conference has amended this measure by:

- (1) Adding a purpose section that describes the differences in various codes from county to county and stating the overall purpose of the measure is to require the Department of Accounting and General Services to establish and implement a statewide building code;
- (2) Clarifying language to ensure that statewide building code requirements apply to all construction in the State of Hawaii;
- (3) Clarifying the descriptions of the Statewide Building Code Council;
- (4) Requiring the Statewide Building Code Council members to serve four-year terms;
- (5) Inserting a specific amount in the appropriation section for the operations of the Statewide Building Code Council, including technical assistance services, and training and administrative assistance as required;
- (6) Changing the effective date to July 1, 2007; and
- (7) Making technical nonsubstantive changes 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. 795, 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. 795, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Inouye, Nishihara, Tsutsui, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Hemmings). Representatives Herkes, Sagum, Tokioka, Marumoto, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 47 on S.B. No. 678

The purpose of this measure is to exempt from the general excise tax amounts received by the operator of the Hawaii Convention Center for reimbursement of costs or advances made pursuant to a contract with the Hawaii Tourism Authority (HTA).

Existing law requires that the general excise tax be imposed on the operator of the Hawaii Convention Center based on the gross income that the operator derives from its contract with HTA, including the costs and advances that the operator receives for operating the convention center. Since the moneys that are paid to the operator are paid out of the Convention Center Enterprise Special Fund, some of the moneys that should be used to operate the convention center are in fact being used to pay the operator's general excise tax obligation. Exempting the costs and advances from the general excise tax in this case would make those moneys available for the marketing and operations of the Convention Center in accordance with the HTA contract.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 678, 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. 678, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Nishihara, Espero, Tsutsui, Kim, Trimble, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Trimble). Representatives Yamane, Manahan, Chong, Ching, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 48 on S.B. No. 149

The purpose of this measure is to authorize the issuance of general obligation bonds to finance capital improvement projects in the State.

Your Committee on Conference 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.

Your Committee on Conference has amended this measure by:

- (1) Inserting the appropriate dollar amounts throughout the measure as 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. 149, 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. 149, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Baker, Tsutsui, Whalen, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Whalen). Representatives M. Oshiro, Nakasone, Meyer, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 49 on S.B. No. 837

The purpose of this measure is to promote Hawaii's diversified agricultural industry and protect its agricultural lands for long term agricultural activities by authorizing the Agribusiness Development Corporation to purchase and lease privately owned agricultural lands in Kunia and Ewa.

Specifically, this measure:

- (1) Authorizes the Agribusiness Development Corporation to purchase privately owned agricultural lands in Kunia and Ewa with a combination of revenues derived through the issuance of general obligation bonds, general obligation reimbursable bonds, revenue bonds, and general fund appropriations;
- (2) Appropriates funds to the Agribusiness Development Corporation for the purchase of agricultural lands in Kunia and Ewa that are owned by private entities;
- (3) Allows the Agribusiness Development Corporation to purchase, accept, and maintain permanent conservation easements;
- (4) Allows the Agribusiness Development Corporation to contract with a financial institution to provide lease management services, including the collection of lease rents and other moneys owed the corporation related to the lease of agricultural lands under the corporation's control; and
- (5) Allows the Agribusiness Development Corporation to lease the Kunia and Ewa agricultural lands under its control for up to fifty-five years.

Your Committee on Conference finds that enabling the Agribusiness Development Corporation to purchase agricultural lands in Kunia and Ewa, and then lease those lands for up to fifty-five years will ensure that these lands will remain for agricultural production. Your Committee on Conference believes that the purchase of strategic parcels of agricultural lands, such as the parcels in Kunia and Ewa, will ensure that these lands will remain in agriculture in perpetuity.

Your Committee on Conference has amended this measure by:

- (1) Deleting revenue bonds, general obligation bonds, and general obligation reimbursable bonds as financial vehicles that the Agribusiness Development Corporation may use to purchase lands in Kunia and Ewa;
- (2) Changing the blank appropriation amount to \$9,200,000 for the Agribusiness Development Corporation to purchase agricultural lands owned by private entities in Kunia and Ewa;
- (3) Changing the effective date of this measure from July 1, 2020, to July 1, 2007; and
- (4) Making technical, nonsubstantive amendments 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. 837, 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. 837, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, Baker, Tokuda, Tsutsui, Slom, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Slom). Representatives Tsuji, Chong, Brower, Yamane, Ching, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 50 on S.B. No. 1284

The purpose of this bill is to establish a policy to enable the Employees' Retirement System (ERS) to eventually eliminate its unfunded liability.

The bill would:

- (1) Increase the state and county contributions to the ERS for all their employees;
- (2) Repeal one of three provisions allowed an adjustment of the employer contribution rates "if the period required to amortize the unfunded accrued liability falls below 25 years" and replaces it with "if there is no unfunded accrued liability";
- (3) Change the salary assumptions from an increase of four percent to assumptions adopted by the Board on the recommendation of the actuary; and
- (4) Prohibit benefit enhancements whenever an unfunded accrued liability exists.

Your Committee on Conference amended the bill by providing that a moratorium on benefit enhancements be from January 2, 2008 to January 2, 2011.

Your Committee on Conference further amended the bill by changing the effective date from July 1, 2059 to July 1, 2007.

As affirmed by the record of votes of the managers 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. 1284, 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. 1284, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Baker, Kokubun, Tsutsui, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Kokubun). Representatives Sonson, Nakasone, Meyer, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 51 on H.B. No. 1379

The purpose of this bill is to conform the State Unemployment Insurance (UI) law to federal law by:

- (1) Excluding services by certain temporary migrant agricultural workers who are residents of foreign countries from the employment security law; and

- (2) Treating Indian tribes similarly to government and nonprofit groups in providing coverage under the employment security law.

Hawaii is currently experiencing a worker shortage, and many businesses, especially agricultural industries, have been forced to hire employees from foreign countries on a temporary basis. Under current law, these businesses are required to pay state unemployment taxes on these individuals even though they will never qualify to collect unemployment benefits. This measure attempts to remedy this situation.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1379, 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. 1379, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Baker, Hooser, Tsutsui, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Sonson, Nakasone, Pine, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 52 on H.B. No. 1646

The purpose of this bill is to protect the health and safety of consumers and the environment from the negative effects of pesticides by:

- (1) Requiring every pesticide retailer in the state to post a warning sign or place a warning sign at the product display areas with respect to the sale of pesticides;
- (2) Requiring the pesticide warning signs to contain at a minimum:
 - (A) Information on the proper handling, storage, and disposal of all pesticides sold;
 - (B) Emergency telephone numbers to call in case of pesticide poisoning; and
 - (C) Any other information deemed by the Department of Agriculture (DOA) to be appropriate and helpful for consumers;
- (3) Requiring DOA to adopt rules regarding the posting of the warning signs; and
- (4) Authorizing DOA to adopt any other rules including rules regarding the size and placement of the warning signs.

Your Committee on Conference has amended this bill by:

- (1) Correcting a typographical error to the definition of “distribute or sell”;
- (2) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 1646, 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. 1646, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Menor, Kokubun, Hooser, Trimble, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Trimble). Representatives Morita, Tsuji, Herkes, Ching, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 53 on H.B. No. 1628

The purpose of this bill is to raise consumer awareness of macadamia nut products by requiring labels on macadamia nut consumer packages claiming that a portion of the macadamia nuts was grown in Hawaii to specify the percentage by weight of Hawaii-grown macadamia nuts.

Your Committee finds that this bill will help protect consumers from misleading labels on macadamia nut packages by requiring clearer disclosures of the amount and origin of the raw or processed macadamia nuts sold in packages.

Your Committee has amended this measure by:

- (1) Making it effective upon its approval; and
- (2) Making technical, nonsubstantive amendments for 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. 1628, 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. 1628, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, Taniguchi, Tokuda, Slom, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Tsuji, Herkes, Brower, McKelvey, Ching, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 54 on H.B. No. 349

The purpose of this bill is to protect the health and safety of bicyclists and motorists by:

- (1) Authorizing each county to adopt and enforce ordinances regulating both guided and unguided bicycle tour businesses operating on state and county highways; and
- (2) Requiring each county to follow federal guidelines for commercial bicycle tours when those tours begin in federal or state parks and continue on to state highways.

Current laws do not regulate bicycle tours operating on state or county roadways. While these tours provide a valuable service to Hawaii's tourism market, many safety and liability concerns have been raised by a number of individuals at both the state and county level. Allowing each county to adopt ordinances that regulate the operations of these tours provides safety for both the bicyclist and the motorist using public roadways.

Your Committee on Conference has amended this bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 349, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 349, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Inouye, English, Fukunaga, Hemmings, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Souki, Yamane, Yamashita, Pine, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. 55 on H.B. No. 714

The purpose of this bill is to assist the Department of Land and Natural Resources (DLNR) in the enforcement of laws protecting and conserving the state's natural resources and to protect its law enforcement personnel by:

- (1) Allowing the use of blue and red lights on approved law enforcement vehicles of its Division of Conservation and Resource Enforcement Division (DOCARE); and
- (2) Amending the definition of "authorized emergency vehicles" to include DOCARE vehicles.

Under state law, DOCARE officers are provided with full police powers to enforce all state laws and county ordinances within all lands and waters of the state under the jurisdiction of DLNR. However, patrol vehicles currently used by DOCARE are not authorized to use emergency lights that would designate their vehicles as law enforcement vehicles. Your Committee on Conference finds that the use of blue and red colored lights would not only act as a deterrent to criminal activity on state lands but also provide safety for DOCARE officers as they would be easily identified as law enforcement personnel.

However, your Committee on Conference has been notified by the Department of Public Safety (DPS) that vehicles used by their officers already use blue and red lights and that as currently written, it is unclear as to whether these law enforcement vehicles would not be authorized to use blue and red lights. Accordingly, your Committee on Conference has amended this measure by:

- (1) Amending section 291-31.5, Hawaii Revised Statutes (HRS), to allow DOCARE vehicles to operate, affix, display, or possess a lamp, reflector, or illumination device that appears to be the color blue and red rather than creating an entirely new section under Chapter 291, HRS;
- (2) Clarifying that DPS law enforcement vehicles are also allowed to use blue and red lamps, reflectors, or illumination devices that are authorized by the Director of Public Safety;
- (3) Including DPS and DOCARE vehicles under the definition of "authorized emergency vehicle" in section 291C-1, HRS; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 714, 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. 714, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, English, Tokuda, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Slom). Representatives Souki, Ito, Waters, Ching, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 56 on H.B. No. 71

The purpose of this bill is to monitor the qualifications and competence of nurse aides practicing in the state by providing a process for the certification and recertification of nurse aides who work in nursing facilities participating in Medicare and Medicaid programs and in other state-licensed and state-certified health care settings.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 71, 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. 71, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Ige, Taniguchi, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Hemmings). Representatives Green Shimabukuro, McKelvey, Mizuno, Ward, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 57 on H.B. No. 1264

The purpose of this bill is to successfully implement a sustainable affordable-housing development model by authorizing the Hawaii Housing Finance and Development Corporation (HHFDC) to waive the ten-year-buyback and shared-appreciation-equity restrictions under Chapter 201H, Hawaii Revised Statutes (HRS), for:

- (1) Lessees of sustainable affordable residential leases under section 516-1, HRS; and
- (2) Designated immediate family members who are offered the right of first refusal upon the death of the purchaser.

Your Committee on Conference has amended this bill by deleting the waiver of restrictions for the sale or transfer to a designated immediate family member who is offered the right of first refusal upon the death of the purchaser.

As affirmed by the record of votes of the managers 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. 1264, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1264, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Espero, Ihara, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Ihara). Representatives Shimabukuro, Rhoads, Awana, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 58 on H.B. No. 1370

The purpose of this bill is to appropriate emergency funding to the Department of Health's (DOH) Adult Mental Health Division (Division).

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 234 to the Legislature, requested immediate consideration and passage of this bill by the Legislature, citing an existing critical funding shortage.

This bill appropriates funds for fiscal year 2006-2007 to sustain the ongoing services provided by the Division.

Your Committee on Conference has amended this bill by:

- (1) Changing the appropriation to \$8,377,698; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1370, 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. 1370, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Baker, Whalen, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Whalen). Representatives Green, Mizuno, Awana, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 59 on H.B. No. 1608

The purpose of this bill is to protect public health and safety during traffic emergencies by allowing for the establishment of traffic emergency zones to provide access to an affected area. Among other things, this measure:

- (1) Provides the Governor or state director of transportation in the case of a state highway, or a mayor or county director of transportation in the case of a county highway, with emergency powers to protect public health and safety in cases of highway closures;
- (2) Exempts state or county highway or street improvements from certain county permitting and approval processes and from the state procurement code when an area has been designated a traffic emergency zone;
- (3) Allows for the acquisition of cane haul roads by the state or county department of transportation for designation as state or county highways for a temporary period of time;
- (4) Provides a qualified immunity for government for a claim for negligence in the design, construction, repair, and correction of work performed; and
- (5) Indemnifies the owner of a cane haul road from any liability that may arise out of the use of such cane haul road when designated as a state highway.

Many communities throughout the state, especially those with limited highway access, are often affected when a major accident or natural disaster occurs. Some communities have faced hours of isolation in such instances. Allowing traffic emergency zones to be established will aid the State Department of Transportation and county departments of transportation in providing quicker access to areas affected by the closure of the only means of travel into or out of a community.

Your Committee on Conference notes that the qualified standard of care under the emergency doctrine is intended to ensure that negligence claims take into consideration the relevant facts and circumstances of the emergency situation when evaluating the reasonableness of actions or omissions, including the time constraints and seriousness of the emergency. Greater latitude should be given when time is short and potential consequences are catastrophic, such as the need to quickly evacuate people in the face of a tsunami. On the other hand, greater care should be taken where time constraints or consequences are less severe. Consideration should also be given to the time available for reasonable actions in advance of expected emergencies or the time available if the emergency access is to continue over an extended period.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that designation of a traffic emergency zone can occur when substantial endangerment to public health and safety is or is highly likely to be caused by the temporary closure of, or lack of adequate access to an area, by a county highway or state highway; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1608, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1608, S.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators English, Hee, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, none. Representatives Souki, Evans, B. Oshiro, McKelvey, Pine, Managers on the part of the House. Ayes, 4. Noes, none. Excused, 1 (Evans).

Conf. Com. Rep. 60 on H.B. No. 1612

The purpose of this bill is to expand consumer protections against identity theft by allowing security freezes to be placed on consumer credit reports upon the request of consumers who are not victims of identity theft.

Your Committee on Conference finds that there is a need to provide greater protections against identity theft by allowing any consumer to place a security freeze on the consumer's credit report, regardless of whether the consumer has been the victim of identity theft so that the consumer does not have to wait until the consumer can establish that the consumer's identity has been stolen before requesting the security freeze.

Your Committee on Conference has amended this measure by:

- (1) Specifying that any consumer who is a Hawaii resident may place a security freeze on the consumer's credit report;
- (2) Clarifying that a consumer credit reporting agency cannot charge a fee to a victim of identity theft for placing, lifting, or removing a security freeze on a credit report, but may charge any other consumer a fee not to exceed \$5 for each request by the consumer to place, lift, or remove a security freeze from a credit report;
- (3) Changing the effective date to July 1, 2007; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1612, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1612, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Espero, Ihara, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Ihara). Representatives Herkes, Waters, McKelvey, Marumoto, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 61 on H.B. No. 1337

The purpose of this bill is to provide additional protections for consumers of pre-paid cemetery or funeral services. Specifically, this bill, among other things:

- (1) Establishes procedures for the cancellation, termination, and refund of pre-need funeral and pre-need interment services contracts;
- (2) Requires cemetery authorities to file and maintain copies of maps or plats providing unique identifiers for each plot, niche, mausoleum, or crypt, and to maintain a permanent, accurate record of the identity of each person whose remains are located in the cemetery;
- (3) Gives contracts containing pre-need interment services priority over mortgages or other liens perfected on cemetery property that has been dedicated to cemetery use;
- (4) Creates a statutory lien upon all real and personal property held by a pre-need funeral authority when its pre-need funeral trusts are not fully funded;
- (5) Requires a cemetery or pre-need funeral authority to disclose certain additional information to a purchaser of cemetery property or pre-need funeral services in a written contract;
- (6) Requires the records of cemetery and pre-need funeral authorities to include change of address notices and cancellation notices from purchasers, and notices of termination sent to purchasers; and
- (7) Increases from \$1,000 to \$5,000, the maximum amount of fines for each violation of the Cemetery and Funeral Trusts law committed by cemetery or pre-need funeral authorities.

Your Committee on Conference finds that this measure improves consumer protections within the death care industry by clarifying and enhancing both the rights of purchasers of pre-need funeral or interment services and the responsibilities of cemetery and pre-need funeral authorities.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1337, 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. 1337, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Espero, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, none. Representatives Herkes, Waters, Ching, Managers on the part of the House. Ayes, 2. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 62 on H.B. No. 487

The purpose of this bill is to make housekeeping amendments to implement laws relating to the Hawaii Housing Finance and Development Corporation that were enacted during the Regular Session of 2006.

Your Committee has amended this bill by:

- (1) Adding a definition of "elderly housing project"; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 487, 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. 487, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Espero, Slom, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Slom). Representatives Shimabukuro, Rhoads, Awana, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 63 on H.B. No. 692

The purpose of this bill is to extend the lapse date, from June 30, 2007, to June 30, 2010, for special purpose revenue bonds previously authorized to assist Aloun Farms in building an agricultural processing plant.

Your Committee on Conference has amended this measure by changing its effective date to June 29, 2007.

As affirmed by the record of votes of the managers 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. 692, 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. 692, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, Tsutsui, Tokuda, Slom, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Tsuji, M. Oshiro, Brower, Meyer, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 64 on H.B. No. 375

The purpose of this bill is to enhance pedestrian safety by:

- (1) Requiring drivers to stop for pedestrians within a crosswalk under certain conditions;
 - (2) Clarifying when it would be safe for a driver to proceed after stopping for a pedestrian in a crosswalk;
 - (3) Providing specific monetary penalties for a driver who violates the crosswalk law, as follows:
 - (A) For a first infraction, a fine of \$150;
 - (B) For a second infraction, a fine of \$300, and revocation of license and privilege to operate a vehicle for a period of 90 days; and
 - (C) For a third and subsequent infraction committed within two years of the date of a second infraction, a fine of \$1,000, and revocation of license and privilege to operate a vehicle for a period of 180 days;
- and
- (4) Providing a flat penalty of a \$100 fine for each violation of the crosswalk law by a pedestrian.

The number of pedestrians crossing the street that are injured or killed appears to be increasing every year, with approximately 122 pedestrian fatalities occurring over the past four years. Your Committee on Conference finds these numbers to be unacceptable. While both inattentive drivers and pedestrians share some of the blame, drivers have the greater potential to cause injury to a pedestrian with their vehicles. Clarifying a driver's duty to stop and yield the right of way for a pedestrian in a crosswalk and establishing increased fines for both drivers and pedestrians who violate Hawaii's crosswalk laws will make Hawaii's streets safer for everyone.

However, your Committee on Conference notes that as currently drafted, drivers who violate Hawaii's crosswalk law multiple times may receive lesser fines due to the timeframe in which the infraction occurred. Accordingly, your Committee on Conference has amended this measure by:

- (1) Clarifying that:
 - (A) For a first infraction, or any infraction not preceded within one year by a prior violation, a fine of \$150 shall be imposed;
 - (B) For an infraction that occurs within one year of a prior violation, a fine of \$300 and revocation of license and privilege to operate a vehicle for a period of 90 days shall be imposed; and
 - (C) For an infraction that occurs within two years of two prior violations and for four or more violations, regardless of when they were committed, a fine of \$1,000, and revocation of license and privilege to operate a vehicle for a period of 180 days;
- and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 375, 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. 375, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators English, Hee, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, none. Representatives Souki, B. Oshiro, Pine, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 65 on H.B. No. 1518

The purpose of this bill is to minimize frivolous or fraudulent tort claims against engineers, architects, landscape architects, and surveyors by providing a Design Claim Conciliation Panel (Panel) to review claims.

Your Committee on Conference finds that design professionals have had fewer protections against frivolous lawsuits since the repeal in 2004 of the Design Professional Conciliation Panel Law established by Act 228, Session Laws of Hawaii 1981. This measure seeks to fill that void by establishing a new conciliation panel to review the merits of tort claims against design professionals and providing procedures to resolve these claims before resorting to litigation.

Your Committee on Conference has amended this measure by:

- (1) Requiring that the design professional that must be consulted by the claimant or the claimant's attorney prior to filing a claim with the Panel must also be knowledgeable and experienced in Hawaii building codes and construction practices and the professional standard of care in Hawaii;
- (2) Changing the effective date to January 1, 2008; and

- (3) 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 H.B. No. 1518, 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. 1518, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Hee, Sakamoto, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Slom). Representatives Herkes, Waters, McKelvey, Marumoto, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 66 on H.B. No. 1830

The purpose of this bill is to provide a safe haven for newborns by:

- (1) Providing immunity from prosecution for persons leaving an unharmed newborn at a hospital, fire station, or police station, or with emergency medical services personnel, within 72 hours of birth;
- (2) Providing immunity from liability to the hospital, fire station, police station, or emergency services personnel who receive the newborn;
- (3) Requiring that the individual leaving the newborn provide written information on the family medical history of the child; and
- (4) Requiring personnel to make a reasonable effort to obtain certain information pertaining to the child from the person leaving the child.

Your Committee on Conference has amended this bill by:

- (1) Removing the requirement that written information be provided on the family medical history of the child;
- (2) Inserting provisions for the acceptance of a harmed newborn child; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1830, 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. 1830, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Hee, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, none. Representatives Shimabukuro, Green, Waters, Mizuno, Marumoto, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 67 on H.B. No. 964

The purpose of this bill is to ensure the safety of workers by providing a cost effective detection and deterrence tool of drug testing. Specifically, this bill facilitates employment-related drug testing by:

- (1) Including, in the definition of "substance abuse on-site screening test" under the Substance Abuse Testing law, the use of screening tests that may be used for forensic testing as a workplace testing device;
- (2) Requiring employers using a screening test for pre-employment screening to administer the test in accordance with the manufacturer's package insert if there is no United States Food and Drug Administration insert; and
- (3) Authorizing employers to drug test job applicants and unions to drug test members.

Drug use, especially the use of "crystal meth", is a major problem facing Hawaii, and is a growing problem in the workplace that contributes to an impaired workforce resulting in work quality issues. In an effort to promote drug-free environments, many employers require prospective employees to be subjected to substance abuse screening prior to employment. However, these tests can be costly and difficult to schedule since only a few laboratories conduct them. Your Committee on Conference finds that the use of oral fluid drug screening devices may provide a cost effective way for employers to provide drug screening of potential employees.

However, your Committee on Conference is also cognizant of concerns raised about this bill by both opponents and proponents of the measure, particularly with regard to confidentiality and false positive results. Accordingly, your Committee on Conference has amended this measure by:

- (1) Clarifying the definition of "substance abuse on-site screening test" (screening test) to mean a test that is manufactured by a facility that is certified as meeting the ISO 13485:2003 standard established by the International Organization for Standardization and which may be used by an employer in the workplace;
- (2) Deleting reference to a screening test under the definition of "substance abuse test" under Hawaii's Substance Abuse Testing law;
- (3) Deleting the requirement that a screening test be used for pre-employment screening purposes only;
- (4) Stipulating that every employer using a screening test administer the test according to the package insert accompanying the screening test;
- (5) Removing the authority of unions to drug test members;
- (6) Deleting the requirement that employers using a screening test adhere to rules pertaining to specimen collection, urine specimen, shipping of specimens, chain of custody, and confidentiality that may be applicable to on-site drug testing;
- (7) Inserting language stipulating that any indication of the presence of drugs, alcohol, or the metabolites of drugs by the screening test shall not be used to deny or deprive a person of employment or any benefit, or result in any adverse action against an employee or prospective employee unless a substance abuse test is conducted and certain requirements are met, including requiring an employer to have an employee or prospective employee report within 4 hours to a licensed laboratory for a substance abuse test;
- (8) Requiring the employer to bear the cost of the laboratory referral;

- (9) Allowing an employee or prospective employee to be denied or deprived of employment or benefits, or have adverse action taken against the employer or prospective employee, if the employee or prospective employee refuses to take or fails to report for a substance abuse test, provided that the employer gave written notice stating that:
 - (A) The employer followed statutorily established procedures for administering the screening test;
 - (B) The employee or prospective employee was informed that they may refuse to submit to the screening test; and
 - (C) If the employee or prospective employee fails to submit to a substance abuse test, the employer may take adverse employment action against the employee or prospective employee;
- (10) Establishing strict confidentiality requirements with regard to any information concerning the screening test; and
- (11) Making it unlawful for any employer to suspend, discharge, or discriminate against an employee because the employee tested positive for the presence of drugs, alcohol, or the metabolites of drugs in a screening test unless an employee fails or refuses to report to a laboratory for a substance abuse test.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 964, 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. 964, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Hee, Fukunaga, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Sonson, Green, Waters, B. Oshiro, Marumoto, Managers on the part of the House. Ayes, 4. Noes, none. Excused, 1 (Waters).

Conf. Com. Rep. 68 on H.B. No. 1503

The purpose of this bill is to strengthen protections for dislocated workers by amending Hawaii's Dislocated Workers law. Specifically, this bill:

- (1) Expands the 60-day notification to employees and the Director of Labor and Industrial Relations (Director) of the closing of covered establishments by:
 - (a) Adding the notification requirement for the transfer of any covered establishment from one employer to another because of the sale, transfer, merger, and other business takeover or transaction of business interest; and
 - (b) Expanding the definition of "closing" to include bankruptcy and other close of business transactions;
- (2) Stipulating that if an employer does not provide at least 60 days' notice to each employee and the Director of a closing, divestiture, partial closing, or relocation of a covered establishment, the employer shall be liable to each affected employee for an amount equal to back pay and benefits for the period of violation;
- (3) Exempting a covered establishment which is actively seeking a buyer for a sale, transfer, or merger until such time the sale, transfer, or merger results in a divestiture from notification requirements until a divestiture occurs; and
- (4) Imposing penalties on an employer who fails to notify the Director or employees of a closing, partial closing, divestiture, or relocation of a business with fines being deposited into the Employment and Training Fund.

Current Hawaii law protects employees who face termination from employment due to a sudden closure or partial closure of a business as a result of a sale, transfer, merger, or transaction of business interests. However, your Committee on Conference finds that bankruptcies and divestitures of businesses are not covered under current law. This bill will help ameliorate the effects these situations will have on people's lives.

However, your Committee on Conference notes that concerns were raised regarding the exemption from the notification requirements for businesses actively seeking a buyer for a sale, transfer, or merger and whether these businesses would be able to comply with the 60-day notice requirement. Accordingly, your Committee on Conference has amended this measure by:

- (1) Stipulating that a business actively seeking a buyer for a sale, transfer, or merger is not required to provide 60-days' notice until the employer has entered into a binding agreement for the sale, transfer, or merger of the covered establishment that results in a divestiture; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1503, 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. 1503, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Kokubun, Nishihara, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Kokubun). Representatives Sonson, Waters, Nakasone, Awana, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Nakasone).

Conf. Com. Rep. 69 on H.B. No. 791

The purpose of this bill is to establish a requirement for ethanol content for each grade of gasoline produced, imported, or sold in the State. Specifically, this measure requires that premium gasoline produced, imported, or sold in the State for use in motor vehicles contain no ethanol.

Your Committee finds that there are small niche markets, especially to fill a non-automobile demand, for gasoline that contains no ethanol. Your Committee believes, however, that an attempt to allow the free market to meet this demand should be explored.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the amendments to chapter 486H, Hawaii Revised Statutes, that refer to ethanol content requirement, and deleting the repeal of section 486J-10, Hawaii Revised Statutes;
- (2) Requiring fuel distributors to report to the Department of Business, Economic Development, and Tourism on the distribution and availability of gasoline that does not contain ethanol, and requiring the Department to report its findings prior to the 2008 Regular Session of the Legislature for the purpose of assisting the Legislature in determining future policy to ensure the availability of non-blended gasoline for certain watercraft, small engine, and light aircraft markets; and
- (3) Changing the effective date to be 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. 791, 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. 791, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Menor, Taniguchi, Hooser, Slom, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Morita, Herkes, McKelvey, Meyer, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 70 on H.B. No. 1246

The purpose of this bill is to deter the theft of copper by:

- (1) Establishing theft of copper as a felony offense; and
- (2) Imposing additional requirements for, and establishing additional penalties for violations relating to, the sale of copper to scrap dealers.

Your Committee on Conference has amended this bill by:

- (1) Allowing a scrap dealer to only accept the seller's, and not the seller's agent's, written statement that the seller has the lawful right to sell and dispose the copper;
- (2) Requiring a scrap dealer to report to the police not only suspicious attempted sales but all instances of attempted sales in which the seller does not provide a receipt or notarized declaration;
- (3) Imposing mandatory minimum sentencing for violations of the scrap dealer licensing and statement requirements;
- (4) Clarifying that the mandatory minimum fine of \$5,000 and six-month suspension of the scrap dealer's license applies not only to the third offense but to all subsequent offenses;
- (5) Providing that a scrap dealer is subject to license revocation if the third or subsequent offense occurs within a five-year period from the occurrence of two prior offenses;
- (6) Clarifying that the offense of theft of copper applies only to copper that weighs a pound or more, instead of any property that weighs a pound or more and contains copper in whole or in part;
- (7) Including a sunset date of July 1, 2009; and
- (8) Making technical, nonsubstantive changes for 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. 1246, 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. 1246, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Kokubun, Nishihara, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Waters, B. Oshiro, Marumoto, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 71 on H.B. No. 1130

The purpose of this bill is to improve our election system by:

- (1) Revising various election campaign filing deadlines and filing periods;
- (2) Clarifying the treatment of Internet activity under the campaign spending law by amending the definitions of "contribution" and "expenditure";
- (3) Requiring noncandidate committees to register with the Campaign Spending Commission (Commission) by filing an organizational report and to file the report earlier than candidate committees under certain circumstances;
- (4) Requiring:
 - (A) Noncandidate committees;
 - (B) Board of Education candidates;
 - (C) Board of Education candidate committees; and
 - (D) Candidates who were previously exempt from mandatory electronic filing because their contributions or expenditures were \$5,000 or less,

to file their reports by electronic means;
- (5) Repealing the right of a candidate or candidate committee without access to a computer or the Internet to request a waiver from the Commission from the mandatory electronic filing requirement;

- (6) Repealing the two-fundraisers-per-election limit that currently applies to candidates who are not running for statewide office;
- (7) Clarifying the applicability of the cap on contributions by nonresident individuals and persons;
- (8) Increasing amounts that may be spent per voter for state and county elections in a partially publicly-funded campaign;
- (9) Adding the Office of the Prosecuting Attorney as an election subject to the spending limitation per voter in partially publicly-funded campaigns; and
- (10) Increasing the maximum amount of public funding available to partially publicly-funded campaigns.

Your Committee on Conference has amended this measure by:

- (1) Deleting the sections relating to increased expenditure limits and available public funds for partially publicly-funded campaigns; and
- (2) Changing the effective date to take effect 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. 1130, 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. 1130, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Kokubun, Nishihara, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Waters, B. Oshiro, Marumoto, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 72 on H.B. No. 895

The purpose of this bill is to provide the counties and tow companies with the tools necessary to take custody and properly dispose of abandoned vehicles in a more efficient manner by allowing the counties to increase registration fees and thereby increase deposits into the Highway Beautification and Disposal of Abandoned or Derelict Vehicles Revolving Fund to defray costs associated with the storage of abandoned or derelict vehicles.

Abandoned and derelict motor vehicles mar the beauty of Hawaii's landscape and, at times, create unsafe situations on our roadways. While the counties work diligently to remove these vehicles in a timely manner, increases in the number of abandoned vehicles, along with a lengthy notification process that sometimes takes upwards of three months, has caused the problem to steadily worsen.

However, storage space problems, as well as increased operational and storage costs, have caused many tow companies financial hardship. As such, your Committee on Conference has amended this measure by:

- (1) Allowing motor vehicle registration fees to be increased up to a maximum of \$10;
- (2) Increasing towing and storage fees that towing companies may charge; and
- (3) Decreasing the number of days in which the owner of the towed motor vehicle must be notified.

Your Committee on Conference is also cognizant of the fact that many complaints have been received regarding the charging of "unhooking" fees for vehicles that are hooked to a tow-truck when an owner appears on the scene to recover a vehicle, and "overtime" fees for tows occurring during the evening hours and on weekends. Accordingly, your Committee on Conference has further amended this measure by:

- (1) Eliminating the ability of tow-companies to charge overtime and unhooking fees; and
- (2) Changing the effective date to July 1, 2007.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 895, 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. 895, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Inouye, English, Tsutsui, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, none. Representatives Souki, Har, Meyer, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 73 on H.B. No. 14

The purpose of this bill is to repeal the transfer of functions from the Department of Budget and Finance to the Department of Education as specified in Act 51, Session Laws of Hawaii 2004, as amended, because the two departments have improved the fiscal processes between them.

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. 14, 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. 14, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Baker, Tokuda, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Takumi, M. Oshiro, Finnegan, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 74 on H.B. No. 275

The purpose of this bill is to protect student-athletes and educational institutions from potentially unscrupulous practices of athlete agents by enacting the Uniform Athlete Agents Act, which requires sports agents to register with the Department of Commerce and Consumer Affairs, and sets forth requirements for agreements between athlete agents and student-athletes.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to July 1, 2008; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 275, 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. 275, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Hee, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, none. Representatives Chang, Herkes, Tokioka, Ching, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 75 on H.B. No. 1372

The purpose of this bill is to appropriate \$439,684 as an emergency appropriation to reimburse costs associated with the delivery of emergency aeromedical services on Oahu by the Hawaii Army National Guard or other provider.

Pursuant to the requirements set forth in Article VII, section 9, of the Constitution of the State of Hawaii, the Governor has requested immediate consideration and passage of this bill, citing an existing critical funding emergency to continue aeromedical services on Oahu.

Your Committee on Conference has amended this bill by:

- (1) Increasing the appropriation to \$1,444,828; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1372, 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. 1372, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Baker, Fukunaga, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Green, Mizuno, Awana, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 76 on H.B. No. 1063

The purpose of this bill is to allow the Department of Defense to receive and expend all the federal Temporary Assistance to Needy Families funds received from the Department of Human Services for the Hawaii National Guard's Operation About Face family of programs statewide, by increasing the amount for fiscal year 2006-2007 from \$4,700,000 to \$7,900,000 in item I-20 of section 3 of Act 178, Session Laws of Hawaii 2005, as amended by Act 160, Session Laws of Hawaii 2006.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1063, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1063, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Inouye, Tsutsui, Chun Oakland, Hemmings, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Evans, Har, Pine, Managers on the part of the House. Ayes, 2. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. 77 (Majority) on H.B. No. 30

The purpose of this bill is to protect Hawaii's interests in international trade agreements by prohibiting the Governor from entering into any trade agreement without the approval of the Legislature through concurrent resolution adopted by a majority vote of the Senate and House of Representatives. If the Legislature is not in session, the Governor is required to notify the President of the Senate and Speaker of the House of Representatives and allow the Legislature to consider approval of the procurement provisions in a special session.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the Legislature may, but is not required to convene a special session to consider approval of the procurement provisions;
- (2) Clarifying that the Governor may not approve a trade agreement without legislative approval by a way of a concurrent resolution; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 30, 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. 30, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Baker, English, Fukunaga, Tsutsui, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Whalen). Representatives Cabanilla, Yamashita, Tokioka, Thielen, Managers on the part of the House. Ayes, 2. Noes, 1 (Thielen). Excused, 1 (Yamashita).

Conf. Com. Rep. 78 on H.B. No. 334

The purpose of this bill is to demonstrate that Hawaii can successfully use its renewable resources to generate electricity by authorizing up to \$10,000,000 in special purpose revenue bonds to be issued to assist Sopogy, Inc., to establish a solar farm power plant at the Natural Energy Laboratory of Hawaii Authority (NELHA).

Your Committee on Conference finds that space limitations at NELHA may prevent Sopogy from securing the land needed for its solar farm project and has thus amended this bill to allow Sopogy to establish its project at suitable sites in the state other than the NELHA site.

Your Committee on Conference finds that Sopogy's solar farm power plant will move our state toward independence from petroleum products by demonstrating the viability and value of solar power as part of Hawaii's renewable energy portfolio.

As affirmed by the record of votes of the managers 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. 334, 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. 334, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Menor, Tsutsui, Hooser, Trimble, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Yamashita, Morita, Carroll, Meyer, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 79 on H.B. No. 1364

The purpose of this bill is to expand participation in the State Rent Supplement Program (Program) by:

- (1) Requiring the Hawaii Public Housing Authority (HPHA) to allow individuals and families living in transitional shelters, who are homeless or on the public housing or Section 8 wait lists, to be eligible for the Program wait list; and
- (2) Removing the \$160 per month cap on payments and requiring the Program to serve individuals with incomes up to 95 percent of the area median income.

Your Committee on Conference has amended this bill by:

- (1) Removing the provisions requiring HPHA to allow individuals and families living in transitional shelters, who are homeless or on the public housing or Section 8 wait lists, to be eligible for the Program wait list;
- (2) Specifying that income limits are based on annual median income (AMI) as determined by the United States Department of Housing and Urban Development;
- (3) Requiring HPHA to give preference to qualified tenants with incomes at or below 80 percent AMI; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1364, 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. 1364, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Tsutsui, Ihara, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Tsutsui). Representatives Shimabukuro, Rhoads, Hanohano, Awana, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 80 on H.B. No. 402

The purpose of this bill is to provide the Department of Land and Natural Resources the necessary tools for proper stewardship of state lands by broadening the use of the Land Conservation Fund to include:

- (1) Payments of debt service on state financial instruments relating to the acquisition of interests or rights in land having value as a resource to the State; and
- (2) Acquisition of interests or rights in land having value as a resource to the State through the establishment of:
 - (A) Permanent conservation easements for the preservation and protection of land for agricultural use; or
 - (B) Agricultural easements.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to July 1, 2007; and
- (2) Making technical, nonsubstantive amendments for 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. 402, 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. 402, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, Tsutsui, Tokuda, Slom, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Ito, Tsuji, Chong, Meyer, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 81 on H.B. No. 250

The purpose of this bill is to meet the critical demand for harbor expansion and upgrades by establishing a formal partnership between the Aloha Tower Development Corporation (ATDC) and the Department of Transportation (DOT) for the development of Honolulu Harbor and Kewalo basin infrastructure projects on an expedited basis.

Your Committee on Conference finds that the continuing demand for further improvements and development of harbor facilities to meet rapid growth is a challenge that harbors statewide face. Your Committee on Conference therefore, believes that the planning of improvements and development of harbors statewide by ATDC is desirable. In particular, your Committee on Conference recognizes that the needs of Kahului Harbor are dire and should be treated with the utmost priority and urgency. However, due to the jurisdictional constraints of the ATDC, your Committee on Conference has amended this bill by:

- (1) Removing Kewalo Basin and the Kakaako area lands from the scope of this bill; and
- (2) Authorizing ATDC to partner with DOT only for the development of Honolulu Harbor and its adjacent lands.

This bill has also been amended by:

- (1) Deleting the provision for legislative approval on a project-by-project basis; and
- (2) Making technical, nonsubstantive amendments for 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. 250, 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. 250, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, English, Baker, Fukunaga, Slom, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Fukunaga). Representatives Ito, Souki, Chong, Meyer, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 82 on H.B. No. 116

The purpose of this bill is to provide for the effective integration of facilities necessary for the provision of advanced wireless communications services by:

- (1) Establishing an application process for the siting of wireless communications facilities that encourages the placement of antennas on existing structures; and
- (2) Making wireless communication antennas a permitted use in the state agricultural district.

Your Committee on Conference finds that with the increasing use of wireless communications in everyday activities and for a variety of purposes, sufficient coverage and capacity of wireless networks is necessary to meet the daily needs of consumers.

Your Committee on Conference has amended this measure by:

- (1) Deleting the preamble;
- (2) Deleting the provisions establishing an application process for the siting of wireless communications facilities;
- (3) Clarifying that the construction and operation of wireless communication antennas is a permitted use within the state agricultural district, but that this permitted use does not authorize the construction of any new structure that is not deemed a permitted use within the state agricultural district;
- (4) Specifying that wireless communication antennas located within the state agricultural district may either be freestanding or placed upon or attached to an existing structure; and
- (5) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 116, 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. 116, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Fukunaga, Slom, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Fukunaga). Representatives Herkes, Yamashita, Magaoay, Thielen, Managers on the part of the House. Ayes, 3. Ayes with Reservations, 1 (Thielen). Noes, none. Excused, 1 (Yamashita).

Conf. Com. Rep. 83 on H.B. No. 1322

The purpose of this bill is to improve insurance licensing by:

- (1) Reestablishing the limited line motor vehicle rental company producer's license issuance fee and services fee; and
- (2) Eliminating the requirement that licensed adjusters and independent bill reviewers must maintain a place of business in Hawaii.

Your Committee on Conference finds that this measure seeks to improve the insurance licensing operations of the Department of Commerce and Consumer Affairs by:

- (1) Amending the insurance licensing statutes to reestablish fees that were inadvertently deleted in previous legislation; and
- (2) Bringing greater consistency to the insurance licensing laws by making the place-of-business requirements for insurance adjusters and independent bill reviewers similar to those for insurance producers.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2007; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1322, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1322, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Baker, Slom, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Baker). Representatives Herkes, Tokioka, Marumoto, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 84 on H.B. No. 155

The purpose of this bill is to:

- (1) Provide an environmentally-friendly strategy for the lighting of Hawaii's streets, highways, airports and harbors; and
- (2) Work toward reducing Hawaii's dependence on oil imports.

Specifically, this bill establishes that, to the extent practicable, in the event that regulations or standards relating to outdoor lighting at airport facilities, harbors, or highways conflict with county ordinances or other regulations, the more stringent requirement or standard to reduce bright sources of light in the night sky shall govern all new installations. This bill also requires the Department of Transportation (DOT) to include biofuel storage and transmission infrastructure in all harbor improvement master plans.

Artificial lighting is increasing on all of the major Hawaiian islands as metropolitan centers increase. This increase in artificial light, especially from light sources at Hawaii's airports and harbors and along Hawaii's highways now threatens the telescopes' ability at Mauna Kea and Haleakala to study the night sky. DOT's compliance with county lighting ordinances, along with the use of environmentally-friendly, fully-shielded lighting fixtures, will conserve energy and resources while maintaining appropriate outdoor lighting suitable for safety, utility, and security.

While your Committee on Conference finds that reducing Hawaii's dependence on imported oil is important, questions remain about the cost and feasibility of improving Hawaii's harbor infrastructure to accommodate biofuel storage facilities. Accordingly, your Committee on Conference has amended this bill by:

- (1) Deleting Part II, which required DOT to include biofuel storage and transmission infrastructure in all harbor improvement master plans; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 155, 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. 155, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators English, Inouye, Baker, Tsutsui, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Baker). Representatives Souki, Morita, Yamashita, Lee, Pine, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 85 on H.B. No. 483

The purpose of this bill is to improve regulations of the check cashing industry by, among other things:

- (1) Requiring check cashers to register with the Department of Commerce and Consumer Affairs (DCCA);
- (2) Setting forth requirements for payment plans offered by check cashers;
- (3) Requiring check cashers to maintain records and report on business operations in accordance with DCCA rules;
- (4) Requiring additional information to be included in the posting and notice of check casher fees;
- (5) Limiting the total amount of a deferred deposit transaction to no more than 30 percent of the customer's gross monthly income; and
- (6) Exempting from the general excise tax, fees and interest received by check cashers for deferred deposit transactions.

Deferred deposit transactions, or payday loans, have the potential to trap consumers in a cycle of debt that makes it difficult to build assets for the future. In 2005, the Office of the State Auditor conducted a sunrise analysis on the regulation of check cashing and deferred deposit agreements and recommended that chapter 480F, Hawaii Revised Statutes, be strengthened to be more consumer friendly.

Your Committee on Conference further finds that requiring registration, rather than licensing, of check cashers with DCCA takes into consideration the concerns of both consumers and the industry regarding regulating check cashing and payday lending.

Your Committee on Conference also notes that a sunset of the registration requirements established by this measure would afford the Legislature an opportunity to revisit the issue of enhancing the regulation of check cashers and determine whether check cashers should be licensed.

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

- (1) Changing the effective date to July 1, 2007;
- (2) Providing a sunset date of June 30, 2009, for the provisions of this bill:
 - (A) Requiring check cashers to register with the Department of Commerce and Consumer Affairs; and
 - (B) Setting forth requirements for payment plans offered by check cashers;
- (3) Specifying the print sizes required for postings and notices of check casher fees; and
- (4) 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 H.B. No. 483, 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. 483, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Espero, Trimble, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Trimble). Representatives Herkes, Waters, Sagum, Marumoto, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 86 on H.B. No. 34

The purpose of this bill is to voice Hawaii's opposition to the humanitarian crisis presently occurring in the Darfur Region of Sudan by prohibiting the Employees' Retirement System (ERS) from investing in securities of companies that have active business operations with Sudan.

Your Committee on Conference finds that a tragedy is currently occurring in the Darfur Region of Sudan. The United States, along with the international community and hundreds of humanitarian and faith-based organizations, have all agreed that genocide is occurring in this region of the world. At present, over 400,000 people have been killed in the region, with another 2.5 million people being displaced from their homes despite calls from the international community that the Sudanese Government put an end to these atrocities. Placing economic pressure on the Sudanese Government by prohibiting the ERS from investing in companies that do business with Sudan is but one step that can be taken to remedy this tragic situation, as similar action taken against the country of South Africa during the 1980s, as a means of ending the policy of apartheid, had a profound effect on the policies of that country.

However, your Committee on Conference understands the concerns raised by the ERS. Accordingly, your Committee on Conference has amended this measure by:

- (1) Stipulating that only companies with direct holdings be identified and scrutinized by the public trust and eliminating scrutiny for indirect holdings or possible future holdings;
- (2) Requiring the fund to assemble a "scrutinized companies list" which contains all scrutinized companies identified in which the public fund has direct holdings;
- (3) Eliminating the requirement that the public fund continue a semi-annual correspondence informing a company with _____ and encouraging the company to continue to refrain from initiating active business operations in Sudan until it is able to avoid scrutinized business operations;
- (4) Requiring that, for each company newly identified with active business operations in which the public fund owns direct holding, the public fund send a written notice informing a company of its scrutinized company status and that it may become subject to divestment from the public fund;
- (5) Deleting the requirement that the public fund submit letters to the managers of actively managed investment funds with indirect holdings in companies with scrutinized active business operations requesting that the manager consider removing the companies from the fund or create a similar actively managed fund with indirect business holdings devoid of such companies; and
- (6) Changing the effective date to July 1, 2007.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 34, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 34, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators English, Hee, Baker, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Baker). Representatives Sonson, Cabanilla, Nakasone, Ward, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 87 on H.B. No. 1005

The purpose of this bill is to improve the ability of the Public Utilities Commission (PUC) to carry out its duties and responsibilities by:

- (1) Requiring the PUC to restructure its operations pursuant to the PUC's December 2006, report to the Legislature, to improve its effectiveness and efficiency;
- (2) Appropriating funds to meet the costs incurred as a result of the restructuring process; and
- (3) Authorizing the PUC to consider the need for increased renewable energy use in exercising its authority and duties.

Your Committee on Conference finds that this measure will greatly benefit the public interest by enabling the PUC to efficiently and effectively carry out its duties.

Your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation for the costs of restructuring;
- (2) Changing the effective date to July 1, 2007; and
- (3) 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. 1005, 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. 1005, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Baker, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, none. Representatives Herkes, Morita, M. Oshiro, Marumoto, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 88 on H.B. No. 162

The purpose of this bill is to improve child support enforcement services in the state by:

- (1) Authorizing the Child Support Enforcement Agency to collect an annual fee of \$25, and use in accordance with the requirements of federal Title IV-D, for nonpublic assistance collection services in those cases in which no public assistance has been paid to the custodial parent under Title IV-A and the State has collected at least \$500 from the absent parent; and
- (2) Transferring the family support divisions of the City and County of Honolulu and the County of Hawaii whose functions, duties, responsibilities and activities relate to child support enforcement to the Department of the Attorney General (AG), effective October 1, 2007, without loss of pay, benefits, or where applicable, civil service status.

Your Committee on Conference has amended this bill by reverting to the language contained in Senate Draft 1 in Section 2 of the bill relating to the transfer of employees of the family support divisions of the County of Hawaii and of the City and County of Honolulu to the AG, for clarity and technical accuracy. Your Committee on Conference notes that this language represents the consensus of the counties and the AG concerning this matter and believes that this language is more appropriate.

As affirmed by the record of votes of the managers 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. 162, 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. 162, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Baker, Kokubun, Chun Oakland, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 2 (Baker, Chun Oakland). Representatives Waters, Sonson, Nakasone, Ching, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 89 on H.B. No. 1231

The purpose of this bill is to appropriate funds to satisfy claims against the State for judgments, settlements, and miscellaneous payments.

Your Committee on Conference has amended this bill by:

- (1) Appropriating funds for three additional claims that have been resolved, totaling \$230,040;
- (2) Adding the dollar amount and the percentage that the appropriation contained in this bill will cause the state general fund expenditure ceiling to be exceeded for fiscal year 2006-2007;
- (3) Changing the effective date to upon approval; and
- (4) 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 H.B. No. 1231, 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. 1231, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Baker, Kokubun, Tsutsui, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Tsutsui). Representatives Waters, M. Oshiro, Marumoto, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 90 on H.B. No. 667

The purpose of this bill is to preserve affordable housing in Honolulu by:

- (1) Increasing Hawaii Housing Finance and Development Corporation's (HHFDC) revenue bond authority from \$300,000,000 to \$400,000,000;
- (2) Authorizing the issuance of general obligation bonds for fiscal year 2007-2008 to acquire an interest in the land and improvements of the Kukui Gardens property; and
- (3) Appropriating funds for fiscal year 2007-2008 to acquire an interest in the land and improvements of the Kukui Gardens property and allowing HHFDC to contract with a private nonprofit management and development organization to operate the existing facility and to develop additional affordable rentals.

Your Committee on Conference has amended this bill by:

- (1) Removing the appropriation of funds;
- (2) Specifying the amount of up to \$25,000,000 in general obligation bonds;
- (3) Making a correction to the tax map key identification;
- (4) Clarifying that HHFDC may enter into a long-term, below market, ground lease of the land, and deed the improvements to a private nonprofit housing organization for the purposes of operating, managing, and maintaining the existing rental units and to potentially develop additional affordable rentals on the site;
- (5) Changing the effective date to July 1, 2007; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee on Conference notes that HHFDC intends to submit a request during the Regular Session of 2008 for the authorization of an additional \$26,000,000 in general obligation bonds for fiscal year 2008-2009 to complete the structured transaction.

As affirmed by the record of votes of the managers 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. 667, 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. 667, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Baker, Chun Oakland, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Shimabukuro, M. Oshiro, Rhoads, Ching, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 91 on H.B. No. 835

The purpose of this bill is to assist pineapple plantation workers affected by the closing of Del Monte Fresh Produce by:

- (1) Establishing the Pineapple Workers and Retirees Housing Assistance Fund (Assistance Fund) to provide mortgage payments or rent subsidies to eligible workers, retirees, and their families; and
- (2) Appropriating funds for purposes of the Assistance Fund.

Your Committee on Conference requests that the Hawaii Housing Finance and Development Corporation expedite the rulemaking process to implement the Assistance Fund.

Your Committee on Conference has amended this bill by:

- (1) Appropriating \$600,000 for each year of fiscal biennium 2007-2009 for purposes of the Assistance Fund;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 835, 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. 835, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Baker, Whalen, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Whalen). Representatives Shimabukuro, Rhoads, Magaoy, Awana, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 92 on H.B. No. 1605

The purpose of this bill is to enhance traffic flow on the island of Maui by appropriating funds for the development and implementation of an Intelligent Transportation System architectural plan for Maui, which includes a Maui traffic control center.

Traffic congestion continues to be a problem for the people of Maui. Traffic delays continue to intensify, creating slow transit times for commuters as well as public safety issues. Intelligent Transportation Systems apply communications and information technology to resolve traffic control issues and reduce congestion. The establishment of an Intelligent Transportation System on the island of Maui, including a Maui traffic control center, would help to maximize traffic flow and alleviate traffic congestion.

Your Committee on Conference has amended this measure by:

- (1) Specifying that \$400,000 shall be appropriated from the State Highway Fund for the development and implementation of an Intelligent Transportation System architectural plan for Maui; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1605, 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. 1605, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators English, Baker, Tsutsui, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Souki, Carroll, McKelvey, Meyer, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 93 on H.B. No. 500

GENERAL OVERVIEW

Through this measure, your Committee on Conference has made meaningful investments in the State's health and human services programs, education system, and environment to lay the foundation for a sustainable Hawaii, with strong families and communities, a workforce prepared to compete in the global marketplace, and a healthy economy and environment. Your Committee on Conference crafted a budget that invests in our State's greatest resource – its people.

These investments must be targeted and mindful of the future – government cannot be all things to all people. Spending in the executive budget has increased forty-four per cent over the last four years. It is without question that this growth rate is unsustainable over the long term. Indications that Hawaii's economy is slowing provide additional incentive to exercise fiscal conservatism when determining the level of additional funding for government programs.

While Hawaii's economy continues to grow, signs point to a slower growth rate in the near term. As a result, your Committee on Conference has crafted a balanced budget that responds to the needs and demands of our communities, with a focus on increasing the quality of life for Hawaii's residents, while remaining fiscally responsible.

STATE OF THE ECONOMY

After several years of strong economic growth – peaking with double-digit growth rates in fiscal year 2005 (sixteen per cent) and 2006 (10.9 per cent) – Hawaii’s economy slowed sharply in 2006. In January 2007, a distinguished local economist commented that, after subsiding for nearly two years because of rising consumer price inflation, real personal income growth in Hawaii was approximately zero in mid-2006. The economist further noted that recent personal income growth rates should increasingly translate back toward the two per cent real growth that he believes is a sustainable path for Hawaii through the remainder of the decade.

In addition, the University of Hawaii Economic Research Organization’s March 2, 2007, forecast also noted that “there are no warning signs on the horizon of an outright end to Hawaii’s economic expansion” and “[j]ob and income growth will slow further, but not cease, and the unemployment rate will gradually ease upward from recent record-low levels.”

COUNCIL ON REVENUES

At its March 13, 2007, meeting, the Council on Revenues decided to retain its December forecast of the general fund tax revenues for fiscal year 2007-2008 through fiscal year 2012-2013. The growth rate remains at six per cent for the current fiscal year, and 4.1 per cent for the second year of the biennium.

However, the preliminary comparative statement of state general fund collections for March 2007 indicates that revenue growth is only at 2.9 per cent over the corresponding period last year. This leaves a gap of 3.1 per cent growth that must be overcome if state revenues are to meet the Council’s projections.

Essentially, the forecast of the Council on Revenues and the most recent collection data underscore the need to adopt a fiscally prudent, sustainable budget for the State of Hawaii.

FEDERAL RESERVE – NATIONAL ECONOMIC OUTLOOK

According to the March 28, 2007, forecast on the United States economy by the Chairman of the Board of Governors of the Federal Reserve, economic growth in the United States has slowed. The slowdown is attributed to a correction in the housing market, which has transitioned from the rapid expansion of previous years to a more sustainable pace.

Overall, the Federal Reserve believes that the United States economy appears likely to continue moderate expansion over the coming quarters. Real gross domestic product rose at an annual rate of about two per cent in the second half of 2006 and is presently expanding at a similar rate. The moderate expansion could change substantially, however, if the correction to the housing market is more severe than is currently anticipated or if the recent weakness in business investments persist.

Finally, the Chairman noted the troubling specter of inflation. Core consumer price index inflation over the twelve months ending in February was 2.7 per cent, up from 2.1 per cent a year earlier. In addition, the price index for personal consumption expenditures – another measure of core inflation monitored closely by the Reserve – trends similarly upward.

BUDGET HIGHLIGHTS

In total (all sources of funding), this measure appropriates \$10,370,709,982 in fiscal year 2007-2008 and \$10,539,570,447 in fiscal year 2008-2009. Specifically regarding general fund appropriations, this measure appropriates \$5,185,780,822 in fiscal year 2007-2008 and \$5,273,531,614 in fiscal year 2008-2009. Compared with the budget submitted by the Governor in December 2006, as adjusted by the seven Governor’s Messages throughout this legislative session, this budget represents an amount of \$4,707,738 in fiscal year 2007-2008 and \$12,672,889 in fiscal year 2008-2009 that is lower in general fund appropriations. In new general fund appropriations, health and human services account for approximately twenty-eight per cent, lower education accounts for approximately thirty-five per cent, and higher education accounts for approximately thirteen per cent for fiscal year 2007-2008 and nineteen per cent for fiscal year 2008-2009 of the change to the State’s general fund budget.

Health and Human Services

In total, this budget provides an additional \$124,230,748 for fiscal year 2007-2008 and \$138,384,849 for fiscal year 2008-2009 in general fund appropriations in the areas of health and human services.

Your Committee on Conference provided \$6,753,704 in general funds for each year of the biennium for infants and toddlers with developmental delays, ensuring that children with special health needs receive continued care coordination and early intervention services. Your Committee on Conference added five new positions and \$236,928 in general funds for the upcoming biennium to continue the preschool developmental screening of gap group participants in the Children with Special Health Needs program. Two additional permanent positions and \$87,965 in general funds for fiscal year 2007-2008 and \$112,953 in general funds for fiscal year 2008-2009 were also added by your Committee on Conference for the Family Health Services Administration and the Children and Youth Wellness program.

Your Committee on Conference added \$1,248,750 in general funds for each year of the biennium to purchase family planning services for women to address a critical shortage of needed services.

Your Committee on Conference is dedicated to ensuring that a system of care is provided for Hawaii’s seriously mentally ill population and has designated a total of \$20,000,000 in general funds over the biennium for the Adult Mental Health Division for purchase of service contracts, as well as the provision of core services in each county.

Recognizing that substance abuse still plagues our communities, your Committee on Conference provided \$735,833 in general funds for fiscal year 2007-2008 and \$1,817,500 in general funds for fiscal year 2008-2009 to continue funding adolescent school-based substance abuse treatment services at all public middle and intermediate schools statewide.

To accommodate the increasing number of individuals with developmental disabilities admitted to the Medicaid Home and Community-Based Services waiver program, your Committee on Conference provided full funding, requiring an additional \$8,764,412 in general funds and \$8,558,196 in interdepartmental transfer funds transferred from the Department of Human Services for fiscal year 2007-2008 and \$11,479,791 in general funds and \$12,239,470 in interdepartmental transfer funds for fiscal year 2008-2009 to meet the state matching requirements under Title XIX.

Your Committee on Conference continued funding of agency-operated developmental disabilities domiciliary homes and apartment complexes operating with a twenty-four-hour, seven day a week staff, by providing \$1,800,000 in general funds for each year of the biennium. Your Committee on Conference believes that this additional \$600,000 general fund subsidy over the executive branch's biennial request is necessary to preserve residential alternatives for the developmentally disabled and mentally retarded population. A total of \$115,255 in general funds over the biennium was also added to the Developmental Disabilities Council to establish and support a statewide self-advocacy network for persons with developmental disabilities.

Your Committee on Conference, however, is concerned that the Developmental Disabilities Division has yet to implement its long awaited reorganization that has been pending since the closure of Waimano Training School and Hospital. Such inaction is detrimental to sound public policy and programming and further impedes the overall efficiency of the division. To this end, your Committee on Conference urges the division to focus on remedying these deficiencies to meet on-going challenges.

Your Committee on Conference provided strong support over the next biennium to ensure and strengthen the continuum of care for individuals, families, and communities, statewide. Improving access to health care services, especially in rural areas, is an important priority for your Committee on Conference. To ensure the provision of comprehensive medical and health care services to the rural communities of Hana, Molokai, Wahiawa, and Waianae, your Committee on Conference provided an additional \$3,800,000 for each year of the biennium.

Emergency medical treatment and the stabilization and transportation of patients are critical to maintaining public health and safety. Your Committee on Conference provided \$4,089,269 in general funds for fiscal year 2007-2008 and \$3,762,622 in general funds for fiscal year 2008-2009 to meet increased operational requirements for various ambulance service contracts on the islands of Oahu, Hawaii, Kauai, and Maui.

Your Committee on Conference also provided \$1,783,000 in general funds for fiscal year 2007-2008 and \$1,645,000 in general funds for fiscal year 2008-2009 for the statewide maintenance of the Emergency Medical Services Medical Communications system. To cover the additional cost for aeromedical services for rural O'ahu, your Committee on Conference provided \$800,000 in general funds for each year of the biennium. Furthermore, your Committee on Conference provided an additional \$3,000,000 in general funds for fiscal year 2007-2008 and 2008-2009 for the City and County of Honolulu's Emergency Medical Services. Your Committee on Conference also added \$388,000 in general funds for fiscal year 2007-2008 and \$397,000 for fiscal year 2008-2009 to purchase two ambulances and two Lifepak 12 defibrillators for each year of the biennium to address the needs of Oahu's emergency medical services.

To ensure the availability of comprehensive quality health care and to alleviate the health care workforce shortage in Hawaii, especially on the neighbor islands, your Committee on Conference added a total of \$400,000 in general funds and \$250,000 in special funds over the biennium for the State Health Planning and Development Agency, in conjunction with an appropriate agency such as the John A. Burns School of Medicine, to develop and maintain a statewide comprehensive health care workforce map and database. Your Committee on Conference believes that this data is essential to understanding Hawaii's workforce needs and distribution, given the pending retirement in the near future of many members of the workforce who belong to the baby boom generation.

Hawaii Health Systems Corporation and Kahuku Hospital

Your Committee on Conference determined that it is necessary to subsidize the operation of Kahuku Hospital to ensure its continued operation as it affiliates with the Hawaii Health Systems Corporation. Thus, your Committee on Conference provided \$1,500,000 in general funds for each year of the biennium for that purpose. Your Committee on Conference, however, believes that the cost to subsidize Kahuku Hospital should remain separate from the rest of the Hawaii Health Systems Corporation's funding and thus created a new program – Kahuku Hospital (HTH 211) to ensure transparency and accountability.

Further, to maintain the current level of services for the Hawaii Health Systems Corporation, your Committee on Conference also provided a special fund ceiling increase of \$46,983,063 for fiscal year 2007-2008 and \$70,789,063 for fiscal year 2008-2009 for that purpose. This increase will allow the Hawaii Health Systems Corporation to qualify three hospitals, Kula, Ho'ola Hamakua, and Samuel Mahelona Memorial Hospitals for critical access hospital status and increased reimbursement rates for services. Your Committee on Conference also appropriated an additional \$3,000,000 in general funds for fiscal years 2007-2008 and 2008-2009 for trauma center services.

Housing and Homelessness

Your Committee on Conference believes that we can and must do a better job of providing basic shelter for those who cannot afford to buy or rent housing in Hawaii. For those already homeless or in danger of becoming so, your Committee on Conference provided \$4,392,348 for fiscal years 2007-2008 and 2008-2009 to operate homeless shelters, provide necessary services, and where possible, provide intervention services to prevent families from becoming homeless.

Your Committee on Conference recognizes that the number of affordable rental units needed is approximately three thousand four hundred, with the demand over the next five years reaching seventeen thousand units. To further the development of affordable rental housing units, your Committee on Conference provided \$15,000,000 for fiscal year 2007-2008 to be deposited into the Rental Housing Trust Fund, enabling additional gap equity low interest loans or grants to be available to developers of affordable rental housing units.

In order to increase the availability of, and safety in, public housing, your Committee on Conference provided \$5,835,000 for fiscal year 2007-2008 and \$4,430,000 for fiscal year 2008-2009 for security improvements, energy efficient appliances, and to expedite repairs and the rental of vacant units in public housing developments.

The Department of Hawaiian Home Lands continues to develop and deliver land to native Hawaiians and provide native Hawaiians with an opportunity at homeownership. In support of this effort, your Committee on Conference has provided \$486,668 in special funds for fiscal year 2007-2008 and \$638,336 in special funds for fiscal year 2008-2009 for costs related to the Department's move to Kapolei and \$1,100,000 in special funds for debt service expenses for the construction of its new facility.

Development of larger multi-home project sites in the Kapolei area is creating more opportunities for lease awards, and the facility move will allow the Department to be closer to the many families that receive lease awards. As growth in Leeward Oahu continues, the Department will have a permanent presence to better serve the native Hawaiian population.

Your Committee on Conference strongly supports the efforts of the Department of Human Services to provide critical services to those least able to provide for themselves.

Of those in need, the children are the most vulnerable. Child Protective Services has made commendable progress toward improving their services for the abused and neglected children of this State. In the "Child and Family Services Review, Program Improvement Plan," required by the federal government, measures of efficiency in dealing with the immediate and on-going needs of these children have increased considerably. Encouraged by this progress, your Committee on Conference has approved an additional \$2,500,000 in general funds and \$2,275,000 in federal funds in each year of the biennium for improved services, including essential training for foster homes and adoptive parents. This amount is \$500,000 more than the Administration's budget request, which would not have taken full advantage of federal matching for this critical need.

Treatment of incarcerated youths in Hawaii has also been the subject of recent federal scrutiny. After years of unacceptable conditions at the Hawaii Youth Correctional Facility, the United States Department of Justice entered into a Memorandum of Agreement with the State on February 7, 2006. The Memorandum of Agreement requires the Hawaii Youth Correctional Facility to protect incarcerated youth from harm, provide them with proper access to medical and mental healthcare, and provide special education services as needed. The Memorandum of Agreement was designed to mandate a high level of training for all youth corrections officers and their supervisors, while protecting high-risk youth from self-inflicted harm or harm from others.

While the Committee recognizes the progress cited in the Department of Justice's report dated November 15, 2006, there are still concerns with the Hawaii Youth Correctional Facility's inability to hire and retain qualified employees and utilize the already extensive funding approved last legislative session. Your Committee on Conference is therefore providing the Hawaii Youth Correctional Facility with \$229,100 in additional general funds for essential training, as well as contracts to help alleviate abusive employee sick leave practices, and requiring that a progress report be submitted prior to the next legislative session. It is our hope that the Office of Youth Services will continue in the positive direction they have taken and make great strides toward their improvement goals for the Hawaii Youth Correctional Facility.

During the 2006 session, the Legislature approved a request for \$1,300,000 for the Safe House Program on the island of Hawaii. This program offers the courts an alternative for youth in need of residential placement that is more structured than a traditional group home but less severe than incarceration at the Hawaii Youth Correctional Facility. Your Committee on Conference has learned that the most urgent need for an additional Safehouse is on Maui. Maui judges send the largest number of minor offenders to the Hawaii Youth Correctional Facility due to the lack of an alternative residential program. Therefore, your Committee on Conference is providing an additional \$900,000 in fiscal year 2007-2008 and \$700,000 in fiscal year 2008-2009 to fund a Safehouse on Maui that is projected to provide fourteen co-ed beds for troubled youth.

This program was funded for the past two years with the understanding that federal funding would become available. Your Committee on Conference has learned that difficulties with Family Court approvals have hindered the process. Your Committee on Conference encourages the Department of Human Services to work diligently with the courts to overcome these barriers so that in the near future this very valuable program can receive the Title IV-E federal funding which will enable further expansion.

An improved economy, successful work placement strategies, and the federal time limit for benefits have reduced the number of Hawaii families who rely on Temporary Assistance to Needy Families cash benefits. Under federal rules, Temporary Assistance to Needy Families funds may also be used for programs and services to strengthen families and youth who are at risk. Your Committee on Conference provided \$4,536,713 for fiscal year 2007-2008 for various purchase of service contracts that will strengthen families, teach life skills, and improve the employability of low income families throughout Hawaii. Your Committee on Conference expects that the Department will ensure that these services reach the families that so desperately need assistance.

Sex Abuse and Domestic Violence

Unfortunately, violence within families still exists in the State. Your Committee on Conference recognizes that sexual violence, domestic abuse, and related concerns are not only law enforcement issues but also social issues that must be addressed in multiple ways. To this end, your Committee on Conference provided \$1,076,217 in general funds for fiscal years 2007-2008 and 2008-2009 for the Statewide Sexual Violence Services program through the Department of the Attorney General.

Your Committee on Conference also provided a much needed increase in funding for domestic violence shelters throughout the State by authorizing an additional \$762,500, statewide, for each year of the biennium.

• East Hawaii	\$315,936
• Kauai	\$405,385
• Maui	\$411,538
• Molokai	\$250,475
• Leeward Oahu and Honolulu	\$733,514
• Windward Oahu	\$431,487
• West Hawaii	\$322,833

Your Committee on Conference believes that the additional funding for domestic violence shelters and sex assault services is necessary to assist victims of such abuse, whether adults or children. Your Committee on Conference notes that funds for legal support services, as well as intrafamilial sex abuse and domestic violence services, are contained in the Judiciary budget.

Education

For both higher and lower education combined, this measure provides an additional \$212,057,676 for fiscal year 2007-2008 and \$285,058,441 for fiscal year 2008-2009 in new general fund appropriations.

Lower Education

With the proper education, Hawaii's students can actively participate in shaping the world they will live in, become the skilled workforce desired by employers, and enable Hawaii to attract new businesses and industries that offer living wage jobs. Education is the key to creating and sustaining a healthy and diversified economy.

To assist Hawaii's children in unlocking their potential, your Committee on Conference continues to make public lower and higher education its top priority. Providing the necessary programs, equipment, materials, and technology for Hawaii's children will support our children's ability to participate and compete in the global economy. Toward this end, your Committee on Conference has reaffirmed its continued support for Hawaii's public schools by providing for the critical needs to improve student achievement, as determined by the priorities of the Board of Education and the Department of Education.

Your Committee on Conference has provided for the Department of Education's highest priority items, including several items that were not included by the Governor in the December submittal, although they were approved by the Board of Education. Your Committee on Conference is providing for the following programs and materials necessary to support our children:

- \$20,105,474 to continue Weighted Student Formula funding under Act 160, Session Laws of Hawaii 2006;
- \$10,000,000 in federal funds for impact aid;
- \$8,748,056 in fiscal year 2007-2008 and \$7,270,623 in fiscal year 2008-2009 to meet the requirements of the No Child Left Behind initiative and for English for Second Language Learners proficiency testing;
- \$4,287,401 for special education teachers and educational assistants for current Individualized Education Plan requirements;
- \$2,940,950 in fiscal year 2007-2008 and \$2,577,132 in fiscal year 2008-2009 for instructional equipment and furnishings for schools;
- \$1,000,000 for the Early Education Task Force for schools;
- \$1,100,000 to continue the Superintendent's fund to support the Weighted Student Formula implementation;
- \$1,162,565 in fiscal year 2007-2008 and \$1,521,007 in fiscal year 2008-2009 for energy efficiency projects for public libraries;
- \$1,000,000 for books and library materials for public libraries;
- \$800,000 for the continuation of funding for substitute teacher compensation;
- \$250,000 for a recruitment and retention support center for schools;
- \$79,891 for agricultural programs in schools;
- \$427,308 for educational interpretation for mainstream hearing-impaired students and \$38,610 for equipment and furnishings;
- \$400,000 in general funds in both fiscal years and \$596,801 for fiscal year 2007-2008 and \$1,096,801 for fiscal year 2008-2009 in special funds for non-school hour programs at schools;
- \$328,508 in fiscal year 2007-2008 and \$835,436 in fiscal year 2008-2009 for athletic health care trainers and supplies for school athletic programs;
- \$175,000 for PSAT testing for schools; and
- \$5,636,680 for the transfer of two hundred fifty-eight permanent and 17.8 temporary school health aid positions from the Department of Health to comply with the requirements of Act 51, Session Laws of Hawaii 2004, as amended by Act 225, Session Laws of Hawaii 2006.

Your Committee on Conference provided for increased funding for technology and accountability through the following appropriations for equipment, positions, infrastructure, and programs:

- \$3,571,956 in fiscal year 2007-2008 and \$2,782,414 in fiscal year 2008-2009 for information technology improvements, including an Electronic Comprehensive Student Support System, an Electronic Student Information System, and a Wide Area Network upgrade; and
- \$3,073,932 in fiscal year 2007-2008 and \$2,792,932 in fiscal year 2008-2009 for investments to improve fiscal accountability, including providing fifteen complex area business managers and three accountants, creating a new facilities asset management plan to support renovations and maintenance of public schools, and redeveloping a new financial management system that will integrate the existing financial and human resource systems.

Your Committee on Conference provided relief for the increasing cost of maintaining facilities and services by providing the following additions to the Department of Education budget:

- \$12,358,139 in fiscal year 2007-2008 and \$13,118,345 in fiscal year 2008-2009 for school food services;
- \$1,365,962 in fiscal year 2007-2008 and \$3,182,543 in fiscal year 2008-2009 for essential utility services;
- \$9,991,030 in fiscal year 2007-2008 and \$14,029,731 in fiscal year 2008-2009 for increasing school bus transportation contracted costs; and
- \$1,278,000 for increases in property insurance.

Your Committee on Conference believes that these appropriations will provide Hawaii's public school students with the resources needed to support increased student achievement.

Higher Education

An economy based on knowledge, ideas, and risk-taking is the reality our State must embrace, and the University of Hawaii, system-wide, is critical to achieving this reality. New technologies and new industries are just two of the opportunities available to a skilled and literate workforce. College graduates are likely to change jobs several times over a lifetime of work, and to get ahead, incumbent workers will learn new skills and gain additional knowledge at the University of Hawaii.

The University of Hawaii Board of Regents approved a detailed biennial operating budget request of \$67,950,071 in fiscal year 2007-2008 and \$116,644,851 in fiscal year 2008-2009 which included the creation of positions vital to the expansion of programs such as Workforce Training and Development (i.e. nursing, construction, teaching, and social work), Economic Diversification Initiatives, Native Hawaiian Studies, Student Services Enhancement and Expansion, and Distance Learning Initiatives. For these initiatives, the Governor requested \$46,702,713 in fiscal year 2007-2008 and \$83,880,216 in fiscal year 2008-2009 in a scaled down University of Hawaii budget. Your Committee on Conference has provided the University of Hawaii with \$62,297,570 in fiscal year 2007-2008 and \$101,811,884 in fiscal year 2008-2009 for programs including:

- Restoring \$250,000 in each year of the biennium to support Western Interstate Commission for Higher Education programs for students interested in the fields of veterinary medicine, dentistry, optometry, and occupational and physical therapy that currently are not offered at the University of Hawaii;
- Addressing the growing shortage of nurses with appropriations of \$1,322,270 in fiscal year 2007-2008 and \$2,568,276 in fiscal year 2008-2009 for Statewide Nursing Workforce Development at the community colleges, University of Hawaii-Hilo, and University of Hawaii-Manoa and funds for staffing and operational support, including \$400,000 for the Quentin Burdick Rural Health Professions program;
- \$3,634,725 in fiscal year 2007-2008 and \$3,953,817 in fiscal year 2008-2009 in general funds to support further expansion of the John A. Burns School of Medicine to address the shortage of medical specialists and fulfill its potential to become a world-class leader in health, biomedical, and biotechnology research, training, and teaching;
- \$834,084 in general funds and \$1,710,000 in special funds in fiscal year 2007-2008 and \$750,000 in general funds and \$3,454,903 in special funds in fiscal year 2008-2009 for the establishment of a College of Pharmacy for the University of Hawaii Hilo campus;
- \$800,000 in general funds and \$400,000 from the research and training revolving fund in each fiscal year for support of AIDS research to assist Asian-Pacific Islanders; and
- \$11,000,000 in each fiscal year in special funds to establish the Cancer Research Special Fund created by Act 316, Session Laws of Hawaii 2006.

Your Committee on Conference remains committed to the vision of creating a world-class institution of higher learning and provided approximately \$26,170,000 in fiscal year 2007-2008 and \$38,570,000 in fiscal year 2008-2009 in continued support of University of Hawaii programs, workforce, curriculum, and student educational development, including approximately \$5,193,925 in fiscal year 2007-2008 and \$9,967,997 in fiscal year 2008-2009 for the University of Hawaii-Hilo and \$8,218,973 in fiscal year 2007-2008 and \$16,665,608 in fiscal year 2008-2009 for community college programs and \$1,767,288 in fiscal year 2007-2008 and \$2,905,350 in fiscal year 2008-2009 for staffing development and the expansion of programs and curriculum for the long-anticipated West O'ahu campus in Kapolei.

Your Committee on Conference finds that the economic capital of the State can be expanded only if there exists a solid foundation upon which to build. Thus, your Committee on Conference provided \$1,500,000 in fiscal year 2007-2008 and \$2,000,000 in fiscal year 2008-2009 for the "B Plus" state scholarship program and \$510,000 in fiscal year 2007-2008 and \$605,000 in fiscal year 2008-2009 for the Graduate Professional Access and Health Careers Opportunity Programs. Your Committee on Conference believes that funding these programs is necessary to foster student interest in post-secondary education and provide the means for additional students to pursue their own career paths, thus adding to our State's economic well-being.

Another area of concern for the University is the sharp increase in fuel, utilities, and other costs related to energy consumption. The University is one of the highest single consumers of these resources and has had to explore options to fund its energy cost shortfalls. The new tuition schedule approved by the Board of Regents in September 2006 will positively and significantly impact the revenues of the system. Additionally, a sizable portion of its projected tuition revenues are earmarked for utilities. Your Committee on Conference commends the University for taking this proactive step in providing for its own energy consumption. Thus, your Committee on Conference provided \$15,150,000 in fiscal year 2007-2008 and \$35,950,000 in fiscal year 2008-2009 in special funds to enable the University of Hawaii at Manoa to address these expected shortfalls in operating and utility costs, as well as to fund faculty, staffing, and student employee costs, collective bargaining costs, and routine facility maintenance costs campus-wide. Your Committee on Conference remains confident that the tuition fee schedule adjustment proposed by the University will provide the needed additional funds despite an anticipated drop in attendance due to the increase in tuition.

Your Committee on Conference is steadfast in its belief that higher education is the foundation of the future economic growth and stability of the State. Your Committee on Conference provided a budget for the University that addresses increases in utilities and employee compensation, medical and scientific research, workforce shortages, critical program shortfalls in student development and growth, Native Hawaiian studies and program development, current and planned expansion of the University statewide, and supporting diversity and lifestyle initiatives to provide the best opportunities for the students, faculty, and employees of the University – present and future.

Environment

Land and Natural Resources

Much of what makes Hawai'i a great place to live or to visit is its natural resources. Preserving, protecting, and providing for our islands' resources for the future and present benefit is of utmost importance. Hawai'i is a prime visitor destination for world leaders, businesspeople, and families, as well as a prime location for movie producers and film crews. Families statewide can continue to enjoy our island lifestyle through the protection of our natural environment. For residents and visitors alike, your Committee on Conference has provided support to:

- Combat invasive species, including the coqui frog, by providing an additional \$1,000,000 in general funds and special funds for both fiscal years 2007-2008 and 2008-2009, for the Hawaii and county invasive species councils;
- Enhance the State Parks Interpretive program by appropriating approximately \$485,000 in special funds for visitor education, tours, and trails assistance;
- Expand conservation and resource enforcement with fifteen additional personnel and equipment, by appropriating \$1,894,169 in fiscal year 2007-2008 and with twenty-five positions and \$1,969,240 in fiscal year 2008-2009;
- Encourage prevention of wildfires by creating a full-time Firewise Communities program coordinator for community outreach and education and providing additional ongoing state support of interdepartmental firefighting efforts with overtime pay, replenishment of outdated equipment, vehicles, and communications and life-saving apparatus by appropriating approximately \$330,000 in fiscal year 2007-2008 and \$340,000 in fiscal year 2008-2009; and
- Assist in reforestation, land and road restoration, and hazard control efforts for the over two thousand three hundred acres of public forest lands in the Kula Forest Reserve, Upper Waiohuli, Maui destroyed in the January 2007 wildfire by appropriating \$3,115,000 in special funds over the biennium for these purposes.

To protect wildlife and ensure the safety of residents and homes, your Committee on Conference has also appropriated \$500,000 in general funds for fiscal year 2007-2008 and \$420,000 for fiscal year 2008-2009 for Kawai Nui Marsh, which is an important wetland habitat for endemic and endangered native Hawaiian birds as well as a significant flood control reservoir.

To support the safe enjoyment of our natural resources, your Committee on Conference has also provided \$606,534 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 for lifeguard services, and \$312,921 in special funds for lifeguard equipment costs in fiscal year 2007-2008 at Makena beach on Maui and Ke'e beach on Kaua'i.

Agriculture

Invasive pests threaten not only Hawai'i's native plants and wildlife, but agricultural crops and livestock as well. Hawai'i's agricultural industry contributes to our economy and remains an integral part of our State's character. With the continual threat of invasive pests that can damage our local consumption and export industry, the control and eradication of such pests is essential. Your Committee on Conference has therefore provided:

- \$196,014 for fiscal year 2007-2008 and \$236,352 for fiscal year 2008-2009 in general funds for five permanent positions to meet state mandates for bio-control research of natural enemies of invasive species;
- \$179,240 for fiscal year 2007-2008 and fiscal year 2008-2009 in general funds to continue the brown tree snake prevention program to defend against a threat that could potentially cost the State \$485,000,000 annually;
- \$500,000 in interdepartmental transfer funds for the Invicta manifest system to help efficiently allocate the Department of Agriculture's resources; and
- \$220,192 in federal funds for fiscal year 2007-2008 and fiscal year 2008-2009 for three temporary positions to assist the Plant, Pest, and Disease Control Division.

Your Committee on Conference finds that the *Varroa destructor* is a mite that feeds off of honeybees and is spread to other bees through direct contact. These parasites have destroyed more than half of some beekeepers' hives in the continental United States, and have essentially wiped out all wild honeybees there. The mite was discovered in Makiki in early April and has since been confirmed in hives around the island of Oahu. The local beekeeping industry is particularly concerned that the mite has the potential to devastate the burgeoning commercial queen bee export industry on the Big Island.

Your Conference Committee is gravely concerned with the mite's impact on our local beekeepers and has appropriated \$650,000 for fiscal year 2007-2008 to study the level of mite infestation in the State and to work toward controlling this latest invasive specie.

Business, Economic Development and Tourism

Your Committee on Conference has remained steadfast in its support of Hawaii's existing business and economic engines. Specifically, in recognition of the importance of tourism to the State's economy, your Committee on Conference provided \$14,595,156 in special funds for fiscal year 2007-2008 and fiscal year 2008-2009 for the Hawaii Tourism Authority in support of our State's efforts to preserve Hawaii's ranking as a pre-eminent visitor destination.

With respect to energy, your Committee on Conference finds that sustainable communities in Hawaii's future must attain greater energy efficiencies and reductions in our reliance on fossil fuels. Your Committee on Conference provided two temporary positions and \$130,000 in general funds and \$500,000 in federal funds for fiscal year 2007-2008 and fiscal year 2008-2009 to implement the energy efficiency and renewable energy programs in the State. Additionally, recognizing the importance of the Hawai'i Renewable Hydrogen Program, your Committee on Conference provided \$4,742,500 in special funds for fiscal year 2007-2008 and \$2,609,375 for fiscal year 2008-2009 for venture capital investments in private sector and federal projects that support this initiative.

Defense

Your Committee on Conference provided the necessary support to the Department of Defense to carry out its mission to ensure the safety of the public and to ensure that recovery efforts following the occurrence of natural or man made disasters are expeditiously executed. Your Committee on Conference approved:

- \$1,136,202 for fiscal year 2007-2008 and for fiscal year 2008-2009 as a reserve for public assistance and damage recovery in case of a disaster;
- \$111,483 for fiscal year 2007-2008 and \$148,645 for fiscal year 2008-2009 to provide a core disaster recovery staff;
- \$191,129 for fiscal year 2007-2008 and \$234,335 for fiscal year 2008-2009 to install and maintain a state siren warning system;
- \$1,836,611 for fiscal year 2007-2008 and \$1,896,753 for fiscal year 2008-2009 for the Hawaii National Guard Environmental Office; and
- \$25,000 for both fiscal years of the biennium to provide an additional subsidy to the Civil Air Patrol;

The efforts extended by our armed forces are greatly appreciated by the State. Your Committee on Conference provided the following program support for our armed forces veterans:

- \$37,500 for a quarterly veterans' benefit and entitlement newsletter;
- \$33,230 for a Clerk Typist I to assist in clearing the backlog of unprocessed discharge documents;
- \$8,000 for travel expenses for an Office of Veterans' Services Counselor; and
- \$144,180 for fiscal year 2007-2008 and \$152,192 for fiscal year 2008-2009 for maintenance of veterans' cemeteries.

Public Safety

Your Committee on Conference notes that Hawaii continues to struggle with the persistent growth of the inmate population and a high rate of recidivism among convicted offenders. The traditional solution to prison overcrowding is to add prison beds by building new facilities or

expanding others. With the unlikelihood of any new facilities being built in the near future, your Committee on Conference, working closely with your Committee on Public Safety, recognizes the need for interim measures.

The primary strategy used by this Administration to reduce overcrowding has been to transfer inmates out of State. However, with a total of over 2,112 inmates (1,939 males and 173 females) housed in out of state facilities, and the escalating costs associated with those inmates, your Committee on Conference finds it necessary to support programs that reduce recidivism, upgrade the physical condition of existing facilities, and develop a transitional housing and release program to keep released inmates from returning to prison.

As previously mentioned, your Committee on Conference supports programs that assist in developing practical skills for inmates so that, upon release, their chances of obtaining gainful employment and becoming productive citizens increase and the propensity for recidivism decreases. Your Committee on Conference notes that important initiatives for community reintegration programs are contained in other legislative proposals. Your Committee on Conference provided for the following correction programs in the hopes of decreasing inmate recidivism:

- \$7,335,451 in revolving funds for fiscal year 2007-2008 and fiscal year 2008-2009 for the Correctional Industries program to provide inmates with experience in working in various trades and to increase their ability to become productive citizens upon release from prison;
- Three positions and \$408,552 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 to continue traditional substance abuse services for inmates participating in Project Bridge programs;
- \$150,000 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 for inmate transition and job development programs;
- Four positions and \$143,472 in general funds for fiscal year 2007-2008 and four positions and \$168,576 in general funds for fiscal year 2008-2009 for re-entry case workers to ensure that offenders will have housing and employment upon release from prison;
- \$50,000 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 for an intensive re-entry program that will serve women offenders within one year to six months of their release from prison to provide them with life skills training;
- \$98,700 in general funds for fiscal year 2007-2008 and \$75,000 in general funds in fiscal year 2008-2009 to establish a culinary arts training program and to fund a landscape training program at the Women's Community Correctional Center; and
- \$50,000 in general funds for fiscal year 2007-2008 and \$26,000 in general funds for fiscal year 2008-2009 to support a vocational program offered by the mason's union to train inmates to become masons.

Looking to the future, your Committee on Conference has appropriated \$5,000,000 for the planning and design of one or more new correctional facilities on the island of Hawaii to provide no fewer than five hundred beds and appropriate space for drug treatment and other rehabilitative programs. It is hoped that the Administration will recognize the value of this appropriation as each passing day delays the availability of modern and efficient correctional facilities in the State.

Your Committee on Conference notes that there is a growing personnel vacancy problem in the Department of Public Safety. In testimony before the Senate Committee on Ways and Means on January 9, 2007, the Department noted that there were close to three hundred vacant positions, totaling over \$11,000,000 in general fund costs alone. Some of these vacancies date back to 1989. Your Committee on Conference is certain that a portion of the \$11,000,000 in vacancies is being used for purposes other than filling positions (as evidenced by the vintage of some of the vacancies). Therefore, your Committee on Conference eliminated eighteen positions and \$665,160 in general funds for positions that have been vacant for three years or longer. Your Committee on Conference believes that it is in the best interest of the Department to prepare a plan to address the vacancy problem before future vacant positions and funds are removed – potentially impacting items being funded with vacancy savings.

Other Department Highlights

To expand and update the State Institutional Network, your Committee on Conference provided \$2,400,000 for fiscal year 2007-2008. Your Committee on Conference recognizes the critical importance of the network and the numerous departments that utilize its various telecommunication services.

To help expedite the speed of businesses and professionals to obtain their professional and vocational licensing, your Committee on Conference has provided \$258,000 for fiscal year 2007-2008 for a records scanning project that will move all hard documents into electronic format. With the move away from paper records, the professional and vocational licensing process will become that much more efficient.

Pursuant to Act 143, Session Laws of Hawaii 2006, the Public Utilities Commission reported to the Legislature during the 2007 session on the findings from the organizational review of its operations. Upon recommendation from your Committee on Commerce, Consumer Protection, and Affordable Housing to implement the first phase of the proposed Public Utilities Commission reorganization, your Committee on Conference provided seven positions and \$495,790 in special funds for fiscal year 2008-2009 to implement the restructuring. In addition, your Committee on Conference approved \$609,710 in special funds for fiscal year 2008-2009 to relocate the Commission to new offices.

The Public Utilities Commission also requested permanent staff and funding for the Petroleum Industry Monitoring program it inherited from the Department of Business, Economic Development and Tourism under Act 78, Session Laws of Hawaii 2006. Your Committee on Conference provided three positions and \$213,595 in special funds for both years of the biennium.

GOVERNMENT ACCOUNTING AND STANDARDS BOARD – STATEMENT 45

The Government Accounting and Standards Board, was organized in 1984 to establish standards of financial accounting and reporting for state and local governmental entities. These standards guide the preparation of external financial reports of those entities.

In April 2004, the Government Accounting and Standards Board issued its Statement No. 45, which established standards for measuring and recognizing other postemployment benefits that primarily consist of retiree healthcare services. Because many government agencies cover healthcare costs on a pay-as-you-go basis, a large unfunded liability has developed. Recently, consultants reported that Hawaii's liability is approximately \$11,100,000,000. To put this amount in perspective, this is over twice as large as the State's annual general fund budget.

Not addressing this liability may have an impact on the State's bond rating, which would have a long-term effect on the State's ability to issue debt, as well as impact the amount that it pays for its debt. In one scenario proposed by the State's consultant, Hawaii would pay an additional

\$340 million per year for its healthcare payments, an amount larger than the total annual budgets of the Department of Land and Natural Resources and the Department of Business, Economic Development, and Tourism combined.

This is a critical problem with which government will soon have to deal. Your Committee on Conference would be remiss if it did not mention the substantial liability that will affect all government entities in the near future. Your Conference Committee has great concerns and would like to see all stakeholders – the Governor, the mayors, and state and county legislators – come together to determine the best way to address this liability.

CAPITAL IMPROVEMENT PROGRAM HIGHLIGHTS

Investing in our educational system's infrastructure is a top priority of your Committee on Conference, and as such, the Capital Improvement Program budget devotes significant resources toward enhancing and expanding public school and University of Hawaii facilities. Your Committee on Conference provided a total of \$411,231,000 and \$340,150,000, in capital improvements, by all means of financing, for the Department of Education and the University of Hawaii, respectively. The following are a few highlights:

Department of Education (by all means of financing)

- \$155,923,000 for Department of Education statewide support, including the following lump sum items:
 - \$75,000,000 for school building improvements;
 - \$25,000,000 for electrical system improvements;
 - \$9,000,000 for compliance with the Americans with Disabilities Act;
 - \$8,000,000 for noise and heat abatement;
 - \$5,000,000 for compliance with the Clean Water Act;
- \$67,683,000 for Ewa Makai Middle School;
- \$41,377,000 for Wailuku II Elementary School; and
- \$20,000,000 for Kihei High School.

University of Hawaii (by all means of financing):

- \$135,000,000 for the University of Hawaii-West Oahu;
- \$32,067,000 for capital renewal and deferred maintenance;
- \$17,933,000 for health, safety, and various code requirements;
- \$6,837,000 for temporary facilities for nursing programs at community colleges statewide; and
- \$41,579,000 for the new Windward Community College Library and Learning Resources Center.

Other Highlights (by all means of financing)

- \$55,666,000 for various improvements to small boat harbors statewide;
- \$30,780,000 for dam and reservoir safety improvements statewide;
- \$25,000,000 for renovations, repair and maintenance, and elevator improvements for public housing projects statewide;
- \$20,950,000 for various improvements to state parks statewide;
- \$20,000,000 for Hawaii Health Systems Corporation health and safety projects system wide;
- \$19,000,000 for energy conservation improvements in state buildings; and
- \$12,092,000 for repairs and improvements to existing Department of Public Safety facilities.

Conclusion

With relatively modest revenue projections for Hawaii and the nation, as well as the troubling specter of inflation, your Committee on Conference has appropriated resources that reflect prudence and provide for sustainability. Your Committee on Conference will not soon forget the fiscal crises of the past, but looks to the future with cautious optimism, knowing the resources provided in this budget will address the urgent infrastructure and service needs of the State and provide for the strengthening of our families and communities, thus positioning Hawaii for success in the global economy and the sustaining of Hawaii as a great place to not only visit, but to *live*.

As affirmed by the record of votes of the managers 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. 500, 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. 500, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Baker, Chun Oakland, English, Fukunaga, Hooser, Kim, Menor, Tokuda, Tsutsui, Hemmings, Whalen, Managers on the part of the Senate. Ayes, 9. Noes, none. Excused, 2 (English, Menor). Representatives M. Oshiro, Belatti, Brower, Carroll, Chong, Hanohano, Har, Lee, Magaoay, Manahan, Mizuno, Nakasone, Rhoads, Sagum, Tokioka, Awana, Meyer, Ward, Managers on the part of the House. Ayes, 17. Noes, none. Excused, 1 (Carroll).

Conf. Com. Rep. 94 on H.B. No. 1212

Your Committee on Conference provided an additional \$13,160,304 in general funds and \$796,705 in special funds for fiscal year 2007-2008 and an additional \$10,255,303 in general funds and \$204,067 in special funds for fiscal year 2008-2009, increasing the Judiciary's total budget for fiscal years 2007-2008 and 2008-2009 to \$149,488,167 and \$145,990,528, respectively.

Your Committee on Conference recognizes that the Judiciary is experiencing an increase in demand for its services resulting in dwindling resources. Your Committee on Conference addressed this situation by providing funding to improve the efficiency and productivity of existing programs and services and provide additional staffing and resources to ensure that the Judiciary is able to maintain its level of service as demand rises. Your Committee on Conference provided:

- (1) \$2,181,648 in general funds and special funds for fiscal year 2007-2008 and \$277,344 in general funds and special funds for fiscal year 2008-2009 for technology related items; and
- (2) \$1,291,439 and \$1,408,372 in general funds and special funds for fiscal year 2007-2008 and fiscal year 2008-2009, respectively, for the Hilo Courthouse.

Your Committee on Conference also supports the Judiciary's efforts to improve access to its services to better meet the needs of Hawaii's underserved populations. In this regard, your Committee on Conference provided the following:

- (1) \$268,198 in additional general funds for fiscal year 2007-2008 and fiscal year 2008-2009 for domestic violence services;
- (2) \$75,000 for the Hawaii Family Law Clinic;
- (3) \$200,000 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 for intrafamilial sex abuse treatment services for child victims;
- (4) \$395,852 and \$439,706 in general funds and special funds for fiscal year 2007-2008 and fiscal year 2008-2009, respectively, for Girls Court;
- (5) \$70,816 in general funds and special funds and \$84,288 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009, respectively, for the Children's Justice Center; and
- (6) \$100,000 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009, respectively, for the Office of Equality and Access to the Courts to address increased interpreter fees.

In addition to the resources provided for the Judiciary's operating requirements, your Committee on Conference appropriated \$27,750,000 in general obligation bonds for each fiscal year for various renovations, repairs, and improvements to Judiciary facilities statewide. This amount includes \$25,200,000 to finally complete construction of the Kapolei Judiciary Complex.

As affirmed by the record of votes of the managers 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. 1212, 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. 1212, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Baker, Kokubun, Tsutsui, Gabbard, Managers on the part of the Senate. Ayes, 5. Noes, none. Excused, none. Representatives Waters, M. Oshiro, Ward, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 95 on H.B. No. 1200

The purpose of this measure is to appropriate funds for the operating and capital improvement expenses of the Office of Hawaiian Affairs for the fiscal biennium July 1, 2007, through June 30, 2009.

The budget for the Office of Hawaiian Affairs has remained relatively stable over the past several years, and this measure maintains that stability. In addition to several small housekeeping transfers within its budget, the Office of Hawaiian Affairs has also requested additional funding for two programs--the Multi Service Project for Alu Like, Inc., and Na Pua No'eau.

Additional funding for these programs will enable the Office of Hawaiian Affairs to provide additional services to its target population. Specifically, Alu Like, Inc., provides essential social services, community economic development, business assistance, employment preparation, training, library services, and educational and childcare services. Also, the Na Pua No'eau program nurtures leadership qualities in native Hawaiian children and offers educational programs that better prepare Hawaiian youth for the future.

Your Committee on Conference has provided full funding for all of the Office of Hawaiian Affairs' operating-budget initiatives.

The Office of Hawaiian Affairs requested that the \$56,040,000 needed to construct a new office building and cultural center in Kakaako be shared between the Office of Hawaiian Affairs and the State--with fifty per cent coming from its trust funds and the other fifty per cent from general obligation bond funds. Your Committee on Conference supports the development of an office building for the Office of Hawaiian Affairs and a cultural center to showcase and perpetuate the Hawaiian culture. However, the Office of Hawaiian Affairs has over \$400,000,000 in trust funds at its disposal and receives annual payments from the State of at least \$15,000,000. Accordingly, your Committee on Conference has funded the project completely through the use of the Office of Hawaiian Affairs' trust 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. 1200, 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. 1200, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, Baker, English, Hee, Tsutsui, Slom, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 2 (English, Slom). Representatives Ito, M. Oshiro, Awana, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 96 on H.B. No. 928

The purpose of this bill is to:

- (1) Increase low- and moderate-income families' homeownership by exempting family self-sufficiency escrow accounts from the asset test for public assistance;
- (2) Appropriate funds for programs and services providing homeownership assistance; and
- (2) Increase state supplemental payments for certain domiciliary care and require a portion of the payment to be retained by the recipient for personal use.

Your Committee on Conference has amended this bill by:

- (1) Inserting an appropriation amount of \$500,000 for each year of fiscal biennium 2007-2009 for programs and services providing homeownership assistance;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 928, 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. 928, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Tsutsui, Hooser, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Hemmings). Representatives Shimabukuro, Rhoads, Awana, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 97 on H.B. No. 1899

The purpose of this bill is to ensure the conservation of Kawai Nui Marsh, one of our state's largest and most important remaining wetlands, by:

- (1) Transferring ownership of lot 3 of Kawai Nui Marsh from the City & County of Honolulu (C&C of Honolulu) to the State to take advantage of federal funds, by September 1, 2007; and
- (2) Appropriating funds for the Department of Land and Natural Resources (DLNR) to:
 - (A) Maintain the Kawai Nui Marsh or contract with the C&C of Honolulu or any other public or private entity to maintain the Kawai Nui Marsh; and
 - (B) Conduct or contract for educational, ecological, cultural, and environmental services for Kawai Nui Marsh and its adjoining state-owned areas.

Your Committee on Conference has amended this bill by:

- (1) Deleting the appropriations for DLNR to maintain Kawai Nui Marsh or contract with the C&C of Honolulu to maintain Kawai Nui Marsh;
- (2) Deleting the appropriations to conduct or to contract for educational, ecological, cultural, and environmental services for Kawai Nui Marsh and its adjoining state-owned areas, as this appropriation has been addressed in the budget;
- (3) Changing the effective date to July 1, 2007; and
- (4) Making technical, nonsubstantive amendments for 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. 1899, 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. 1899, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Tokuda, Baker, Kokubun, Hee, Slom, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Slom). Representatives Ito, Chong, Thielen, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 98 on H.B. No. 869

The purpose of this bill is to reduce Hawaii's dependence on oil by appropriating funds to the University of Hawaii to conduct a study on energy-efficient transportation strategies in conjunction with the Department of Business, Economic Development, and Tourism.

Your Committee on Conference has amended this bill by:

- (1) Inserting the sum of \$50,000 for the study; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 869, 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. 869, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators English, Sakamoto, Menor, Baker, Gabbard, Managers on the part of the Senate. Ayes, 5. Noes, none. Excused, none. Representatives Morita, Souki, Carroll, Thielen, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 99 on H.B. No. 1614

The purpose of this bill is to support efforts to reduce and eliminate drug nuisances by appropriating funds for the enforcement and prosecution of drug nuisance abatement laws and to fund additional positions in the Drug Nuisance Abatement Unit of the Department of the Attorney General.

Your Committee on Conference amended the bill by:

- (1) Inserting an appropriation amount of \$150,000 for fiscal year 2007-2008 for additional positions for the Drug Nuisance Abatement Unit; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1614, 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. 1614, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Baker, Kokubun, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Waters, Lee, Pine, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 100 on H.B. No. 1004

The purpose of this bill is to enhance protections for consumers by:

- (1) Requiring the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (Division) to restructure its operations pursuant to the Division's December 2006 report to the Legislature to improve its effectiveness and efficiency;
- (2) Appropriating funds to meet the costs incurred as a result of the restructuring process; and
- (3) Appropriating funds to the Office of the Auditor for research and support services necessary to protect Hawaii consumers by developing additional deterrents for identity theft.

Your Committee on Conference has amended this measure by:

- (1) Inserting the following appropriation amounts:
 - (A) \$168,000 for fiscal year 2007-2008 and the same sum for fiscal year 2008-2009 for additional positions in the Division;
 - (B) \$30,000 for fiscal year 2007-2008 and the same sum for fiscal year 2008-2009 to send professional staff of the Division to specialized training seminars; and
 - (C) \$100,000 for fiscal year 2007-2008 from the Compliance Resolution Fund for the Office of the Auditor to provide research and support services to develop deterrents for identity theft;
- (3) Giving business and government an additional year to comply with the social security number protection provisions of Act 137, Session Laws of Hawaii 2006, by extending the effective date of Act 137 to July 1, 2008; and
- (4) Changing the effective date to June 30, 2007, except for the appropriations in this bill, which are to take effect on July 1, 2007.

As affirmed by the record of votes of the managers 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. 1004, 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. 1004, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Baker, Fukunaga, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Slom). Representatives Herkes, Morita, Waters, Magaoay, Carroll, Marumoto, Managers on the part of the House. Ayes, 6. Ayes with Reservations, 1 (Marumoto). Noes, none. Excused, none.

Conf. Com. Rep. 101 on S.B. No. 1853

The purpose of this measure is to preserve and sustain Native Hawaiian indigenous resources management practices by creating an `Aha Moku Council System that will provide advisory assistance to the Department of Land and Natural Resources on all matters regarding the management of the State's natural resources.

Specifically, this measure adds a new chapter to title 12, Hawaii Revised Statutes, that:

- (1) Establishes an `Aha Moku Commission to assist in the formation of regional `Aha Moku Councils, which will serve in an advisory capacity on all matters regarding the management of the State's natural resources; and
- (2) Requires the Department of Land and Natural Resources to seek advisory assistance from the `Aha Moku Councils in developing a comprehensive set of best practices for natural resources management.

Your Committee on Conference finds that developing an `Aha Moku Council System that incorporates and represents all thirty-seven moku statewide will enable the development of a comprehensive set of best practices for natural resources management, which will reflect and sustain traditional Native Hawaiian practices. Your Committee on Conference emphasizes that the formation of an `Aha Moku Council System will be an inclusive process and not limited to participation from Native Hawaiians.

Your Committee on Conference has amended this measure:

- (1) Deleting the new chapter added to title 12, Hawaii Revised Statutes, and replacing it with language that creates an `Aha Kiolo Advisory Committee to:
 - (A) Explore, examine, and derive best practice models for the creation of an `Aha Moku Council System and `Aha Moku Council Commission;

- (B) Explore best practice models to establish an administrative structure, including member criteria and selection, for the creation of an `Aha Moku Council Commission to oversee an `Aha Moku Council System;
 - (C) Establish goals and objectives for an `Aha Moku Council Commission and `Aha Moku Councils to accomplish, including benchmarks for long-term planning;
 - (D) Establish a feasible operational budget for an `Aha Moku Council Commission; and
 - (E) Submit written reports of its findings and recommendations, including any legislation, to the Legislature prior to the convening of the 2008 and 2009 Regular Sessions;
- (2) Deleting the blank appropriation amount and replacing it with an appropriation of \$110,000 for each year of the 2007-2009 fiscal biennium for the administrative costs of the `Aha Kiole Advisory Committee and for allowing each of the thirty-seven moku statewide to participate in the discussion on the creation of an `Aha Moku Council System;
 - (3) Changing the effective date of this measure from July 1, 2020, to effective upon approval and changing the effective date of the appropriation from July 1, 2020, to July 1, 2007; and
 - (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1853, 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. 1853, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, Baker, English, Hee, Slom, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Slom). Representatives Ito, Carroll, Chong, Hanohano, Awana, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 102 on S.B. No. 1382

The purpose of this bill is to appropriate funds for collective bargaining cost items for collective bargaining unit (2) and their excluded counterparts, including the cost of salary adjustments and contributions to the Hawaii employer-union health benefits trust fund.

Your Committee finds that the public employer has entered into agreements with the exclusive representative of bargaining units (2), (3), (4), (6), (8), and (13). The exclusive representative has notified the public employer that their membership has ratified the agreements, and in accordance with law, the public employer has submitted the cost items to the Legislature for appropriation within ten days of the ratification.

Your Committee has amended this measure as follows by:

- (1) Adding collective bargaining units (3), (4), (6), (8), and (13), and their excluded counterparts for funding under this measure;
- (2) Incorporating the funding figures agreed upon between the public employer and the exclusive representative of the bargaining units and the funding figures for their excluded counterparts; and
- (3) Providing a separate break out of funding for the Department of Education, including the public library 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. 1382, 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. 1382, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Baker, Kokubun, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Sonson, M. Oshiro, Meyer, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 103 on S.B. No. 1388

The purpose of this bill is to appropriate funds for all collective bargaining cost items for collective bargaining unit (9) and their excluded counterparts.

Your Committee finds that the decision of the arbitration panel appointed pursuant to law for collective bargaining unit (9) has been received by the Governor who, pursuant to section 89-11(g), Hawaii Revised Statutes, has transmitted, to the Legislature for appropriation, proposed legislation containing all items requiring moneys for implementation. Your Committee finds that this measure will fund the arbitration award for collective bargaining unit (9) for the upcoming fiscal biennium.

Your Committee has amended this measure as follows:

- (1) By incorporating the funding figures reached under the arbitration award; and
- (2) By providing a separate break out of funds for the Department of Education.

As affirmed by the record of votes of the managers 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. 1388, 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. 1388, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Baker, Kokubun, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Sonson, M. Oshiro, Meyer, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 104 on S.B. No. 1372

The purpose of this bill is to allow state departments and agencies, with the approval of the Department of Budget and Finance, to enter directly into financing agreements to finance the construction of facilities and to lease or purchase equipment.

Your Committee finds that allowing other departments and agencies to directly enter into financing agreements will effectively achieve a balance between increased government efficiency and continued oversight over the agreements by the Department of Budget and Finance.

Your Committee has amended this measure by making several technical amendments for the purposes of clarity and style and by changing the effective date from July 1, 2020, 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. 1372, 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. 1372, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Baker, Tsutsui, Whalen, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Whalen). Representatives M. Oshiro, Lee, Meyer, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 105 on S.B. No. 990

The purpose of this measure is to increase the transparency of petroleum industry pricing by:

- (1) Requiring the Public Utilities Commission (PUC) to refer to the Attorney General for prosecution, deceptive, false, or misleading statements, and unlawful profiteering discovered in connection with PUC's regulation under chapter 486H, Hawaii Revised Statutes (HRS), Gasoline Dealers, or chapter 486J, HRS, the Petroleum Industry Information Reporting Act (Reporting Act);
- (2) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to use the information obtained under the Reporting Act to support the DBEDT Director's role as the State Energy Resources Coordinator and conduct strategic and systematic energy planning and emergency preparedness activities; and
- (3) Appropriating funds to allow the PUC to hire staff and administer the Reporting Act and DBEDT to fulfill its analysis and planning responsibilities as State Energy Resources Coordinator under the Reporting Act.

Your Committee on Conference finds that there is a need for more transparency in the petroleum industry and this measure seeks to address this issue by requiring the PUC to report petroleum industry profiteering or false or deceptive statements to the Attorney General, requiring DBEDT to use the information to conduct strategic and systematic energy planning and emergency preparedness activities, and allowing the PUC to examine and investigate distributors.

Your Committee on Conference has amended this measure by:

- (1) Removing section 1, the purpose section, of this measure;
- (2) With regard to the filing requirements of section 486J-3, HRS, removing the language allowing filing at other appropriate time intervals and on dates to be determined by the PUC;
- (3) Amending section 9 of the measure to require that the PUC publicly report information within fourteen days rather than thirty days and by removing the language giving the PUC the discretion to disclose the information as soon as practically and technically feasible;
- (4) Appropriating \$1,200,000 out of the general fund for fiscal year 2007-2008 to be deposited into the Petroleum Industry Monitoring, Analysis, and Reporting Special Fund;
- (5) Appropriating \$1,200,000 out of the Petroleum Industry Monitoring, Analysis, and Reporting Special Fund for fiscal year 2007-2008 to administer, implement, and maintain the Petroleum Industry Monitoring, Analysis, and Reporting Program; and
- (6) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 990, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 990, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Tsutsui, Slom, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Slom). Representatives Morita, Herkes, Carroll, McKelvey, Thielen, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 106 on S.B. No. 1402

The purpose of this measure is to promote the installation of wind resistive devices for homes by appropriating funds out of the Loss Mitigation Grant Fund to be used for the purposes of the Loss Mitigation Grant Program.

The measure also makes the installation of residential safe rooms eligible for loss mitigation grant funds.

Your Committee on Conference finds that Act 5, Special Session, Session Laws of Hawaii 2005 (Act 5), appropriated \$2,000,000 for the Loss Mitigation Grant Program to provide grants for the installation of wind resistive devices for dwellings. The funds, however, have since lapsed due to the time consuming development of technical standards and program guidelines needed to administer the program.

This measure re-appropriates funds under Act 5 to allow the grants to be awarded as intended under the original Loss Mitigation Grant Program and for the installation of residential safe rooms.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$2,000,000 out of the Loss Mitigation Grant Program; and
- (2) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 1402, 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. 1402, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Tsutsui, Slom, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Slom). Representatives Herkes, Lee, McKelvey, Marumoto, Managers on the part of the House. Ayes, 4. Ayes with Reservations, 1 (McKelvey). Noes, none. Excused, none.

Conf. Com. Rep. 107 on S.B. No. 1946

The purpose of this measure is to increase the safety and effectiveness of dams and reservoirs and prevent future dam failures in the State.

Specifically, this measure:

- (1) Requires the owner or operator of each dam to hold a valid certificate of approval to impound water;
- (2) Allows authorized personnel of the Department of Land and Natural Resources (DLNR) to enter upon any property, public or private, at reasonable times, without notice, to investigate the condition or operation of any dam;
- (3) Makes it unlawful to refuse entry to any authorized personnel of DLNR to inspect a dam or reservoir;
- (4) Grants DLNR rights to injunctive relief to enforce the provisions of Chapter 179D, Hawaii Revised Statutes (Dam and Reservoir Safety Act (Act));
- (5) Allows DLNR, in cases of emergency, to employ immediate remedial measures, at the cost of the owner of a dam or reservoir, to protect life and property;
- (6) Establishes a Dam and Reservoir Safety Special Fund to implement the Act;
- (7) Allows liens to attach to the property of a dam or reservoir owner for the costs of any remedial measures taken by DLNR;
- (8) Requires dams and reservoirs completed prior to the effective date of this measure to apply for a certificate of approval to impound water;
- (9) Requires dams or reservoirs up to ninety per cent completed on the effective date of this measure to submit, for approval by DLNR, plans and specifications for any dam or reservoir construction, enlargement, repair, or removal, prior to commencing the work contemplated;
- (10) Permits a dam or reservoir owner to continue to impound water while in the process of applying for a certificate of approval to impound water, unless the Board of Land and Natural Resources (BLNR) determines that the dam or reservoir poses a danger to the health and safety of persons or property;
- (11) Requires DLNR to submit annual reports to the Governor and Legislature relating to the Act;
- (12) Requires dam and reservoirs owners regulated by the Act to, among other things:
 - (A) Maintain an operation and maintenance plan, including an inspection and monitoring program;
 - (B) Establish an emergency action plan for high and significant hazard potential dams and reservoirs;
 - (C) Facilitate access by any necessary state agency or representative to the dam, reservoir, or appurtenances; and
 - (D) Furnish, upon request, plans, specifications, operating and maintenance data, and other pertinent information;
- (13) Gives the State, BLNR, or DLNR immunity from actions for damages sustained by the failure of private dams or reservoirs regulated by the Act;
- (14) Allows BLNR to catalog and maintain an inventory of all regulated dams and reservoirs under the Act;
- (15) Establishes administrative penalties of up to \$25,000 per day for a first violation of the Act, or any rule, order, or condition adopted pursuant to the Act;
- (16) Makes it a class C felony and establishes monetary criminal fines of up to \$25,000 per day for a first violation, and up to \$50,000 per day for subsequent violations for any person who negligently or with notice, violates the Act, or any rule, order, or condition adopted pursuant to the Act;
- (17) Appropriates into and out of the Dam and Reservoir Safety Special Fund an unspecified amount; and
- (18) Makes other amendments to existing sections of the Act, for purposes of consistency with the new provisions of the Act.

Your Conference on Committee finds that in light of the Kaloko Reservoir Dam tragedy on March 14, 2006, amending chapter 179D, Hawaii Revised Statutes, will enable the State to increase the effectiveness of its dam safety program, by strengthening the monitoring and enforcement measures that provide dam and reservoir safety throughout the State and creating a Dam and Reservoir Safety Special Fund to carry out the purposes of the program.

Your Conference on Committee has amended this measure by:

- (1) Clarifying that the BLNR will have jurisdiction of all dams and reservoirs until the DLNR has completed its statewide inspections, the DLNR has established and implemented rules and criteria for a five year dams and reservoirs inspection and classification processes, and the BLNR declares which dams or reservoirs are to be removed from its jurisdiction;
- (2) Adding a definition for "Operator";
- (3) Deleting new language from section 179D-4, Hawaii Revised Statutes, that would provide that no action can be brought against the State, the Board, or the Department, or its employees for damages sustained through the partial or total failure of any private dam or reservoir

addressed under chapter 179D, Hawaii Revised Statutes, or its maintenance or operation by reason of any supervision or other action taken or not taken pursuant to chapter 179D;

- (4) Inserting into the blank appropriation an amount of \$1,000,000, to be deposited into the Dam and Reservoir Safety Special Fund and expended by the DLNR to carry out the purposes of the special fund;
- (5) Changing the effective date of this measure from July 1, 2020 to effective upon approval and changing the effective dates for the appropriation deposited into and expended by the DLNR from the Dam and Reservoir Safety Special Fund from July 1, 2020 to July 1, 2007;
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1946, 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. 1946, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, Baker, Hee, Hooser, Tokuda, Slom, Managers on the part of the Senate. Ayes, 5. Noes, none. Excused, 1 (Slom). Representatives Ito, Waters, Sagum, Tokioka, Thielen, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 108 on S.B. No. 896

The purpose of this measure is to:

- (1) Appropriate funds in FY 2007-2008 and FY 2008-2009 to the High Technology Development Corporation to negotiate a ten-year lease to house a technology incubator and innovation center in a life sciences research complex in Kakaako, and for planning, development, and operational costs of the center; and
- (2) Require an annual progress report to the Legislature beginning in 2008.

Your Committee on Conference has amended this measure by:

- (1) Changing the square footage in the lease agreement from ninety-nine thousand square feet to sixty-six thousand square feet;
- (2) Appropriating \$150,000 in fiscal year 2007-2008 and \$250,000 in fiscal year 2008-2009; and
- (3) Changing the effective date from July 1, 2020, to July 1, 2007.

As affirmed by the record of votes of the managers 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. 896, 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. 896, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Baker, Ige, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Yamashita, Ito, M. Oshiro, Ward, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 109 on S.B. No. 880

The purpose of this measure is to:

- (1) Establish the museum of Hawaiian music and dance committee to determine the appropriate type of institution that should be established, its location, possible financing mechanisms, and to complete an initial business plan for the museum of Hawaiian music and dance; and
- (2) Appropriate funds to the Hawaii Tourism Authority to assist the committee.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$80,000 in fiscal year 2007-2008 and the same sum in fiscal year 2008-2009; and
- (2) Changing the effective date to make the bill effective upon approval, with section 4 to take effect July 1, 2007.

As affirmed by the record of votes of the managers 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. 880, 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. 880, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Tsutsui, Slom, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Slom). Representatives Yamane, Manahan, Ching, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 110 on S.B. No. 1228

The purpose of this measure is to:

- (1) Establish a process to determine the most appropriate means of memorializing the World War II Japanese internment camp experience in Hawaii; and
- (2) Appropriate funds to the Department of Land and Natural Resources for the purpose of this Act.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$50,000 for fiscal year 2007-2008; and
- (2) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 1228, 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. 1228, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Tsutsui, Espero, Trimble, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Trimble). Representatives Yamane, Manahan, Ching, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 111 on S.B. No. 1026

The purpose of this measure is to protect the environment through recycling by allowing sixty-eight-fluid-ounce beverage bottles to be recycled under Hawaii's Deposit Beverage Container Program.

Specifically, this measure:

- (1) Increases the volume limit of deposit beverage containers from sixty-four to sixty-eight fluid ounces;
- (2) Requires distributors to report container numbers sold and make fee payments on that basis;
- (3) Permits calculation of redemption value of refund for previously processed and baled containers; and
- (4) Phases in redemption of sixty-eight ounce containers.

Your Committee has amended this bill by:

- (1) Expanding and clarifying the purpose section to allow the Director of Health some discretion in temporarily suspending the deposit beverage container handling fee if it is determined that the deposit beverage container deposit special fund contains sufficient funds;
- (2) Removing the provision allowing consumers to request that the refund value be computed by container count only if the consumers is redeeming not more than fifty containers of each material type per visit;
- (3) Removing language requiring the use of steel or bi-metal cans or unique containers;
- (4) Changing the effective date of the measure to July 1, 2007; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1026, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1026, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Menor, Baker, Hooser, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Morita, Yamashita, Chong, Carroll, Yamane, Ching, Managers on the part of the House. Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. 112 on S.B. No. 1515

The purpose of this measure is to require any commercial harbor tenant or user to reimburse the Department of Transportation for the entire amount of a fine levied upon the department by reason of the tenant or user's violation of any federal, state, or county law or rule.

Your Committee on Conference finds that as the landowner of harbor facilities and lands, the Department of Transportation may be held liable by the federal government for the violation of federal environmental laws committed by harbor users or tenants. Your Committee also finds that the measure will allow for a full recovery of fines imposed on the Department of Transportation, as the landowner, for violations of federal and state air and water pollution laws committed by harbor users and tenants.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the language in the purpose section for purpose of style;
- (2) Making a conforming statutory amendment to section 266-25, Hawaii Revised Statutes, relating to penalties for violation of rules, for the purpose of reconciling a possible statutory conflict in interpretation; and
- (3) Changing the effective date from January 1, 2112, 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. 1515, 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. 1515, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators English, Baker, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, none. Representatives Souki, B. Oshiro, M. Oshiro, Pine, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 113 on S.B. No. 1882

The purpose of this bill is to reduce the tax burden for lower income resident taxpayers by establishing a graduated food tax credit.

Your Committee has amended this bill by expanding the current low-income refundable tax credit and renaming it the refundable food/excise tax credit. The new credit will provide additional income brackets, raise the income cap to increase the number of people who qualify for the credit, and raise the amount of the tax credit for each bracket to provide tax relief to lower income families. The new brackets and credit amounts more accurately reflect current needs and incomes of those who are struggling to pay for necessities.

As affirmed by the record of votes of the managers 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. 1882, 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. 1882, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Baker, Tsutsui, Trimble, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Trimble). Representatives M. Oshiro, Chong, Lee, Meyer, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 114 on S.B. No. 148

The purpose of this bill is to satisfy the Hawaii State constitutional mandate requiring taxpayers to receive a tax credit or refund when the balance of the state general fund exceeds five percent of general revenues for each of two successive fiscal years.

Your Committee on Conference has amended this bill by providing a graduated tax credit based on federal adjustable gross income to help low-income taxpayers.

As affirmed by the record of votes of the managers 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. 148, 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. 148, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Baker, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, none. Representatives M. Oshiro, Lee, Chong, Meyer, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 115 on S.B. No. 1779

The purpose of this measure is to provide better protections for the children of Hawaii.

Your Committee on Conference finds that it is in the public's interest to establish a two-year statewide task force to evaluate and make recommendations on the State's responses to cases of child sexual assault and exploitation to make improvements and to better protect and serve the children of Hawaii. Your Committee on Conference further finds that the Department of Human Services should be able to ensure the safety of children who are not safe in their family homes by submitting a permanent plan with the goal of guardianship that the court should be able to award without the termination of parental rights.

Your Committee on Conference amended this measure to:

- (1) Deleting references to a task force;
- (2) Deleting the appropriation;
- (3) Changing the effective date to upon approval; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1779, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1779, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Baker, Fukunaga, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Hemmings). Representatives Shimabukuro, Waters, Rhoads, Pine, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 116 on S.B. No. 1916

The purpose of this measure is to strengthen the support to family caregivers, including extending the joint legislative committee of family caregiving, requiring comprehensive needs assessments, and appropriating funds for continued and expanded services.

Your Committee on Conference amended the measure to:

- (1) Substitute the Joint Legislative Committee on Caregiving for the Executive Office on Aging as having the task of conducting a comprehensive assessment of the needs of care recipients aged sixty and older with physical or cognitive disabilities and the needs of their family caregivers;
- (2) Exempt the expenditures of the Joint Legislative Committee under sections 5 and 6 from chapter 103D, Hawaii Revised Statutes, provided that the committee endeavors to ensure transparency in its procurement processes;
- (3) Allow the Joint Legislative Committee on Caregiving to contract out to a qualified third party to conduct the assessment;
- (4) Insert language regarding the 2005 federal grant for the Aging and Disability Resource Center;
- (6) Clarify that the appropriations in section 9 are to the Executive Office on Aging;
- (7) Clarify that the appropriation made in section 10 is for the purpose of providing direct services to family caregivers as well as for expanding the Kupuna Care program's in-home and access services to qualified care recipients;
- (8) Insert specific monetary amounts in the appropriation sections; and
- (9) Change the July 1, 2020, effective date to upon approval; provided that sections 5, 8, and 9 are to take effect on July 1, 2007, and section 2 is to take effect on June 29, 2007.

As affirmed by the record of votes of the managers 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. 1916, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1916, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Baker, Ihara, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Hemmings). Representatives Green, Shimabukuro, Magaoy, Lee, Ching, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 117 on S.B. No. 1672

The purpose of this measure is to ensure that Hawaii's residents have continued access to health care by increasing the Medicaid fee schedule and appropriating funds to meet the increase.

Your Committee on Conference finds that it is in the public interest to ensure accessibility to healthcare for Hawaii's Medicaid recipients. Your Committee on Conference further finds that the rising costs of health care and the resulting inadequacy of payment and reimbursement from Medicaid has severely impacted the services Hawaii's physicians have been able to provide.

Your Committee on Conference amended this measure to:

- (1) Omit the proposed amendment to the Medicaid fee schedule in the Hawaii Revised Statutes;
- (2) Make an appropriation in the amount of \$8,000,000 for each year of the 2007-2009 fiscal biennium to increase payments for physicians' services up to 100 per cent of the current Medicaid rate;
- (3) Require the Department of Human Services to include a sum at least equal to \$8,000,000 in addition to its baseline Medicaid request and to report the amount to be requested no later than twenty days before the convening of the 2008 Regular Session;
- (4) Require the Department of Human Services to report to the Legislature no later than twenty days before the convening of the 2008 Regular Session with the financial amounts necessary to continue the increased payments for physicians services and to increase payments to all Medicaid fee-for-service and QUEST providers up to 100 per cent of the current Medicaid rate;
- (5) Take effect on July 1, 2007; and
- (6) Make technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1672, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1672, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Baker, Hemmings, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Hemmings). Representatives Shimabukuro, Green, Waters, M. Oshiro, Ward, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 118 on S.B. No. 1676

Your Committee on Conference finds that this bill is intended to help Hawaii Health Systems Corporation address the rising costs of medical malpractice and hospital liability insurance and the lack of insurers providing sufficient coverage in Hawaii. However, such an undertaking by Hawaii Health Systems Corporation requires oversight by those with appropriate knowledge and experience in financial matters and the insurance industry.

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

- (1) Establishing a ten-member captive insurance board that shall carry out Hawaii Health Systems Corporation's duties and responsibilities relating to the establishment of any captive insurance company pursuant to section 323F-7(a)(20), Hawaii Revised Statutes, and the operation thereof;
- (2) Amending section 323F-3, Hawaii Revised Statutes, to clarify that the Hawaii Health Systems Corporation board shall carry out the duties and responsibilities of the corporation other than those duties and responsibilities relating to the establishment of any captive insurance company pursuant to section 323F-7(a)(20), Hawaii Revised Statutes, and the operation thereof;
- (3) Adding an appropriation for fiscal year 2007-2008;
- (4) Changing the effective date to July 1, 2007; and
- (5) Making further 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. 1676, 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. 1676, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Taniguchi, Baker, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Green, Herkes, Nakasone, McKelvey, Marumoto, Managers on the part of the House. Ayes, 5. Ayes with Reservations, 1 (Marumoto). Noes, none. Excused, none.

Conf. Com. Rep. 119 on S.B. No. 992

The purpose of this bill is to support the generation of electricity with fuels that are lower in cost and air emissions by clarifying that naphtha fuel sold for use in power-generating facilities will be taxed at the rate of one-cent per gallon, with an effective date of July 1, 2020, and a repeal date of December 31, 2009.

Current technology allows for a variety of liquid fuels to power electric-generation facilities, as opposed to the use of diesel fuel or oil fuel. These new technologies allow for the use of multiple types of liquid fuels, such as naphtha, that were previously used solely for transportation purposes.

Section 243-4, Hawaii Revised Statutes (HRS), sets the tax rates for numerous fuels, such as diesel oil and aviation fuel at one-cent per gallon and other fuels at the much higher county fuel tax rates; however, this section does not specifically address the tax rate for naphtha fuel. Your Committee on Conference understands that this ambiguity has resulted in naphtha fuel used in power-generation facilities being taxed at the rate of one-cent per gallon, the same rate as diesel fuel, which your Committee on Conference finds to be in conformity with the intent of section 243-4, HRS.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to upon approval, and adding a two-year sunset date;
- (2) Providing that the rate of tax for naphtha as provided for in section 243-4(a)(3), Hawaii Revised Statutes, shall be effective retroactively and apply to any imposition of the fuel tax on naphtha sold for use in a power-generating facility; and
- (3) Making technical, nonsubstantive amendments for clarity, style, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 992, 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. 992, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Menor, Baker, Fukunaga, Hooser, Trimble, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Trimble). Representatives Morita, Yamashita, Carroll, Wakai, Thielen, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 2 (Wakai, Thielen).

Conf. Com. Rep. 120 on S.B. No. 1060

The purpose of this bill is to assist injured workers and enhance the workers' compensation law by, among other things:

- (1) Providing an alternative dispute resolution process for workers' compensation claims;
- (2) Establishing optional, evidence-based treatment guidelines for medical providers treating injured workers;
- (3) Requiring essential medical services to be continued for an injured employee during a dispute between the employee and the employer or the employer's insurer regarding treatment, until the Director of Labor (Director) issues a decision on whether medical treatment should be continued;
- (4) Allowing an employer or employer's insurer to recover medical costs from a claimant's personal health care provider or other appropriate occupational or non-occupational insurer for medical treatment the Director determines should have been discontinued;
- (5) Allowing injured employees to be referred for vocational rehabilitation services where the employee has achieved maximum medical improvement and the employer has made no offer of suitable work;
- (6) Allowing employers to request the Director to issue a credit for the amount of temporary total disability benefits that the Director determines should have been discontinued;
- (7) Amending rulemaking powers under the Workers' Compensation Law;
- (8) Establishing requirements and standards for physicians selected by mutual agreement between the claimant and the employer to perform independent medical examinations; and
- (9) Requiring employers' insurers to provide annual reports regarding the costs of their policies to the Director and the Insurance Commissioner.

Your Committee on Conference has amended the bill by:

- (1) Removing the provisions establishing optional, evidence-based treatment guidelines for medical providers treating injured workers;
- (2) Restoring the existing paragraph (8) of the exemptions from the definition of "Employment" in Section 386-1, Hawaii Revised Statutes (H.R.S.) and deleting the new proposed language that was numbered paragraph(8);
- (3) Adding a new subsection (c) to Section 382-31, H.R.S., that allows an employee to receive a weekly benefit equal to seventy per cent of the employee's average weekly wages if the injury causes permanent or temporary disability and payment of compensation was not begun within thirty days of or within the same year as the day of injury whichever is later;
- (4) Clarifying Section 386-94, H.R.S. that only an approved claim by a claimant's attorney shall be a lien upon the compensation as fixed by the Director, the Appellate Board or the Court;
- (5) Removing Section 7 of the bill that amended Section 386-72, H.R.S. entitled "Rulemaking powers."
- (6) Amending proposed language to Section 386-79, H.R.S., entitled "Medical Examination by employer's physician" to allow a claimant who is no longer residing in Hawaii be examined by physicians from a list who are licensed in the state where the claimant resides;
- (7) Deleting proposed language to allow an employee and the employee's physician to record the independent medical examination under Section 387-79, H.R.S.;
- (8) Adding a provision to repeal certain rules related to Workers' Compensation;
- (9) Changing the effective date from July 1, 2020 to June 30, 2007; and
- (10) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1060, 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. 1060, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Kokubun, Nishihara, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, none. Representatives Sonson, Souki, Nakasone, Awana, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 121 on S.B. No. 709

The purpose of this measure is to:

- (1) Require the Department of Business, Economic Development, and Tourism to investigate, collect, analyze, and publish research and data to track economic progress and aid in the development and economic health of growth industries; and
- (2) Appropriate funds for the purposes of the Act.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the appropriation is for additional resources, including two permanent full-time equivalent economist positions in the Department of Business, Economic Development, and Tourism to improve the State's ability to measure the productivity of and progress toward achieving innovation in Hawaii's economy, and to assess the effectiveness of measures enacted by the legislature to improve Hawaii's economic situation;
- (2) Appropriating \$150,000 in fiscal year 2007-2008 and \$250,000 in fiscal year 2008-2009; and
- (2) Changing the effective date from July 1, 2034, to July 1, 2007.

As affirmed by the record of votes of the managers 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. 709, 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. 709, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Tsutsui, Espero, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Slom). Representatives Yamashita, Chong, Tokioka, Ward, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 122 on S.B. No. 810

The purpose of this bill is to facilitate the establishment of a "totally integrated community" on the state-owned Waimano Ridge lands by:

- (1) Appropriating funds for:
 - (a) The Waimano Ridge Task Force operating expenses;
 - (b) Updating the Waimano Ridge comprehensive master plan; and
 - (c) One permanent, full-time Waimano Ridge facilities manager position; and
- (2) Authorizing the issuance of general obligation bonds for building demolition and water system upgrade and building improvement projects on Waimano Ridge lands.

Your Committee on Conference amended this measure by:

- (1) Inserting the appropriation amount of \$150,000 for the task force operating expenses;
- (2) Deleting the appropriation sections for the master plan and the manager position;
- (3) Deleting the section authorizing the issuance of general revenue bonds; and
- (4) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 810, 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. 810, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Baker, Fukunaga, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Green, M. Oshiro, Awana, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 123 on S.B. No. 1115

The purpose of this measure is to continue the provision of comprehensive perinatal care on the island of Oahu to women who have a history of methamphetamine and other substance abuse.

Your Committee on Conference amended this measure by inserting the appropriation amount of \$200,000 for fiscal year 2007-2008, and by changing the effective date from July 1, 2020, to July 1, 2007.

As affirmed by the record of votes of the managers 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. 1115, 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. 1115, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Chun Oakland, Baker, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Green, Shimabukuro, Lee, Awana, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 124 on S.B. No. 1170

The purpose of this measure is to address budgetary shortfalls and implement recommended improvements to the Healthy Start Program, including Enhanced Healthy Start.

Your Committee on Conference finds that Hawaii's Healthy Start Program and Enhanced Healthy Start are effective tools for combating child abuse and neglect. Your Committee on Conference further finds that there have been several suggestions for important program improvements that will allow more children and families to benefit.

Your Committee on Conference amended this measure to:

- (1) Specify the amount appropriated is \$1,660,409, for each year of the 2007-2009 fiscal biennium; and
- (2) Take effect on July 1, 2007.

As affirmed by the record of votes of the managers 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. 1170, 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. 1170, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Baker, Sakamoto, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Hemmings). Representatives Green, Shimabukuro, Mizuno, Ching, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 125 on S.B. No. 932

The purpose of this measure is to prepare incarcerated individuals for reentry into the community by establishing a comprehensive offender reentry system within the Department of Public Safety and providing funding for reentry programs such as restorative circles, cognitive restructuring programs, and a day-reporting pilot project, that have proven to be effective.

Your Committee on Conference finds that the rehabilitation and preparation of incarcerated individuals for reentry results in lower recidivism rates, thereby reducing the economic and noneconomic costs to the public.

Your Committee on Conference amended this measure to:

- (1) Clarify that the placement of parents in correctional facilities in consideration of the best interest of the family is to be consistent with public safety and inmate security;
- (2) Clarify the staffing allowed for the adult offender reentry program;
- (3) Require the assistance of the Department of Taxation, in addition to the Department of Industrial Relations, in establishing tax incentives for employers who hire formerly incarcerated individuals, and require suggestions for legislation before the 2008 legislative session;
- (4) Replace the proposed stakeholders committee with a legislative oversight committee with different obligations;
- (5) Provide that the Department of Public Safety is not required to complete the research requested on its own;
- (6) Change the duration of the day-reporting pilot project to one year and change the reporting requirements accordingly;
- (7) Specify that the Director of Public Safety is to return offenders incarcerated on the mainland back to Hawaii one year before their release date:
 - (A) Is to be contingent upon the existence of the appropriate programs in Hawaii and shall be consented to by the offender if the offender is participating a successful rehabilitation or reentry program in the mainland facility at that time; and
 - (B) Does not preclude those with less than one year of incarceration remaining on their sentence from being returned to prepare for reentry;
- (8) Clarify that the appropriation for the restorative circles is for the continuation of existing programs, as well as the creation of new programs throughout the State;
- (9) Reduce all appropriations to one year, insert the specific dollar amounts into the appropriation sections, and clarify the uses of the appropriations;
- (10) Require the Department of Public Safety to report to the Legislature prior to the 2008, 2009, and 2010 legislative sessions on the progress and effectiveness of the components of this measure;
- (11) Take effect on July 1, 2007; and
- (12) Make technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 932, 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. 932, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Espero, Baker, Sakamoto, Tsutsui and Whalen, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Whalen). Representatives Evans, Sonson, Har and Finnegan, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 126 on H.B. No. 436

The purpose of this bill is to improve healthcare access in Hawaii by requiring medical assistance programs such as QUEST and Medicaid to include chiropractic coverage.

Your Committee on Conference has amended this bill by:

- (1) Appropriating \$1,000,000 for each year of fiscal biennium 2007-2009 for chiropractic coverage under medical assistance programs; and

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 436, 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. 436, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Taniguchi, Tsutsui, Ihara, Whalen, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Whalen). Representatives Shimabukuro, Green, Lee, Rhoads, Ward, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 127 on H.B. No. 506

The purpose of this bill is to encourage the continued development of alternative energy sources, thereby reducing the state's dependence on imported fuels, by extending by five years the date by which a qualifying ethanol production facility must be in production to take advantage of the ethanol facility tax credit.

Your Committee on Conference has amended this bill by changing its effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 506, 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. 506, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Menor, Fukunaga, Baker, Hooser, Trimble, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Trimble). Representatives Morita, Carroll, Thielen, Managers on the part of the House. Ayes, 2. Noes, none. Excused, 1 (Thielen).

Conf. Com. Rep. 128 on H.B. No. 122

The purpose of this bill is to increase transparency in government by requiring public disclosure by any entity that receives certain kinds of financial assistance from the State.

Your Committee on Conference has amended this bill by:

- (1) Inserting an appropriation amount of \$250,000 for fiscal year 2007-2008; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 122, 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. 122, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Baker, Fukunaga, Tsutsui, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives M. Oshiro, Lee, Meyer, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 129 on H.B. No. 718

The purpose of this bill is ensure the keiki of Hawaii have access to facilities to learn about, interact with, and enjoy our State's marine resources and ecosystem by:

- (1) Appropriating funds to the Hawaii Community Development Authority (HCDA) to proceed with any necessary environmental remediation measures at the Kewalo basin cove; and
- (2) Setting aside the old ice chute and fuel dock operations building site at the cove for continued use by the Kewalo Keiki Fishing Conservancy.

Your Committee on Conference has amended this bill by:

- (1) Changing the appropriation amount for the necessary environmental remediation measures to \$30,000 for fiscal year 2007-2008; and
- (2) Changing the effective date to July 1, 2007;
- (3) Making technical, nonsubstantive amendments for 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. 718, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 718, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, Baker, Fukunaga, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Hemmings). Representatives Ito, Chong, Thielen, Managers on the part of the House. Ayes, 2. Noes, none. Excused, 1 (Thielen).

Conf. Com. Rep. 130 on H.B. No. 13

The purpose of this bill is to support the administration and operation of the Department of Education's food distribution program by establishing the Food Distribution Program Revolving Fund for the collection and distribution of generated revenue.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 13, 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. 13, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Baker, Nishihara, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Takumi, M. Oshiro, Finnegan, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 131 on H.B. No. 1630

The purpose of this bill is to prepare students for the information technology age by providing a comprehensive project-based and student-centered learning program in which students are responsible for their own learning. Specifically, this bill appropriates funds to be deposited into the Hawaii 3Ts School Technology Laboratories Fund (Fund) to maintain the Project EAST Program (Program) in existing schools and expand the Program to schools around the state.

Your Committee on Conference has amended this bill by:

- (1) Changing the amount of general funds to be deposited into the Fund, and out of the Fund, to \$1,100,000;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1630, 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. 1630, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Baker, Espero, Sakamoto, Slom, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Slom). Representatives Takumi, M. Oshiro, Chong, Sagum, Finnegan, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 132 on H.B. No. 15

The purpose of this bill is to fund special education teaching programs by creating the Felix Stipend Program Special Fund (Fund) into which shall be deposited moneys received as repayment from students due to a breach in their contractual agreements under the Felix Stipend Program.

Your Committee on Conference has amended this bill by:

- (1) Deleting the appropriation from general funds because it is unnecessary;
- (2) Changing the appropriation amount out of the Fund to \$250,000; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 15, 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. 15, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Tsutsui, Nishihara, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Takumi, Chang, M. Oshiro, Finnegan, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 133 on H.B. No. 598

The purpose of this bill is to enhance the learning experiences of students across the state by establishing and appropriating funds for the Online Learning Task Force (Task Force) to develop a systematic plan to expand opportunities for online learning.

Your Committee on Conference has amended this bill by:

- (1) Changing the amount of the appropriation to support the operations of the Task Force, to \$50,000;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 598, 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. 598, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Fukunaga, Tsutsui, Tokuda, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Fukunaga). Representatives Takumi, Lee, Berg, Finnegan, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Berg).

Conf. Com. Rep. 134 on H.B. No. 104

The purpose of this bill is to improve access to medical care by:

- (1) Establishing a process by which Medicaid fee-for-service individual provider reimbursement rates are increased annually for inflation;
- (2) Retroactively adjusting for inflation, payments made to providers of hospital outpatient services and other individual providers; and
- (3) Appropriating funds:
 - (A) To adjust for inflation, payments made to Medicaid fee-for-service hospitals; and
 - (B) For the State's portion of the federal disproportionate share hospital allowance.

Your Committee on Conference has amended this bill by:

- (1) Removing the provisions related to an annual increase in Medicaid fee-for service individual provider reimbursement rates;
- (2) Removing the retroactive payment adjustment;
- (3) Removing the appropriation for inflation, payments made to Medicaid fee-for-service hospitals;
- (4) Inserting an amount of \$7,376,000 for fiscal year 2007-2008 for the State's portion of the federal disproportionate share hospital allowance; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 104, 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. 104, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Baker, Ihara, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Hemmings). Representatives Shimabukuro, Green, M. Oshiro, Mizuno, Ward, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 135 on H.B. No. 531

The purpose of this bill is to establish a temporary "Hawaii 3-5 Transition" task force to study the feasibility of expanding Hawaii's early intervention section to continue services for children three to five years of age and appropriating funds for the task force.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the task force's study is focused on children three years and one day up to five years of age;
- (2) Clarifying the composition of the task force to include at least two parents of children who may require these services and one representative from each of the departments and agencies listed;
- (3) Adding a representative of the Board of Education to the task force;
- (4) Inserting an appropriation amount of \$120,000 for fiscal year 2007-2008 for the task force; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 531, 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. 531, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Chun Oakland, Baker, Fukunaga, Whalen, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Whalen). Representatives Shimabukuro, Green, Takumi, Rhoads, Mizuno, Ward, Managers on the part of the House. Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. 136 on H.B. No. 226

The purpose of this bill to assess the amount of and reduce greenhouse gas emissions (emissions) in Hawaii by:

- (1) Requiring the Department of Health (DOH) to conduct an inventory of Hawaii emission sources and update the report by the Department of Business, Economic Development, and Tourism (DBEDT) and DOH entitled "Inventory of Hawaii Greenhouse Gas Emissions Estimates for 1990", dated July 1997;
- (2) Appropriating fund to enable the Hawaii Energy Policy Forum of the University of Hawaii to:
 - (A) Convene stakeholders to develop a coherent plan with an implementation timetable to reduce emissions; and
 - (B) Analyze the effectiveness of the Global Warming Solutions Act of 2007 (Act), as devised in this bill to reduce emissions and propose modifications thereto to the Legislature prior to the implementation of the scoping plan for achieving the maximum technologically feasible and cost-effective reductions in emissions;

and
- (3) By implementing the Act that includes:
 - (A) Requiring the Director of Health (Director) to determine statewide emissions as of 1990 and approve a statewide emissions limit to be achieved by 2020;
 - (B) Requiring the Director to establish emission limits and emission reduction measures within specified parameters to become operative on July 1, 2012;
 - (C) Requiring the Director to establish a system of market-based declining annual aggregate emission limits for sources or categories of sources that emit emissions, within specific parameters, to achieve the statewide emissions limit;
 - (D) Requiring the Director to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in emissions by 2020; and
 - (E) Provisions relating to reporting and verification of statewide emissions and monitoring and enforcement.

The ramifications of global warming requires a comprehensive approach in developing a statewide framework of action that incorporates Hawaii's unique needs and resources. Accordingly, your Committee on Conference has amended this bill by:

- (1) Declaring as a state policy that by January 1, 2020, Hawaii shall reduce emissions to levels at or below the best estimations and updates of the inventory of emission estimates for 1990;

- (2) Establishing the statewide emissions limit to be equal to or below the level of emissions in 1990;
- (3) Establishing a Greenhouse Gas Emissions Reduction Task Force (Task Force) that is required, before December 1, 2009, to prepare a work plan with specified objectives and a regulatory scheme for implementing the maximum practically and technically feasible and cost-effective reductions in emissions to meet the State's declared policy;
- (4) Requiring the Task Force to submit reports to the Legislature, at specified times, relating to its work plan and regulatory scheme, together with proposed legislation, for achieving reductions in emissions for sources or categories of sources of emissions;
- (5) Requiring the Director to adopt rules, before December 31, 2011, relating to, among other matters:
 - (A) Establishing emission limits applicable to sources or categories of sources of emissions; and
 - (B) Reporting and verification of statewide emissions and monitoring and compliance;
- (6) Authorizing the Director to specify a schedule of fees to be paid by sources of emissions to be deposited into the Clean Air Special Fund; and
- (7) Appropriating \$500,000 for each of the fiscal years of 2007-2008 and 2008-2009.

Technical nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 226, 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. 226, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Menor, Baker, Hooser, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Hemmings). Representatives Morita, Carroll, Thielen, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 137 on H.B. No. 90

The purpose of this bill is to enhance the monitoring of the insurance marketplace, protection of insurance policyholders, and compliance with the Insurance Code and regulations, by adopting the National Conference of Insurance Legislators Market Conduct Surveillance Model Law, which establishes a framework for the Insurance Commissioner to conduct market conduct examinations of domestic and foreign insurers.

A market conduct examination is a review of an insurer's marketplace practices. Your Committee on Conference finds that this measure will enable the Insurance Commissioner to conduct comprehensive and targeted market conduct examinations of an insurer's operations to evaluate compliance with applicable state laws.

Your Committee on Conference has amended this measure by:

- (1) Inserting appropriation amounts of \$318,000 for fiscal year 2007-2008 and \$365,000 for fiscal year 2008-2009 to carry out the provisions of this bill; and
- (2) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 90, 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. 90, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Baker, Slom, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Slom). Representatives Herkes, Magaoy, Marumoto, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 138 on H.B. No. 899

The purpose of this bill is to establish sustainable strategies that will reduce Hawaii's dependence on fossil fuels and reduce greenhouse gas emissions. Specifically, this measure appropriates an unspecified amount of funds for Phase I and Phase II of the research, development, and implementation of a pilot project to demonstrate ecologically-sustainable strategies that will enhance soil fertility for the production of clean energy feedstocks and food crops.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$450,000 for fiscal year 2007-2008 for Phase I;
- (2) Deleting the appropriation for fiscal year 2008-2009 and the provisions regarding Phase II funded by this appropriation; and
- (3) Making technical nonsubstantive amendments for 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. 899, 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. 899, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Menor, Kokubun, Baker, Hooser, Trimble, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Trimble). Representatives Tsuji, Morita, Brower, Ching, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 139 on H.B. No. 1221

The purpose of this bill is to provide financial assistance to Hawaii's livestock industry by establishing the Livestock Revitalization Program (Program).

Your Committee on Conference has amended this measure by:

- (1) Amending the definition of "qualified producer" by clarifying that it applies to a person that, at the time of application for and disbursement of funds under the Program, is in the business of producing:
 - (A) Pork from a herd located in Hawaii of no less than 50 sows; and
 - (B) Beef that is grown, slaughtered, processed, and marketed in Hawaii, with producers finishing at least 100 head of beef cattle annually;
- (2) Deleting the provisions allowing a qualified producer to receive reimbursement for up to 50 percent of each farm's feed expenses and requiring the Department of Agriculture (DOA) to establish a formula to calculate reimbursement amounts;
- (3) Specifying that the subsidy shall not be allowed if the flock or herd size falls five percent or more below the required minimums;
- (4) Establishing a maximum grant of \$250,000 per qualified producer per year;
- (5) Requiring applicants to submit certified quarterly and annual financial statements;
- (6) Establishing that funds shall be disbursed upon approval by DOA for up to:
 - (A) Sixty percent of the feed costs incurred for the production of poultry products;
 - (B) Forty percent of the feed costs incurred for milk production;
 - (C) Fifty percent of the feed costs incurred for pigs raised in Hawaii and slaughtered for local consumption; and
 - (D) Fifty percent of the feed costs for beef cattle raised in Hawaii and slaughtered in Hawaii for local consumption;
- (7) Specifying that feed costs shall not include cost of transportation to Hawaii;
- (8) Prohibiting reimbursements to qualified producers if the reimbursement will result in an annual profit of more than:
 - (A) Twelve percent for milk producers;
 - (B) Eight percent for poultry producers;
 - (C) Eight percent for pork producers; and
 - (D) Eight percent for beef producers;
- (9) Inserting an appropriation amount of \$3,000,000 for fiscal year 2007-2008 and the same amount for fiscal year 2008-2009 for the Program;
- (10) Specifying a lapse date of December 31, 2010, for unencumbered balances of the appropriation; and
- (11) Making technical, nonsubstantive amendments for 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. 1221, 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. 1221, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, Baker, Tokuda, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Slom). Representatives Tsuji, Brower, Meyer, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 140 on H.B. No. 1211

The purpose of this bill is to increase fees for court-appointed counsel and guardians ad litem who represent the best interests of children and other persons in Family Court civil cases. Specifically, this bill:

- (1) Increases fees for legal services to \$90 per hour;
- (2) Sets fees for non-legal services at \$60 per hour;
- (3) Raises the maximum allowable fees for designated Family Court proceedings; and
- (4) Appropriates funds for the payment of reasonable compensation.

Your Committee on Conference has amended this measure by:

- (1) Deleting the requirement for the Judiciary to submit its budget request to the Department of Budget and Finance (B&F) for the payment of reasonable compensation;
- (2) Changing the expending agency from B&F to the Judiciary;
- (3) Changing the appropriation amount from an unspecified sum to \$880,000 for fiscal year 2007-2008; and
- (4) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 1211, 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. 1211, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Baker, Kokubun and Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Waters, Tokioka and Marumoto, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 141 on H.B. No. 855

The purpose of this bill is to provide injured employees with necessary medical services in the event workers' compensation coverage is disputed, by requiring these services to be continued until the Director of Labor and Industrial Relations (Director) issues a decision on the matter.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that an injured employee shall continue to receive essential medical services prescribed by the treating physician necessary to prevent deterioration of the injured employee's condition or further injury until the Director determines that medical services pursuant to the treatment plan shall be discontinued;
- (2) Clarifying that the Director shall make a decision within 30 days of the filing of a dispute and notify the employer, the employee, and the provider of the decision;
- (3) Clarifying that an employer or employer's insurer may recover from the injured employee's personal health care provider or other appropriate occupation or non-occupational insurer all the sums paid for medical services rendered after the employer, the employee, and the provider receives notification of the Director's decision;
- (4) Inserting language that requires the Director to submit any proposed adoption, amendment, or repeal of administrative rules under Hawaii's workers compensation law to both houses of the Legislature prior to their submission to the Governor for approval;
- (5) Inserting language that the submitted rules are disapproved unless the Legislature approves the submitted rules, in their entirety, through adoption of a concurrent resolution within 365 days of their submission to the Legislature; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 855, 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. 855, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Kokubun, Nishihara, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Kokubun). Representatives Sonson, Nakasone, Pine, Managers on the part of the House. Ayes, 3. Ayes with Reservations, 1 (Pine). Noes, none. Excused, none.

Conf. Com. Rep. 142 on H.B. No. 833

The purpose of this bill is to assist individuals who provide attendant care and day care services authorized by the Department of Human Services (DHS) by:

- (1) Creating certain exemptions under Hawaii's Employment Security Law, Workers' Compensation Law; Temporary Disability Insurance Law; and Prepaid Health Care Law; and
- (2) Requiring the Department of Labor and Industrial Relations (DLIR) to submit a report to the Legislature on the financial impact and consequences of the exclusions from employment related laws for service providers who provide Medicaid waiver service for persons with developmental disabilities and mental retardation.

Currently, numerous individuals provide a valuable service to the State of Hawaii by serving as domestic caregivers, many of them through contracts with DHS. Recently, questions have arisen as to whether these caregivers, especially those attached to a provider agency, are independent contractors or employees. When these individuals have been ruled as employees, they have been subjected to Hawaii's employment laws resulting in skyrocketing operational costs, a situation that could threaten the existence of these caregivers and seriously affect Hawaii's health and human services system.

Your Committee on Conference finds that the exemptions provided in this measure benefit the State of Hawaii by ensuring that valuable and necessary Medicaid waiver services will continue to be provided to disabled and elderly adults in Hawaii without disruption. This is evident because the exemptions, as clarified, are consistent with existing law and reflect the practices of Medicaid waiver service providers who have provided these services for many years under the prior determinations of law by the Director of Labor and Industrial Relations.

While your Committee on Conference did contemplate amending this measure to include its retroactive application, this is unnecessary since the existing exemptions under sections 386-1, 392-5, and 393-5, Hawaii Revised Statutes, already exclude individuals in the employ of the "recipient of social service payments" as the term is defined in this measure. Further, the Director of DLIR has previously testified that the decision in *In Re Manawa Lea* was limited to and only applied to *Manawa Lea*. Therefore, the decision does not create a precedent and it need not be addressed by this measure.

However, specific concerns were raised by both the Attorney General and Director of DLIR regarding the broad scope of the exemptions, determinations as to whether an individual is an employee or independent contractor, and compliance with the Federal Unemployment Tax Act (FUTA).

Your Committee on Conference has amended this measure by:

- (1) Allowing the terms identifying specific waiver services to be amended by DHS;
- (2) Narrowing the scope of the exemptions to specifically identify waiver services exempted from Hawaii's Employment Security Law, Workers' Compensation Law; Temporary Disability Insurance Law; and Prepaid Health Care Law;
- (3) Stipulating that the exempted individual voluntarily agree in writing to be considered an independent contractor prior to the application of the exemption;

- (4) Limiting the application of the exemption from Hawaii's Employment Security Law to individuals not covered by FUTA; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 833, 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. 833, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Hee, Hemmings, Sakamoto, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Hemmings). Representatives Sonson, Shimabukuro, Nakasone, Magaoay, Manahan, Pine, Managers on the part of the House. Ayes, 5. Noes, none. Excused, 1 (Shimabukuro).

Conf. Com. Rep. 143 on H.B. No. 1292

The purpose of this bill is to enable the Employees' Retirement System (ERS) to maintain its status as a tax-qualified retirement plan by complying with the Internal Revenue Code. Among other things, this bill:

- (1) Prohibits elective officers and judges from terminating their ERS membership upon reaching the statutory cap on retirement benefits even though they remain in office and delay receipt of the benefits until a future separation date;
- (2) Prohibits elective officers from joining the ERS at any time during their term of office; and
- (3) Requires elective officers to exercise a one-time, irrevocable option to join the ERS when they are elected.

Your Committee on Conference finds that this is an important measure that protects the ERS' tax-qualified status, ensuring the favorable tax treatment of employee contributions made on a pre-tax basis.

Your Committee on Conference has amended this measure by:

- (1) Allowing a member who has served in the Legislature for at least five years and who attains the age of 65 to retire and receive a service retirement allowance; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1292, 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. 1292, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Baker, Kokubun, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Kokubun). Representatives Sonson, Nakasone, Souki, Ward, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 144 on H.B. No. 1567

The purpose of this bill is to fund salary increases and other cost adjustments, including Hawaii Employer-Union Health Benefits Trust Fund costs, authorized by Chapter 89C, Hawaii Revised Statutes (HRS), for state officers and employees of agencies excluded from collective bargaining, including the State Ethics Commission, Office of the Auditor, Office of the Legislative Reference Bureau, and Office of the Ombudsman.

Your Committee on Conference has amended this measure by:

- (1) Inserting specific appropriation amounts to fund salary increases and other cost adjustments authorized by Chapter 89C, HRS, for state officers and employees of agencies excluded from collective bargaining, including the State Ethics Commission, Office of the Auditor, Office of the Legislative Reference Bureau, and Office of the Ombudsman;
- (2) Deleting language appropriating monies to fund the Hawaii Employer-Union Health Benefits Trust Fund costs authorized by Chapter 89C, HRS; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1567, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1567, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Baker, Kokubun, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Kokubun). Representatives Sonson, M. Oshiro, Ward, Managers on the part of the House. Ayes, 2. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 145 on H.B. No. 751

The purpose of this bill is to support workforce and economic development by:

- (1) Extending the time period in which the Department of Labor and Industrial Relations (DLIR) may expend Reed Act monies appropriated under Act 190, Session Laws of Hawaii 2006 (Act 190);
- (2) Removing restrictions placed on funds used by the Workforce Development Council that conflict with federal restrictions; and
- (3) Providing DLIR with a specific sum of money for administrative purposes.

Act 190 provided \$10,000,000 in Reed Act funds to four county workforce investment boards for workforce and economic development purposes. However, the one-year time frame to expend these funds has proven to be inadequate due to the complexity of the issue and the procedural requirements involved in using federal funds.

While your Committee on Conference finds that \$127,245 is adequate for DLIR to administer Reed Act funds, it is your Committee on Conference's understanding that the workforce investment boards and Workforce Development Council are willing to assist DLIR with administrative expenses should the appropriation prove inadequate.

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

- (1) Specifying that the funds appropriated to DLIR are for administrative expenses including but not limited to the cost of providing oversight, monitoring, and reporting;
- (2) Allowing the county workforce investment boards and Workforce Development Council to use a portion of the sums allocated to them to further compensate DLIR for administrative expenses not covered by funds appropriated to DLIR; and
- (3) Requiring DLIR, the Workforce Development Council, and the county workforce investment boards to negotiate the additional compensation in paragraph (2).

Technical nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 751, 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. 751, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Baker, Kokubun, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Gabbard). Representatives Sonson, Nakasone, Pine, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 146 on H.B. No. 1572

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in collective bargaining unit (1), including salary increases and other cost adjustments, Hawaii Employer-Union Health Benefits Trust Fund contributions, as well as salary increases and other cost adjustments for their excluded counterparts.

On April 23, 2007, pursuant to section 89-11(g), Hawaii Revised Statutes, the Governor transmitted proposed legislation to the Legislature containing all items requiring moneys for implementation which are subject to appropriation.

Your Committee on Conference has amended this measure by:

- (1) Inserting specific appropriation amounts to fund cost items negotiated with collective bargaining unit (1) of the Executive Branch, Judicial Branch, and Hawaii Health Systems Corporation and their excluded counterparts for fiscal biennium 2007-2009; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1572, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1572, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Baker, Kokubun, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Sonson, M. Oshiro, Meyer, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 147 on H.B. No. 1569

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in collective bargaining unit (10), including salary increases and other cost adjustments, Hawaii Employer-Union Health Benefits Trust Fund contributions, as well as salary increases and other cost adjustments for their excluded counterparts.

On April 20, 2007, pursuant to section 89-11(g), Hawaii Revised Statutes, the Governor transmitted proposed legislation to the Legislature containing all items requiring moneys for implementation, which are subject to appropriation.

Your Committee on Conference has amended this measure by:

- (1) Inserting specific appropriation amounts to fund cost items negotiated with collective bargaining unit (10) of the Executive Branch, Judicial Branch, and Hawaii Health Systems Corporation and their excluded counterparts for fiscal biennium 2007-2009; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1569, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1569, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Baker, Kokubun, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Sonson, M. Oshiro, Meyer, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 148 on H.B. No. 1568

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in collective bargaining unit (5), including salary increases and other cost adjustments, Hawaii Employer-Union Health Benefits Trust Fund (EUTF) contributions, as well as salary increases and other cost adjustments for their excluded counterparts.

On April 19, 2007, pursuant to section 89-11(g), Hawaii Revised Statutes, the Governor transmitted proposed legislation to the Legislature containing all items requiring moneys for implementation, which are subject to appropriation.

Your Committee on Conference has amended this bill by:

- (1) Inserting specific appropriation amounts to fund cost items negotiated with collective bargaining unit (5) of the Executive Branch and their excluded counterparts for fiscal biennium 2007-2009;
- (2) Inserting specific amounts to cover the Voluntary Employee Benefit Association contribution amounts instead of EUTF; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1568, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1568, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Baker, Kokubun, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Sonson, M. Oshiro, Meyer, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 149 on H.B. No. 1345

The purpose of this bill is to appropriate emergency funding for emergency relief operations statewide as a result of the October 15, 2006, Kiholo Bay earthquake disaster.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 233 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

This bill appropriates general funds for fiscal year 2006-2007 to cover:

- (1) Operational expenses associated with earthquake disaster recovery efforts, including but not limited to National Guard personnel on state active duty and helicopter operating expenses; and
- (2) The 25 percent non-federal cost share for earthquake disaster recovery projects eligible under the Federal Emergency Management Agency's public assistance program,

and requires expending agencies or departments to submit expenditure data reports.

Your Committee on Conference has amended this bill by:

- (1) Changing the amount of the appropriation for operational expenses associated with earthquake disaster recovery efforts from \$18,189,896 to \$900,000 for fiscal year 2006-2007;
- (2) Changing the general fund appropriation of \$5,810,104 for the non-federal cost share for earthquake disaster recovery projects to the emergency and budget reserve fund appropriation of \$24,000,000 for fiscal year 2006-2007;
- (3) Clarifying specific earthquake disaster recovery projects for which the \$24,000,000 appropriation is to be allocated;
- (4) Requiring expending agencies or departments to submit annual expenditure reports; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1345, H.D. 2, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1345, H.D. 2, S.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Inouye, Baker, Tsutsui, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Hemmings). Representatives Evans, Har, Awana, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 150 on H.B. No. 831

The purpose of this bill is to respect and provide for the wishes of Filipino veterans to have their body returned to the Philippines for burial upon their death by paying directly to a mortuary or crematory the cost of:

- (1) Providing funeral and burial services at the request of a qualifying deceased World War II Filipino veteran's survivor or an interested party; and
- (2) Transporting the veteran's remains to the Philippines,

upon the submission of a contract for services on behalf of the deceased veteran and an itemized unpaid invoice.

Your Committee on Conference has amended this bill by:

- (1) Specifying a limit of \$2,000 per person on the amount paid for funeral and burial services and transportation costs;
- (2) Inserting an appropriation of \$20,000 for fiscal year 2007-2008;
- (3) Making this bill effective upon its approval and changing the effective date of the appropriation to July 1, 2007; and
- (4) Making technical, nonsubstantive amendments for clarity, style, 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. 831, 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. 831, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Inouye, Tsutsui, Hooser, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Hemmings). Representatives Evans, Har, Manahan, Finnegan, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 151 (Majority) on H.B. No. 24

The purpose of this bill is to provide greater incentives for teachers certified by the National Board for Professional Teaching Standards to work in certain positions, such as at a school that is in restructuring under the No Child Left Behind Act, at a school with a high turnover rate, or in a hard-to-fill position, by giving these teachers an additional bonus per year.

Your Committee on Conference has amended this bill by:

- (1) Changing the amount of the bonus to \$5,000 each year;
- (2) Removing the provision that the additional bonus will be provided to not more than 50 teachers per year, based upon performance criteria established by the Superintendent of Education;
- (3) Changing the amount of the appropriation to \$500,000;
- (4) Changing the effective date to July 1, 2007; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 24, 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. 24, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Tsutsui, Tokuda, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Takumi, Sonson, M. Oshiro, Finnegan, Managers on the part of the House. Ayes, 3. Ayes with Reservations, 1 (Finnegan). Noes, 1 (Takumi). Excused, none.

Conf. Com. Rep. 152 on H.B. No. 1757

The purpose of this measure is to:

- (1) Increase fines for certain violations of vehicle length and gross weight requirements;
- (2) Repeal fines for second, third, and subsequent violations;
- (3) Require, rather than permit the Department of Transportation to establish a process for vehicle weight violators to mail in uncontested fine payments; and
- (4) Exempt the sale of liquid and alcohol fuels from the general excise tax.

Your Committee on Conference finds that the current system in place for disposing of violations of commercial vehicle length and weight restrictions is burdensome on violators, commercial trucking and delivery companies, law enforcement personnel, and the courts.

Your Committee on Conference further finds that permitting operators to mail in uncontested fines saves time and money for everyone involved in the process. In addition, while the bill eliminates progressive fines and penalties for repeat violators, it doubles the fines and penalties for violation of commercial vehicle length and weight restrictions. Your Committee on Conference finds that these increased fines are sufficient to deter potential violators and to punish those who commit these violations.

Your Committee on Conference also finds that re-enacting the general excise tax exemption for alcohol fuel will help reduce the cost of gasoline for Hawaii's consumers.

Your Committee on Conference has amended this measure by:

- (1) Removing the exemption of the sale of liquid fuel from the general excise tax and adding language that requires that tax savings from the exemption of alcohol fuels shall be passed on to the consumer; and
- (2) Changing the effective date to July 1, 2007, to allow the Department of Taxation to prepare the necessary tax forms, and repealing the exemption for alcohol fuel on June 30, 2009.

As affirmed by the record of votes of the managers 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. 1757, 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. 1757, H.D. 1, S.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators English, Hee, Baker, Fukunaga, Menor, Gabbard, Managers on the part of the Senate. Ayes, 6. Noes, none. Excused, none. Representatives Souki, B. Oshiro, Lee, Awana, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 153 on H.B. No. 1171

The purpose of this bill is to enable the governmental needs of the public to be met in a more timely and efficient manner by exempting positions or contracts for personal services with private persons or entities lasting up to one year from civil service laws.

Personal services positions and contracts enable the counties to fulfill necessary duties and services to the public. Your Committee on Conference finds that making the permanent exemption of certain personal services positions and contracts with private persons or entities from civil service laws would enable the counties to meet the needs of the public in a timely and cost efficient manner.

Your Committee on Conference has amended this measure by:

- (1) Specifying that exempted positions or contracts for personal services with private persons or entities must involve services that cost no more than \$750,000;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1171, 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. 1171, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Hee, Baker, Tsutsui, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Sonson, M. Oshiro, Nakasone, Ward, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 154 on H.B. No. 19

The purpose of this bill is to implement a new method of financing, in part, new or expanding existing Department of Education (DOE) educational facilities by establishing school impact fees.

Your Committee on Conference finds that Act 246, Session Laws of Hawaii 2005, established the School Impact Fee Working Group (Working Group) that was tasked with, among other things, submitting proposed legislation on its recommendations for determining school impact fees within identified school impact districts. In December 2006, the Working Group transmitted its report to the Legislature, which contained recommendations for two different approaches. The parties that participated in the Working Group have continued to work toward further refining the policies, procedures, formulas, and calculations for requiring school impact fees as a result of new residential developments.

Your Committee on Conference further finds that refining this process includes:

- (1) Enlisting the aid of the counties to assist in the implementation of school impact fees;
- (2) Developing implementation and interim procedures to allow for a transition to impact fees;
- (3) Recognizing the need for the Legislature to revisit this issue to assess where statutory guidance maybe necessary in the future; and
- (4) Allowing the Board of Education and DOE the opportunity to explore alternative financing methods, such as increasing the conveyance tax on certain transactions and creating a dedicated source of funding in the conveyance tax for school facility needs, which would include renovation of existing school facilities.

These have been addressed through the concerted efforts of the interested parties and should be included in this measure to ensure that the most appropriate and effective methods for calculating school impact fees, as well as the manner by which these methods should be implemented, are fully realized.

Accordingly, this measure represents agreement among all of the parties on some of the fundamental elements needed to calculate school impact fees; however, your Committee on Conference, as well as the parties, also recognize that there is still much work to do to perfect the methodology.

Upon further review, your Committee on Conference has amended this measure by, among other things;

- (1) Clarifying in the purpose section that DOE is responsible for determining each school impact district's appropriate student generation rate;
- (2) Including language to clarify the purpose, including the establishment of a general methodology and approach for identifying need areas and calculating appropriate school impact fees for new residential developments;
- (3) Clarifying the findings regarding new residential developments, as opposed to subdivisions, being required to contribute toward the construction of new or the expansion of existing public school facilities through a land requirement or the construction requirement;
- (4) Clarifying that a developer shall provide its proportionate share of the land or the construction cost of new or expanded school facilities;
- (5) Including definitions for the terms "acres/student"; "construction cost"; "cost per student"; "cost/unit"; "land component"; "multi-family unit count"; "new residential development"; "proportionate share"; "recent school construction averages"; "revenue credit"; "school impact fee: land component"; "school impact fee: construction cost component"; "single-family unit count"; and "student generation rate"; and deleting definitions for the terms "greenfield school impact district" and "plat";
- (6) Rewording the provisions relating to the applicability of and exemptions relating to school impact fees by, among other things, including transient accommodation projects in the exemption;
- (7) Requiring DOE to include in its written analysis, prior to the designation of a school impact district, an analysis to support the need to construct new or expanded existing school facilities in the area within 25 years to accommodate projected growth, and removing certain other requirements for the written analysis, including those relating to greenfield school impact districts;
- (8) Requiring DOE to prepare an impact fee analysis with specific requirements;
- (9) Establishing a procedure for determining the area requirements for new school facilities, whether land dedication or a fee in lieu is required, the value per acre, and the dollar amount of the fee in lieu;
- (10) Establishing a formula for the construction cost component of school impact fees;
- (11) Specifying that the calculation of revenue credits shall be reviewed and calculated recognizing that the impact fee shall be set at 100 percent of the fair market value of the land and ten percent of the total school construction cost;
- (12) Establishing provisions regarding refunds of fees in lieu or impact fees that are not expended within 25 years from the date of collection;

- (13) Clarifying provisions relating to credits for contributions, payments, or construction;
- (14) Specifying that private construction of school facilities is considered a "public work" under Chapter 104, Hawaii Revised Statutes (HRS);
- (15) Establishing a new section in Chapter 46, HRS, relating to county powers regarding school impact fees;
- (16) Including provisions for the implementation and interim procedures relating to school impact fees;
- (17) Requiring DOE to report annually on its implementation of the provisions of this bill; and
- (18) 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 H.B. No. 19, 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. 19, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Baker, Tokuda, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Takumi, Ito, M. Oshiro, Chong, Finnegan, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 155 on H.B. No. 1003

The purpose of this measure is to facilitate the growth of the alternative fuel industry in the State and develop renewable energy resources to reduce its dependence on imported sources of energy.

Specifically, this measure:

- (1) Statutorily establishes the Hawaii Natural Energy Institute of the University of Hawaii at Manoa to:
 - (A) Research and develop renewable energy in coordination with government and private agencies;
 - (B) Demonstrate efficient energy end-use technologies;
 - (C) Increase funding for research and development; and
 - (D) Submit annual reports to the Legislature; and
- (2) Creates the energy systems development special fund for developing an integrated approach and portfolio management for renewable energy and end-use energy-efficient technologies;
- (3) Establishes the Hawaii biofuels program to manage the State's transition to energy self-sufficiency;
- (4) Establishes the biofuels development revolving loan fund to assist public and private projects to research, establish, and implement the Hawaii biofuels program;
- (5) Requires the Department of Business, Economic Development, and Tourism to develop a bioenergy master plan in consultation with representatives of the relevant stakeholders and submit an interim and final report to the 2008 and 2009 Regular Sessions of the Legislature, respectively; and
- (6) Makes appropriations for the purposes of this measure.

Your Committee has amended this bill by:

- (1) Removing the environmental response fund as a source of funding for the energy systems development special fund;
- (2) Requiring the Hawaii natural energy institute to cooperate with and provide support for the evaluation panel in preparing its evaluation and reports to the Legislature concerning projects and activities funded by the energy systems development special fund;
- (3) Deleting section 4 which appropriates funds from the general revenues to the energy systems development special fund;
- (4) Deleting section 5 which appropriates funds out of the energy systems development special fund;
- (5) Removing the provisions creating the Hawaii biofuels program within the Department of Business, Economic Development, and Tourism;
- (6) Removing the provisions establishing the biofuels development revolving loan fund and appropriating moneys to and from the fund;
- (7) Specifies that the bioenergy master plan shall address:
 - (A) Strategic partnerships relating to biomass corps;
 - (B) Evaluation of the State's potential to rely on biofuels as a significant renewable energy resource;
 - (C) Biofuels demonstration projects;
 - (D) Promoting the State's renewable biofuels resources to potential partners and investors for development and export; and
 - (E) A plan or roadmap to implement commercially viable biofuels development.
- (8) Changing the appropriation for the development of a bioenergy master plan to \$300,000 for fiscal year 2007-2008;
- (9) Redesignation of section and part numbers consecutively; and
- (10) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 3, 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. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Menor, Sakamoto, Baker, Fukunaga, Trimble, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Trimble). Representatives Morita, Chang, Carroll, Thielen, Managers on the part of the House. Ayes, 3. Ayes with Reservations, 1 (Thielen). Noes, none. Excused, none.

Conf. Com. Rep. 156 on H.B. No. 1359

The purpose of this bill is to improve access to prescription drugs by:

- (1) Creating a Hawaii State Pharmacy Assistance Program by merging the current State Pharmacy Assistance Program which coordinates the Medicare Part D prescription drug benefit and the Hawaii Rx Plus Program under a single comprehensive Hawaii State Pharmacy Assistance Program umbrella; and
- (2) Requiring the Department of Human Services to take all steps necessary to enable participation in joint prescription drug purchasing agreements with any other health benefits plan or organization within or outside of this state that agrees to participate in a joint purchasing agreement.

Your Committee on Conference has amended this bill by:

- (1) Inserting an appropriation amount of \$50,000;
- (2) Changing the effective date to July 1, 2008; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1359, 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. 1359, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Taniguchi, Baker, Chun Oakland, Whalen, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Whalen). Representatives Green, Shimabukuro, Herkes, Mizuno, Ward, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 157 on H.B. No. 55

The purpose of this bill is to protect our youth by establishing a Youth Suicide Early Intervention and Prevention Program for Hawaii.

Your Committee on Conference has amended this bill by:

- (1) Authorizing, rather than mandating, the Department of Health to:
 - (A) Establish and operate a statewide Youth Suicide Early Intervention and Prevention Program;
 - (B) Provide appropriate research, training, and technical assistance;
 - (C) Provide research, training, and technical assistance resources; and
 - (D) Develop and submit proposals for funding from federal agencies and private organizations to support the establishment of a Youth Suicide Early Intervention and Prevention Program;
- (2) Changing the effective date to July 1, 2007; and
- (3) Changing the date on which this Act will be repealed to June 30, 2009.

As affirmed by the record of votes of the managers 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. 55, 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. 55, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Ige, Baker, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Green, Shimabukuro, Lee, Mizuno, Awana, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 158 on H.B. No. 807

The purpose of this bill is to formally establish an Office of the Long-Term Care Ombudsman within the Executive Office on Aging and to appropriate funds to establish three additional ombudsman program specialist IV positions and a clerk typist II position, to support a regional Long-Term Care Ombudsman Program on the neighbor islands.

Your Committee on Conference has amended this bill by:

- (1) Deleting provisions establishing three additional ombudsman program specialist IV positions and a clerk typist II position, to support a regional Long-Term Care Ombudsman Program on the neighbor islands;
- (2) Removing the appropriation section which would have funded the establishment of a regional Long-Term Care Ombudsman Program on the neighbor islands; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

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

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Baker, Sakamoto, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Hemmings). Representatives Green, Shimabukuro, Mizuno, Rhoads, Ward, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 159 on H.B. No. 843

The purpose of this bill is to authorize the Hawaii Health Systems Corporation (Corporation) to bring Kahuku Hospital under its governance through formal affiliation with the Corporation and to provide for transitional facilitation by the Director of Health.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the physical assets and the ground lease of Kahuku Hospital will become the property of the Corporation;
- (2) Changing the appropriated amount to \$3,900,000;
- (3) Providing for this bill to take effect upon its approval;
- (4) Changing the effective date for the appropriation section to July 1, 2007; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 843, 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. 843, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Baker, Fukunaga, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Green, M. Oshiro, Magaoay, Mizuno, Meyer, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 160 on H.B. No. 1477

The purpose of this bill is to increase access to primary health care services provided by family physicians or residents in the family medicine residency program at the University of Hawaii to medically underserved residents in rural areas of the State by appropriating funds to:

- (1) Support and expand the family medicine residency program of the University of Hawaii John A. Burns School of Medicine's Department of Family Medicine and Community Health to provide rural primary health care services; and
- (2) Develop a permanent statewide rural primary health care training program in the County of Hawaii to expand the rural health care training available for individuals in the family medicine residency program of the University of Hawaii John A. Burns School of Medicine.

Your Committee on Conference has amended this bill by:

- (1) Inserting the following appropriations:
 - (A) \$1,500,000 for fiscal year 2007-2008 to support and expand the family medicine residency program of the University of Hawaii John A. Burns School of Medicine's Department of Family Medicine and Community Health to provide rural primary health care services; and
 - (B) \$2,500,000 for fiscal year 2008-2009 to develop a statewide Rural Primary Health Care Training Program to provide family physicians to rural areas and improve health care access for the people of Hawaii;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1477, 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. 1477, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Sakamoto, Baker, Fukunaga, Whalen, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Whalen). Representatives Green, Chang, Mizuno, Awana, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 161 on H.B. No. 367

The purpose of this bill is to establish and fund a pilot program for screening, brief intervention, and referral to substance abuse treatment in the state.

Your Committee on Conference has amended this bill by inserting an appropriation amount of \$84,000 for fiscal year 2007-2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 367, 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. 367, H.D. 1, S.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Sakamoto, Taniguchi, Baker, Slom, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Slom). Representatives Green, Chang, Mizuno, Awana, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 162 on H.B. No. 1368

The purpose of this bill is to:

- (1) Change the name of the Hospital and Medical Facilities Special Fund to the Office of Health Care Assurance (OHCA) Special Fund (Fund);
- (2) Increase the amount of the Fund that can be used for OHCA activities; and
- (3) Make other improvements to the Fund.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1368, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1368, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Baker, Fukunaga, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Green, M. Oshiro, Mizuno, Ching, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Ching).

Conf. Com. Rep. 163 on H.B. No. 1220

The purpose of this bill is to promote the high standard of quality of agricultural products produced in Hawaii by establishing the Seal of Quality Special Fund (Special Fund).

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$10,000 out of the Special Fund for the Seal of Quality Program;
- (2) Providing that paragraph (1) takes effect on July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for 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. 1220, 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. 1220, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, Tsutsui, Tokuda, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Tsuji, Yamashita, Brower, Wakai, Ching, Managers on the part of the House. Ayes, 4. Noes, none. Excused, 1 (Wakai).

Conf. Com. Rep. 164 on H.B. No. 400

The purpose of this bill is to provide a stable and reliable source of water for Hawaii's farmers by:

- (1) Appropriating an unspecified amount of funds for drought mitigation projects and measures in each county; and
- (2) Authorizing the issuance of an unspecified amount of general obligation bonds (GO bonds) to improve certain irrigation systems throughout the state.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$4,000,000 for fiscal year 2007-2008 for the drought mitigation measures;
- (2) Deleting the provisions authorizing the issuance of GO bonds to improve certain irrigation systems throughout the state;
- (3) Changing its effective date to July 1, 2007; and
- (4) Making technical, nonsubstantive amendments for 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. 400, 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. 400, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, Tsutsui, Tokuda, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Slom). Representatives Tsuji, Brower, Meyer, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 165 on H.B. No. 399

The purpose of this bill is to help protect vital soil and water resources by appropriating an unspecified amount of funds to the Hawaii Association of Conservation Districts for the operation of the Soil and Water Conservation Districts (Districts).

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$500,000 for fiscal year 2007-2008 for the operation of the Districts; and
- (2) Making technical, nonsubstantive amendments for 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. 399, 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. 399, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, Tsutsui, Tokuda, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Slom). Representatives Tsuji, Ito, Brower, Meyer, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 166 on H.B. No. 1435

The purpose of this bill is to support the Honolulu Symphony's fundraising efforts in providing for private funds to match state general funds previously appropriated for the State of Hawaii Endowment Fund (Endowment Fund) under Act 97, Session Laws of Hawaii 2006 (SLH 2006), by:

- (1) Specifying a list of the types of private funds that may be used to match the general funds; and
- (2) Extending the lapse date of unexpended and unencumbered funds appropriated under Act 97, SLH 2006, for the Endowment Fund to June 30, 2009.

Your Committee on Conference has amended this measure by:

- (1) Removing the list specifying the types of private funds that may be used to match the general funds;
- (2) Allowing pledges to be used to match the general funds as provided by the law establishing the Endowment Fund; and
- (3) Making technical, nonsubstantive amendments for 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. 1435, 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. 1435, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Tsutsui, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, none. Representatives Yamane, Manahan, Ching, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 167 on H.B. No. 575

The purpose of this bill is to help protect Hawaii's visitors and residents by:

- (1) Requiring the Board of Directors (Board) of the Hawaii Tourism Authority (HTA) to request the Governor to declare that a tourism emergency exists if the Board of HTA determines that an adverse effect on Hawaii's tourism industry resulting from world conflict, terrorist threat, natural disaster, disease outbreak, or other catastrophic event may result in a substantial interruption of commerce in Hawaii and adversely affect the welfare of its people;
- (2) Upon the Governor's declaration that a tourism emergency exists, requiring HTA to develop and implement measures to respond to the tourism emergency;
- (3) Establishing a Tourism Emergency Trust Fund (Trust Fund) to provide for the development and implementation of emergency measures to respond to the tourism emergency; and
- (4) Specifying that, except for certain funds, funds in the Tourism Special Fund must be deposited into the Trust Fund in a manner sufficient to maintain a balance of \$5,000,000 in the Trust Fund.

Your Committee on Conference has amended this measure by:

- (1) Clarifying under the list of powers for HTA that HTA may develop and implement measures to respond to any adverse effects on the tourism industry;
- (2) Changing its effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for 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. 575, 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. 575, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Nishihara, Inouye, Tsutsui, Kim, Trimble, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Trimble). Representatives Yamane, Evans, Manahan, Finnegan, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 168 on H.B. No. 1866

The purpose of this bill is to protect the health and safety of those participating in mixed martial arts contests by:

- (1) Providing the Director of Commerce and Consumer Affairs (Director of DCCA) comprehensive authority to regulate mixed martial arts contests;
- (2) Appropriating an unspecified amount of funds for the operational and administrative expenses of regulating mixed martial arts contests; and
- (3) Prohibiting no rules combat, extreme or ultimate fighting, and other similar contests.

Your Committee on Conference has amended this bill by:

- (1) Removing references to "ultimate fighting" to avoid infringing on the intellectual property rights of a private corporation;
- (2) Deleting the provision prohibiting the granting of licenses to contestants or promoters unless they have authorized the Hawaii Criminal Data Justice Center to release a criminal history record check to the Director of DCCA;
- (3) Prohibiting the granting of licenses to promoters unless the promoter has submitted a criminal abstract on the promoter to the Director of DCCA;

- (4) Changing the funding source for the appropriation from general funds to the Compliance Resolution Fund (CRF), and appropriating \$130,000 for fiscal year 2007-2008 and \$205,000 for fiscal year 2008-2009 out of the CRF for the operational and administrative expenses of regulating mixed martial arts contests; and
- (5) Making technical, nonsubstantive amendments for 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. 1866, 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. 1866, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Taniguchi, Baker, Slom, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Slom). Representatives Yamane, Herkes, Manahan, Ching, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 169 on H.B. No. 1719

The purpose of this bill is to exempt the following from the general excise tax:

- (1) Amounts received by a submanager of an association of apartment owners or of certain nonprofit homeowners or community associations in reimbursement of sums paid for common expenses;
- (2) Amounts received by an operator of a hotel from the owner of the hotel or from a timeshare association for employee wage and benefit costs disbursed by the operator; and
- (3) Amounts received by a suboperator of a hotel from the owner of the hotel, timeshare association, or operator of the hotel, for employee wage and benefit costs disbursed by the suboperator.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to January 1, 2008; and
- (2) Repealing the provisions of this measure on December 31, 2009.

As affirmed by the record of votes of the managers 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. 1719, 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. 1719, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Nishihara, Baker, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Slom). Representatives Yamane, M. Oshiro, Manahan, Ching, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 170 on H.B. No. 1352

The purpose of this bill is to establish the Fiftieth Anniversary of Statehood Commission to plan and coordinate various activities to commemorate the 50th anniversary of Hawaii's admission to statehood.

Your Committee on Conference has amended this measure by:

- (1) Deleting the condition that the members selected by the President of the Senate, the Speaker of the House of Representatives, and the Governor represent certain specified sectors of the community;
- (2) Changing the funding source for the appropriation from general funds to the Tourism Special Fund (TSF) and appropriating \$100,000 out of the TSF to be expended by the Hawaii Tourism Authority for the purposes of this bill; and
- (3) Making technical, nonsubstantive amendments for 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. 1352, 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. 1352, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Nishihara, Tsutsui, Kim, Trimble, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Trimble). Representatives Yamane, Manahan, Ching, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 171 on S.B. No. 1718

The purpose of this measure is to support the development of renewable and efficient energy systems in the State by authorizing the issuance of special purpose revenue bonds to assist BlueEarth Maui Biofuels, LLC, with the construction of a biodiesel refinery on Maui for the purpose of producing fuel for electrical generation.

Your Committee on Conference finds that this measure will help meet Hawaii's goals for energy efficiency and renewable energy use by reducing dependency on imported fossil fuels, providing biodiesel at competitive prices, and stimulating the local production of ethanol. This measure will also provide encourage to local agricultural research, development, and cultivation of renewable energy feedstock crops.

Your Committee on Conference amended this measure by:

- (1) Requiring, as a condition precedent to the issuance of special purpose revenue bonds, that BlueEarth Maui Biodiesel, LLC, or its affiliates give priority to utilizing Hawaii grown fuel stock when available and ensure that no import fuel stock is used that is the product of growth on farms where forest have been cleared to accommodate the growing of such crops;
- (2) Requiring that BlueEarth Maui, in order to receive bond financing, shall import fuel stock produced only from sustainable sources;

- (3) Requiring BlueEarth Maui Biodiesel, LLC, and its affiliates to document that sustainable sources are utilized and requiring the documentation to be transmitted and otherwise made available to the Department of Business, Economic Development, and Tourism;
- (4) Requiring the Department of Business, Economic Development, and Tourism to certify the documentation submitted and to notify the Department of Budget and Finance in writing as to whether BlueEarth Maui Biodiesel, LLC, and its affiliates will comply with the fuel stock and other requirements prior to the issuance of any special purpose revenue bonds;
- (5) Inserting the amount of special purpose revenue bonds authorized as \$59,000,000;
- (6) Making the bonds taxable under state and federal income tax laws; and
- (7) Changing the effective date from July 1, 2020, to July 1, 2007.

As affirmed by the record of votes of the managers 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. 1718, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1718, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Menor, Tsutsui, Hooser, Trimble, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Trimble). Representatives Morita, M. Oshiro, Chong, Ward, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Chong).

Conf. Com. Rep. 172 on S.B. No. 686

The purpose of this measure is to require the Department of Education to report to the Legislature on various aspects regarding the establishment of a career ladder program for educational assistants and provides necessary funding for the program.

Your Committee on Conference finds that a career ladder program for educational assistants was contemplated prior to the transfer of education positions and employees, including educational assistants, from the jurisdiction of the Department of Human Resources Development to the Department of Education pursuant to Act 253, Session Laws of Hawaii 2000. However, to date, the Department of Education has not established a career ladder program, which would provide a salary structure for educational assistants based on specific job requirements such as training, job performance, and years of experience. Your Committee on Conference believes in the merits of establishing a career ladder program for educational assistants; however, it is concerned with the lack of information currently being provided.

This measure requires the Department of Education to report to the Legislature on a career ladder program to be established for educational assistants, including relevant information on the employees affected, and the true costs of implementing a program. Your Committee on Conference believes that, in the future, the Legislature should consider appropriating an appropriate amount of funds to implement a career ladder program; however, prior to such funding, the Department of Education should present all necessary and relevant information to allow for the implementation of a program, which includes repricing class levels.

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

- (1) Requiring the Department of Education to report to the Legislature on a career ladder program for educational assistants that includes:
 - (A) Repricing class levels and a career ladder program, and other career ladder enhancements;
 - (B) The number of employees affected by repricing and a career ladder program; and
 - (C) The cost of implementing repricing and a career ladder program for educational assistants;
- (2) Deleting the appropriation provision; and
- (3) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 686, 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. 686, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Baker, Hooser, Nishihara, Tokuda, Gabbard, Managers on the part of the Senate. Ayes, 6. Noes, none. Excused, none. Representatives Takumi, Sonson, Lee, Ching, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 173 on S.B. No. 688

The purpose of this measure is to appropriate funds for the development and initiation of plans by the Hawaii P-20 Initiative Council for education in Hawaii for the coming century.

Your Committee on Conference finds that planning for education in the new century is a complicated mission that must take into account early childhood, primary, secondary, and post-secondary education, as well as career and workforce training. The establishment of a clear vision and a plan for achieving that vision is necessary for the success of the educational system in the State. The Hawaii P-20 Initiative is a consortium of public and private educators, governmental officials, including representatives from the University of Hawaii and the Department of Education, and community leaders who work together to improve academic achievement in the State. The Hawaii P-20 Initiative Council is the appropriate body to develop and initiate plans for education in Hawaii for the new century by ensuring that we produce responsible and productive citizens from an education system that contemplates a comprehensive vision that promotes lifelong learning from early childhood education to career and workforce preparation.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an appropriation amount of \$50,000 for each year of the fiscal biennium 2007-2009 for the Hawaii P-20 Initiative to develop and initiate plans for education in Hawaii in the twenty-first century; and
- (2) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 688, 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. 688, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Baker, Nishihara, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Chang, Takumi, Lee, Finnegan, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 174 on S.B. No. 1614

The purpose of this measure is to improve teacher recruitment and licensing by appropriating funds for the implementation of a new human resource management model for Waianae High School and its feeder elementary and middle schools.

Your Committee on Conference finds that a critical teacher shortage currently exists in Hawaii. As a result, the State must focus on efforts to grow and develop a teacher workforce, as well as recruit and retain qualified teachers in the public schools today. Recruitment and retention of highly qualified teachers is a significant problem at Waianae High School, where only slightly more than half of the teachers are fully licensed.

Your Committee on Conference further finds that Waianae High School currently serves approximately two thousand students with only one hundred fifty teachers. Many of the students in Waianae are living at or below the poverty level, and the academic achievement of most Waianae public schools demonstrates a lack of learning. Accordingly, your Committee on Conference recognizes the need for action in the Waianae public schools and believes that the utilization of a human resource management model could be beneficial to the school, its students, and the community at large.

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

- (1) Inserting an appropriation amount of \$500,000 for each year of the fiscal biennium 2007-2009 for a new human resource management model at Waianae High School; and
- (2) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 1614, 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. 1614, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Baker, Nishihara, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Takumi, Lee, Hanohano, Shimabukuro, Awana, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 175 on S.B. No. 1820

The purpose of this measure is to allow the Department of Education to enter into financing agreements, with the concurrence of the Director of Finance, for which lease payments shall be paid through a separate account established within the State Educational Facilities Improvement Special Fund.

Your Committee on Conference finds that the children of Hawaii, their education, and future success are of great importance to the State. Currently, the need for the construction of new public schools is necessary to serve students in rapidly growing new communities, alleviate overcrowded schools, and replace schools in disrepair. With the many financial challenges facing various aspects of the state government, the Legislature must explore alternative methods for allowing the Department of Education to build the necessary new schools for public school students in the State. This measure will allow the Department of Education to partner with private developers through financing agreements to expedite the construction of new schools. However, your Committee on Conference further finds that clarification is necessary to maximize the ability of the Department of Education to enter into financing agreements for which funding has already been provided.

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

- (1) Specifying that any school:
 - (A) To which the Legislature has appropriated planning and design funds prior to the effective date of the Act; and
 - (B) For which a private developer is willing to enter into a lease purchase agreement with the Department of Education within a specified time,

shall be exempt from the requirement that expenditures from the Lease Payments for Schools Account be restricted to lease payments on new schools included within the Department of Education's current six-year capital improvements program and for which the Legislature has adopted a concurrent resolution or appropriated planning and design funds and specified that the remainder of costs are eligible for funding through a financing agreement;

- (2) Removing language that sought to change the limit on financing agreements entered into by the University of Hawaii from exceeding \$3,000,000; and
- (3) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 1820, 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. 1820, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Baker, Nishihara, Tsutsui, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Tsutsui). Representatives Takumi, M. Oshiro, Nakasone, Finnegan, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 176 on S.B. No. 1931

The purpose of this measure is to increase and support workforce development in the State by establishing the Educational Workforce Working Group to examine workforce and workforce-related issues; requiring the Department of Education to include plans for workforce-related needs in its strategic plan; requiring the University of Hawaii to report to the Legislature on workforce development efforts; and appropriating funds for workforce development liaisons and support staff for the Department of Education.

Your Committee on Conference finds that current and future workforce needs in the State must be addressed through comprehensive, focused, and concerted efforts of the Department of Education and the University of Hawaii System. Although other entities currently exist to address workforce development issues, there is still a lack of understanding as to where the needs are, how they are being met, and what can be done to better meet the current and future workforce needs of the State. This measure establishes a working group to explore the aforementioned and other issues and to report to the Legislature so that focused efforts can be made in the future to address workforce needs. Your Committee on Conference determines that in order to cull relevant information from other existing entities involved in workforce development, the composition of the working group members should be reconsidered.

Additionally, this measure requires the Department of Education to address educational and workforce related needs in its strategic plan and requires the University of Hawaii provide relevant information on its efforts to address workforce development needs and its plans for improving those efforts in the future. The receipt of this information will assist the Legislature in addressing current and future workforce development needs of the State in an informed manner. This measure also appropriates funds for a workforce academy liaison in the Department of Education, who would be responsible for coordinating workforce development efforts with the academies to provide students with career exploration, awareness, and mentoring. Your Committee on Conference believes that a comprehensive approach should be taken to coordinate and expand workforce development efforts in the State to meet the current and future needs of both the public and private sectors. These efforts will require additional staff to address and facilitate workforce development that utilizes resources in and meets the needs of the public and private sectors.

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

- (1) Changing the composition of the panel to be as follow:
 - (A) Two representatives appointed by the president of the senate;
 - (B) Two representatives appointed by the speaker of the house of representatives;
 - (C) The director of business, economic development, and tourism or the director's designee;
 - (D) The superintendent of education or the superintendent's designee;
 - (E) Two representatives from the University of Hawaii system; provided that at least one shall be the chancellor of a community college;
 - (F) Two high school principals appointed by the superintendent of education from the high school principals leadership group;
 - (G) The executive director of the Hawaii P-20 council or the executive director's designee;
 - (H) The chairperson of the workforce development council or the chairperson's designee;
 - (I) The president and chief executive officer of Enterprise Honolulu or the president and chief executive officer's designee;
 - (J) The president of the Hawaii Science and Technology Council or the president's designee;
 - (K) The president and chief executive officer of the Hawaii Community Foundation or the president and chief executive officer's designee; and
 - (L) The executive director of the Honolulu Community Action Program or the executive director's designee;
- (2) Inserting an appropriation amount of \$25,000 for each year of the fiscal biennium 2007-2009 for the Workforce Working Group and \$125,000 for fiscal year 2007-2008 and \$50,000 for fiscal year 2008-2009 for workforce development liaison positions and support staff within the Department of Education;
- (3) Changing its effective date to July 1, 2007; and
- (4) Making technical, nonsubstantive changes 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. 1931, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1931, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Baker, Fukunaga, Nishihara, Tokuda, Gabbard, Managers on the part of the Senate. Ayes, 6. Noes, none. Excused, none. Representatives Takumi, Chang, Sonson, Yamashita, M. Oshiro, Finnegan, Managers on the part of the House. Ayes, 5. Noes, none. Excused, 1 (Sonson).

Conf. Com. Rep. 177 on S.B. No. 1133

The purpose of this measure is to:

- (1) Make permanent the increase of the rental motor vehicle surcharge tax from \$2 to \$3 by repealing the sunset provision in the law that authorized the increase; and
- (2) Require the Legislative Reference Bureau to conduct a review of the State Highway Fund.

Your Committee on Conference has amended this measure by:

- (1) Adding a findings and purpose section;
- (2) Extending the sunset provision of the \$3 surcharge period from August 31, 2007, to August 31, 2008;

- (3) Replacing the Legislative Reference Bureau with a joint Senate and House of Representatives task force as the entity to conduct a review of the State Highway Fund; and
- (4) Changing the effective date of the Act from July 1, 2020, 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. 1133, 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. 1133, S.D. 3, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Baker, Espero, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Espero). Representatives Souki, Yamashita, McKelvey, M. Oshiro, Meyer, Managers on the part of the House. Ayes, 4. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. 178 on S.B. No. 600

The purpose of this measure is to exempt from taxation an unspecified percentage of capital gains realized during taxable years 2008-2009 from sale of leased fee interest in condominium units to association of apartment owners or residential cooperative corporations.

Your Committee has amended this measure by:

- (1) Changing the unspecified percentage to one hundred per cent;
- (2) Changing the effective date to upon approval for taxable years beginning after December 31, 2007, and ending prior to January 1, 2013; and
- (3) Making technical, nonsubstantive amendments 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. 600, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 600, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Taniguchi, Baker, Chun Oakland, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Slom). Representatives Shimabukuro, Herkes, Rhoads, Ward, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 179 on S.B. No. 1034

The purpose of this measure is to exempt aviation fuel purchased by a common carrier for use in intrastate transportation from within a foreign trade zone from the general excise and use taxes.

Your Committee on Conference finds that a healthy inter-island airline industry is vital to the State's economy. Hawaii's inter-island airlines continue to face severe financial challenges. Fuel costs in particular have skyrocketed and grown volatile in recent years.

The intent of this measure is to level the playing field and create a fairer market for all airlines. Sales of fuel sold from a foreign-trade zone for use by airlines traveling out of the State of Hawaii are exempt from general excise and use taxes. However, intrastate flights are not exempt.

Your Committee on Conference has amended this measure by:

- (1) Deleting amendments to the foreign trade zone chapter (chapter 212, Hawaii Revised Statutes);
- (2) Clarifying the language of the amendment to more accurately reflect the nature of the exemption;
- (3) Adding a monetary cap of \$3,800,000 annually to the general excise and use taxes;
- (4) Deleting the requirement that the Department of Taxation conduct a study on the impact of the exemption;
- (5) Changing the effective date to July 1, 2007; and
- (6) Adding a reenactment provision to preserve the underlying provisions of the affected sections of law upon the repeal of the amendments made by this measure on December 31, 2009.

As affirmed by the record of votes of the managers 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. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1034, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators English, Fukunaga, Baker, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Yamashita, Souki, M. Oshiro, Chong, Pine, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 180 on S.B. No. 1922

The purpose of this measure is to:

- (1) Appropriate funds to the University of Hawaii to develop a permanent facility for the Academy for Creative Media;
- (2) Appropriate funds to the Department of Business, Economic Development, and Tourism and to Honolulu Community College to develop a digital media incubator facility; and
- (3) Establish and appropriate funds to the University of Hawaii and Honolulu Community College for a Music and Enterprise Learning Experience Program and a music and entertainment business training center at Honolulu Community College.

Your Committee on Conference has amended this measure by:

- (1) Making corrections to student and fundraising statistics related to the Academy for Creative Media;

- (2) Authorizing a thirty-five year lease of the existing public broadcasting facility and studio on the University of Hawaii at Manoa campus to PBS Hawaii; provided that PBS Hawaii shall be responsible for renovation of the facility and shall provide forty per cent of the net usable square footage of the facility to the Academy for Creative Media through a written memorandum of understanding, and appropriating \$2,870,000 in fiscal year 2007-2008 and \$2,000,000 for fiscal year 2008-2009 for the equipment and installation suitable for the academy for creative media programs, costs associated with handicapped compliance, and common area spaces of the PBS Hawaii facility and studio;
- (3) Deleting the appropriation for planning, design, and construction of a permanent facility for the Academy of Creative Media;
- (4) Deleting the authorization and appropriation for a digital media incubator facility;
- (5) Appropriating \$150,000 in fiscal year 2007-2008 and the same sum in fiscal year 2008-2009 for MELE; and
- (6) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 1922, 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. 1922, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Sakamoto, Baker, Ige, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 2 (Ige, Slom). Representatives Chang, Yamashita, Yamane, M. Oshiro, Chong, Ching, Managers on the part of the House. Ayes, 4. Noes, none. Excused, 2 (Chong, Yamane).

Conf. Com. Rep. 181 on H.B. No. 317

The purpose of this bill is to make it more cost-effective for Hawaii's small business owners to outsource their employment and payroll needs to a professional employment organization (PEO), while protecting employee rights by:

- (1) Allocating between a PEO and their client company, responsibility for the labor law rights and tax reporting and withholding obligations of employees assigned to the client company;
- (2) Exempting a PEO from the general excise tax on amounts received from a client company that are disbursed for wages, salaries, payroll taxes, and employment benefits of employees assigned to the client company; and
- (3) Making the exemption inapplicable if assigned employees are excluded from any employee rights or benefits required by law, or the PEO fails to pay any assigned employee withholding taxes for which the organization is responsible.

Your Committee on Conference finds that by eliminating the double imposition of the general excise tax on amounts that a PEO disburses for the client company's employee payroll and benefits, this bill will reduce the cost of outsourcing employment and payroll needs and support the growth of small businesses in Hawaii.

Your Committee on Conference has amended this bill by:

- (1) Changing its effective date to July 1, 2007, and specifying that the general excise tax exemption is to apply to gross income or gross proceeds received after June 30, 2007; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 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 Fukunaga, Tsutsui, Slom, Managers on the part of the Senate. Ayes, 2. Noes, none. Excused, 1 (Slom). Representatives Yamashita, M. Oshiro, Chong, Marumoto, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 182 on H.B. No. 310

The purpose of this bill is to invest in Hawaii's human resources by establishing a Hawaii Broadband Task Force (Task Force) to develop a long-term strategy to offer affordable Internet access and promote broadband usage statewide.

Your Committee on Conference has amended this bill by:

- (1) Specifying that the Task Force is to be comprised of three members of the House of Representatives and Senate, respectively, four representatives of government entities, and five representatives from the private sector;
- (2) Providing that the government and private sector representatives are to be appointed jointly by the President of the Senate and the Speaker of the House of Representatives;
- (3) Requiring the Auditor to provide research and support services to the Task Force;
- (4) Clarifying that the Task Force is to make findings and recommendations to improve Hawaii's broadband capabilities and services, and removing language requiring Task Force plans to encompass the actual development and installation of a broadband system;
- (5) Removing the appropriation for the Task Force;
- (6) Changing the effective date to July 1, 2007; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee on Conference finds that the Task Force will identify means of leveraging federal and other private sector opportunities to develop and improve Hawaii's broadband capabilities. The Task Force's study and recommendations will allow Hawaii to take the essential first steps toward keeping pace with the advances in information technology that are reshaping our world.

As affirmed by the record of votes of the managers 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. 310, 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. 310, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Tsutsui, Ige, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Slom). Representatives Yamashita, Sagum, Ching, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 183 on H.B. No. 1670

The purpose of this bill is to facilitate intellectual property development in Hawaii, while upholding high labor and environmental standards and funding instruction that encourages innovation by public school students, by:

- (1) Establishing the Ingenuity Company, a for-profit, limited liability company chartered by the State to own, license, use, and sell intellectual property for the benefit of inventors, labor unions, and public educators; and
- (2) Appropriating funds to capitalize the Ingenuity Company.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation of \$30,000 to capitalize the fund; and
- (2) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers 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. 1670, 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. 1670, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Sakamoto, Baker, Gabbard, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Gabbard). Representatives Yamashita, Takumi, Sonson, M. Oshiro, Awana, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 184 on H.B. No. 1083

The purpose of this bill is to support the growth of Hawaii's high technology business sector by appropriating funds to:

- (1) Allow the High Technology Development Corporation to negotiate a lease with the developers of a life sciences research complex in Kakaako for laboratory and office space for a state-operated high technology incubator and innovation center;
- (2) Help Hawaii's small high technology businesses compete more successfully for federal funds by continuing funding for the Hawaii Small Business Innovation Research Grant and Hawaii Small Business Technology Transfer Grant Programs (Grant Programs); and
- (3) Establish a follow-on funding program to help Hawaii-based small businesses commercialize successful research and development projects initially funded through the Hawaii Technology Development Venture or the National Defense Center of Excellence for Research in Ocean Sciences.

Your Committee on Conference has amended this bill by:

- (1) Removing the provisions concerning the Kakaako high technology incubator and the Grant Programs;
- (2) Inserting an appropriations of \$5,000,000 for fiscal year 2007-2008 for the follow-on funding program;
- (3) Deleting the project oversight responsibilities of the National Defense Center of Excellence for Research in Ocean Sciences;
- (4) Changing the effective date to July 1, 2007; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee on Conference finds that the follow-on funding program will help Hawaii-based high technology companies that have already successfully performed research and development funded by the federal government, to move their innovations from concept to final commercialization.

As affirmed by the record of votes of the managers 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. 1083, 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. 1083, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Tsutsui, Ige, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Slom). Representatives Yamashita, Ito, M. Oshiro, Chong, Yamane, Ward, Managers on the part of the House. Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. 185 on H.B. No. 1659

The purpose of this bill is to ensure that funds solicited by government to cover the costs and expenses of a state-sponsored enterprise, including trips and other endeavors to generate business opportunities and goodwill for the State, are expended fairly and openly, and subject to competitive procedures, by providing that these funds must be deposited into the general fund, disbursed by legislative appropriation, and expended under the procurement code.

Your Committee on Conference understands that this bill targets trade show activities coordinated by state agencies where participants from the business community are responsible for offsetting part of the costs of booths, equipment, and other related expenses. However, while the

procedures required by this bill would increase transparency and accountability, they will also delay the ability of agencies to gain access to solicited funds.

To allow this valuable public-private marketing program to continue unabated, your Committee on Conference has amended this bill by inserting an appropriation of \$50,000 as seed money for initial costs and expenses. The effective date of this bill has also been changed to July 1, 2007.

As affirmed by the record of votes of the managers 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. 1659, 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. 1659, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Nishihara, Tsutsui, Kim, Trimble, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Trimble). Representatives Yamashita, Lee, Awana, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 186 on H.B. No. 1270

The purpose of this bill is to improve government planning by:

- (1) Enhancing the ability of the Office of Planning (OP) to collect government agency geospatial data, and assemble and manage a comprehensive and accurate statewide geographic information system;
- (2) Allowing the Office of the Auditor and the Hawaii 2050 Task Force to further develop the Hawaii 2050 Sustainability Plan; and
- (3) Ensuring that the position of Director of OP is given the same status as the head of a principal state department and is subject to the same appointment procedures.

Your Committee on Conference has amended this bill by:

- (1) Removing the provisions relating to the Director of OP;
- (2) Inserting an appropriation of \$850,000 for fiscal year 2007-2008 for the Hawaii 2050 Task Force;
- (3) Changing the effective date to July 1, 2007; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee believes that this measure will provide the guidance necessary for the State to renew its long-term plans, protect its valuable resources, and enhance the quality of life for all the people of Hawaii.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1270, 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. 1270, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Kokubun, Baker, Tokuda, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Yamashita, Magaoay, Waters, Chong, M. Oshiro, Marumoto, Managers on the part of the House. Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. 187 on H.B. No. 767

The purpose of this bill is to encourage students of underrepresented populations to attend college by:

- (1) Requiring the Department of Education to provide students who participate in the Running Start Program (Program) with guidance in earning credit toward high school graduation upon the satisfactory completion of certain University of Hawaii (UH) courses; and
- (2) Appropriating funds for scholarships for students who are members of underrepresented populations in higher education to participate in the Program.

Your Committee on Conference has amended this bill by:

- (1) Changing the amount of general funds to be deposited into the UH Scholarship and Assistance Special Fund (Fund), and out of the Fund, to \$50,000 each for fiscal year 2007-2008 and fiscal year 2008-2009;
- (2) Changing the effective date to upon approval; provided that sections 3 and 4 of the bill shall take effect on July 1, 2007; and
- (3) 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. 767, 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. 767, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Tsutsui, Nishihara, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Chang, Takumi, Sagum, Ching, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 188 on H.B. No. 777

The purpose of this bill is to establish and appropriate funds for an educator loan forgiveness program to strengthen teacher recruitment and retention for hard-to-fill positions at Hawaii's public schools or rural-area public schools.

Your Committee on Conference has amended this bill by:

- (1) Changing the amount of general funds to be deposited into the Hawaii Educator Loan Program Special Fund (Fund), and expended out of the Fund, to \$250,000;

- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 777, 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. 777, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Baker, Nishihara, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Chang, Sagum, Ching, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 189 on H.B. No. 1014

The purpose of this bill is to ensure a high quality of teaching in Hawaii's public schools by appropriating funds:

- (1) For each complex area to establish the capacity to coordinate and expand complex-level resources for teacher professional development, alignment of curriculum, and teacher mentoring in schools; and
- (2) For induction teacher mentoring for new teachers and teachers who are new to Hawaii.

Your Committee on Conference has amended this bill by:

- (1) Clarifying the purpose language of the bill;
- (2) Changing the appropriation for establishment of the capacity to coordinate and expand complex-level resources as follows:
 - (A) Changing the amount of the appropriation to \$585,000;
 - (B) Specifying that the appropriation is to go to not more than five complex areas;
 - (C) Removing the stipulation that a portion of the funds allocated to individual schools by complex areas shall be for professional development and support of curriculum in visual and performing arts education, physical education, and virtual learning materials and programs; and
 - (D) Requiring that the complexes selected shall be those that have schools where there is a high turnover of teachers or hard-to-fill vacancies and have few other resources for professional development;
- (3) Deleting the appropriation for induction teacher mentoring;
- (4) Inserting an appropriation of \$165,000 for the Teach For America Program;
- (5) Changing the effective date to July 1, 2007; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1014, 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. 1014, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Baker, Tokuda, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Chang, Takumi, Tokioka, Finnegan, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Tokioka).

Conf. Com. Rep. 190 on H.B. No. 1764

The purpose of this bill is to authorize the issuance of revenue bonds to assist the Hawaii Health Systems Corporation (Corporation) in the construction, improvement, and equipment of its healthcare facilities.

Your Committee on Conference has amended this bill by:

- (1) Authorizing the Maui regional system board, or any of the Corporation's regional subsidiary corporations to finance the cost of improvements to their healthcare facilities through the issuance of revenue bonds;
- (2) Providing for the use of the bond revenues to finance Maui's proposed heart, brain, and vascular center;
- (3) Clarifying that the principal of and interest on the revenue bonds issued will be payable from the revenues and other financial assets of the Corporation, its regional system board, or its regional subsidiary corporations financed by the bonds;
- (4) Inserting a provision to allow for the use of the moneys generated by the revenue bonds; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1764, 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. 1764, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Baker, Tsutsui, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Green, Nakasone, Mizuno, Ward, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 191 on S.B. No. 914

The purpose of this measure is to address the inadequacies of mental health care services provided to persons committed to Hawaii state correctional facilities by providing funding for improvements and monitoring progress.

Your Committee on Conference finds that addressing the shortcomings of mental health care for incarcerated persons in Hawaii correctional facilities is important and must be done in a timely manner.

Your Committee on Conference amended this measure to:

- (1) Revert to the Senate Draft No. 2 reporting requirements, which require the Department of Public Safety to report to the Legislature with a detailed mental health plan rather than simply submitting a plan;
- (2) Specify that the report shall be submitted in a written form understandable by lay readers and made available to the public;
- (3) Appropriate a sum of \$500,000 for fiscal year 2007-2008;
- (4) Change the effective date to July 1, 2007; and
- (5) Make technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 914, 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. 914, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Espero, Baker, Chun Oakland, Nishihara, Whalen, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Whalen). Representatives Evans, Har, Ching, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 192 on S.B. No. 1174

The purpose of this measure is to support the continuation and expansion of parent-child interaction programs at state correctional facilities.

Your Committee on Conference finds that it is important to support and foster parent-child relationships of incarcerated parents and other offender populations. Your Committee on Conference further finds that the Strengthening Keiki of Incarcerated Parents Program has been successful and is a good model to use for replication at correctional facilities and other institutions and agencies that service offender populations throughout the State.

Your Committee on Conference amended this measure by:

- (1) Following the language of the Senate Draft No. 1, with the exception of expanding parent-child programs to agencies servicing offender populations as well as institutions and correctional facilities as per the House Draft No. 1;
- (2) Inserting in the appropriation the specific amount of \$250,000 for each fiscal year in the 2007-2009 fiscal biennium;
- (3) Changing the effective date to July 1, 2007; and
- (4) Making technical, nonsubstantive changes for the 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 S.B. No. 1174, 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. 1174, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Espero, Tsutsui, Sakamoto, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Evans, Har, Finnegan, Managers on the part of the House. Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 193 on S.B. No. 613

The purpose of this measure is to provide support and incentives to early childhood education programs and facilities in the State.

Your Committee on Conference finds that a critical teacher shortage problem exists in Hawaii. The need to recruit and retain highly qualified individuals is only surpassed by the need to grow a qualified teacher workforce. This is true at all levels of public school education, but of significant import at the early childhood education level. The State has made great strides to improve early childhood education by developing and making available junior kindergarten and kindergarten programs; however, as research indicates that early childhood education is instrumental in lifelong success, the State must do more to promote, enhance, and support programs and initiatives that address the needs of our young children.

Your Committee on Conference further finds that the Legislature, pursuant to Act 259, Session Laws of Hawaii 2006, established the Early Learning Education Task Force to develop a five-year plan for a coherent, comprehensive, and sustainable early learning system for children from birth to age five. The task force found five key elements to increasing early educator capacity in the State. This measure addresses these key factors by establishing a program to provide incentives to early education professionals and those seeking degrees in the field. Your Committee on Conference believes that the State must invest in our future teachers and assist them in achieving high academic levels and to grow a highly-qualified early education workforce.

Additionally, the need exists to capture and assist younger individuals interested in pursuing early education careers, including those at the high school level. Your Committee on Conference believes that all efforts should be explored to ensure the establishment of a qualified and sustainable early educator workforce.

Your Committee on Conference also determines that additional improvements to the early education system can be accomplished through the provision of land and other facilities for early childhood education programs.

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

- (1) Including language in the purpose section and in statute that requires the Department of Education to collaborate with parents and providers to encourage inclusionary classes with special education eligible and general education students ages three to five, subject to available resources and individualized education plans;
- (2) Requiring the Department of Education's kindergarten report card to assess an individual junior kindergarten or kindergarten student's readiness for advancement;
- (3) Changing the language regarding a school's ability to move students between junior kindergarten and kindergarten to allow movement based on the kindergarten report card;
- (4) Removing language that required schools to incorporate the Hawaii preschool content standards for four-year old children in developing appropriate instruction for the junior kindergarten tier;
- (5) Reinstating language that allows the junior kindergarten and kindergarten program to include a model for blending junior kindergarten and kindergarten students into a single classroom;
- (6) Authorizing the Department of Education to give preference to certain teachers; provided that such preference does not violate any collective bargaining agreement;
- (7) Removing language creating a preference for junior kindergarten educational assistants who have early childhood education credentials;
- (8) Removing amendments to the Hawaii Educator Loan Program that required ten per cent of the sums appropriated into the program's special fund to be used to assist educators seeking associate's or bachelor's degrees in early childhood education;
- (9) Requiring the Department of Education and the Department of Human Services to collaborate to develop suitable Pre-plus classrooms on Department of Education campuses, including charter schools;
- (10) Removing the requirement that the Department of Human Services administer the appropriated capital improvement project funds for the planning, design, and construction of temporary facilities to support Pre-plus programs on public school campuses;
- (11) Removing the requirement that the Department of Accounting and General Services implement required planning, design, and construction functions for temporary facilities to support Pre-plus programs on designated public school campuses;
- (12) Removing the requirement that the Department of Education procure preschool service delivery and implementation and provide general oversight of the Pre-plus program;
- (13) Removing amendments to section 302A-1506.5(a), Hawaii Revised Statutes, requiring that early childhood education classrooms meet the licensing standards determined by the Departments of Education and Human Services;
- (14) Changing the reporting requirement on early childhood education facilities from the Department of Health reporting to the Department of Education to the Department of Education reporting to the Legislature annually;
- (15) Removing language authorizing the Department of Education to establish rules to effectuate section 302A-1506.5, Hawaii Revised Statutes;
- (16) Removing the appropriation for the Hawaii Educator Loan Program;
- (17) Removing the appropriation for the development of courses of public school junior kindergarten and kindergarten teachers for a certificate in early childhood education;
- (18) Removing the authorization for the issuance of general obligation bonds, and the appropriation of funds therefrom, for Pre-plus facilities;
- (19) Removing the authorization for the issuance of general obligation bonds, and the appropriation of funds therefrom, for the Department of Labor and Industrial Relations public-private Pre-plus initiative;
- (20) Changing the effective date to July 1, 2007; and
- (21) Making technical, nonsubstantive changes 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. 613, 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. 613, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Baker, Chun Oakland, Tokuda, Gabbard, Managers on the part of the Senate. Ayes, 5. Noes, none. Excused, none. Representatives Takumi, Chang, M. Oshiro, Finnegan, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 194 on S.B. No. 885

The purpose of this bill is to enhance career and technical education in Hawaii's schools, thereby preparing our students for further education and employment, by:

- (1) Broadening the Department of Education's (DOE) Agriculture Education Program to include instruction in healthy eating habits and educational opportunities in the fields of farming, diversified agriculture, landscaping, aquaculture, culinary arts, and related industries such as market development and science and technology;
- (2) Requiring DOE to report to the 2008 and 2009 Legislatures on its efforts to implement this program; and
- (3) Appropriating funds for these purposes.

Your Committee on Conference has amended this bill by, among other things:

- (1) Clarifying the purpose language of the bill;

- (2) Statutorily establishing a Career and Technical Education Program within DOE;
- (3) Clarifying the provisions of the Agriculture Education Program;
- (4) Requiring the Agriculture Education Program to coordinate with culinary arts programs;
- (5) Changing the amount of the appropriation for the Agriculture Education Program to \$350,000;
- (6) Establishing and appropriating funds for the Hawaii Excellence Through Science and Technology Academy Pilot Program to be administered by Kauai Community College, in partnership with DOE, at two public schools;
- (7) Establishing the Fostering Inspiration and Relevance Through Science and Technology (FIRST) Pre-Academy Program which shall be administered by the University of Hawaii (UH) College of Engineering;
- (8) Establishing the Robotics and Problem-Based, Applied Learning Program which shall be administered by the UH College of Engineering;
- (9) Establishing the Research Experiences for Teachers Program (RET) which shall be administered by the UH College of Engineering;
- (10) Appropriating funds for the FIRST Pre-Academy Program, including funds for the Robotics and Problem-Based, Applied Learning Program and RET;
- (11) Establishing and appropriating funds for the Business/Education Internship and Mentorship Program within the Department of Business, Economic Development, and Tourism;
- (12) Establishing and appropriating funds for a professional development program, within the UH College of Education, to provide practicing elementary, middle, and high school science and mathematics teachers with opportunities to increase their knowledge and understanding of recent developments in science, technology, engineering, and mathematics;
- (13) Appropriating funds for the Transition To Teaching Program to provide stipends to attract science, technology, engineering, and mathematics graduates to the UH post baccalaureate certificate in secondary education program;
- (14) Changing the effective date to July 1, 2007; and
- (15) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 885, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 885, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Kokubun, Baker, Tokuda, Gabbard, Managers on the part of the Senate. Ayes, 5. Noes, none. Excused, none. Representatives Takumi, Tsuji, Yamashita, Brower, Ching, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 195 on S.B. No. 603

The purpose of this measure is to improve the public charter school system by clarifying the functions, duties, and roles of the Charter School Review Panel and the Board of Education in the administration and operations of the charter schools in the State.

Your Committee on Conference finds that public charter schools throughout the State serve an important function by creating choices for parents and students within the public school system, while providing a system of accountability for student achievement. Charter schools encourage innovation and provide opportunities for parents to play powerful roles in shaping and supporting the education of their children. Pursuant to Act 298, Session Laws of Hawaii 2006, the Legislature sought to improve the charter school system by adopting proposals recommended by the Task Force on Charter School Governance that was established by Act 87, Session Laws of Hawaii 2005. However, additional reform is necessary to allow charter schools in the State to continue to strive for excellence through effective and efficient operations.

Your Committee on Conference believes that with the numerous duties imposed on the Board of Education and the need for the charter schools to be more autonomous, the Charter School Review Panel should be given increased authority over the administration and operations of the charter schools within the State. However, it is not the intent of the Legislature to alter or affect the Board of Education's role as the State Education Agency for Hawaii. Additionally, the Board of Education should continue to be the final authority over certain decisions of the Panel. Your Committee on Conference determines that the increased authority should include the authority to approve charter school applications; revoke charters; approve amendments to detailed implementation plans; and hire the Executive Director of the Charter School Administrative Office, as the decision should be brought closer to its constituency, as well as approval of the hiring of staff. As a result of this increased authority, your Committee on Conference finds that greater accountability and greater transparency are also necessary in the operations of the Charter School Review Panel.

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

- (1) Specifying that it is not the Legislature's intent to alter or affect the Board of Education's role as the State Education Agency for the State of Hawaii;
- (2) Authorizing the Charter School Review Panel to review, approve, or deny charter school applications; revoke school charters; and review, approve, or deny amendments to school detailed implementation plans;
- (3) Establishing a review process for appeals from decisions of the Charter School Review Panel to the Board of Education;
- (4) Changing the term of the Executive Director of the Charter School Administrative Office to a maximum of four years;
- (5) Authorizing the Charter School Review Panel to hire and evaluate an Executive Director, as well as approve the hiring of staff;
- (6) Making the Charter School Review Panel subject to the requirements of chapter 92, Hawaii Revised Statutes;

- (7) Changing the composition of the panel by including an additional representative from the University of Hawaii, removing the parent of a charter school student, and ensuring that a certain number of members are not affiliated with charter schools;
- (8) Requiring the additional members of the panel, as a result of increased membership of the panel, to be appointed by September 1, 2007, and establishing interim quorum requirements to allow the panel to operate until all twelve panel members have been appointed;
- (9) Removing language that requires the Board of Education to submit to the Legislature annual appropriation requests to fund panel operations;
- (10) Authorizing the panel to make adjustments to charter school allocations due to noncompliance with federal and state reporting requirements;
- (11) Updating the funding formula to ensure that charter school allocations are based on the most recent department budget base;
- (12) Removing the appropriation to the Charter School Administrative Office for various cost items; and
- (13) Changing the effective date to upon approval and including language to preserve changes to section 89-6(g), Hawaii Revised Statutes, upon repeal and reenactment under Act 245, Session Laws of Hawaii 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. 603, 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. 603, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Baker, Hooser, Tokuda, Gabbard, Chun Oakland, Managers on the part of the Senate. Ayes, 6. Noes, none. Excused, none. Representatives Takumi, M. Oshiro, Lee, Finnegan, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 196 on S.B. No. 1917

The purpose of this measure is to assess and address the housing crisis in Hawaii.

Your Committee on Conference finds that the homeless and affordable housing crises continue to be one of the State's most significant and challenging social problems. Meaningful solutions to Hawaii's housing and homeless problems must be found.

Your Committee on Conference has amended this measure to:

- (1) Postpone the sunset date for the rental housing trust fund to June 30, 2008;
- (2) Retain the existing fifty per cent allocation of the taxes collected in each fiscal year shall be paid into the rental housing trust fund;
- (3) Insert the monetary figures for the appropriations made in this measure;
- (4) Delete the appropriation from the general fund into the rental housing trust fund;
- (5) Insert a severability clause;
- (6) Change the effective date to July 1, 2007; provided that the section postponing the sunset date for the rental housing trust fund shall take effect on June 29, 2007; and
- (7) Make technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1917, 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. 1917, S.D. 3, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Taniguchi, Fukunaga, Baker, Menor, Tsutsui, Hemmings, Managers on the part of the Senate. Ayes, 6. Noes, none. Excused, 1 (Hemmings). Representatives Shimabukuro, Ito, M. Oshiro, Rhoads, Awana, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 197 (Majority) on S.B. No. 1792

The purpose of this measure is to advance the State's commitment to provide quality health care for the people of the Hawaii, by:

- (1) Adopting the original task force recommendation of community-based governance; and
- (2) Establishing regional affiliate boards for all regions to be governed by a community-based regional affiliate board of directors, and to provide the necessary authority for each region to accomplish the goal of community-based governance.

Your Committee has amended this bill by:

- (1) Changing regional affiliate boards to regional system boards, increasing the initial membership on the board from eleven to twelve, and specifying that:
 - (A) The regional system boards shall be established no later than January 1, 2008; and
 - (B) No additional debts or liabilities or superior debts shall be added to any regional board that would negatively impact the holders of bond notes;
- (2) Inserting that, until December 31, 2008, a regional system board may appoint a regional chief financial officer and may discharge a regional chief executive officer or regional chief financial officer for cause and that, effective January 1, 2009, the hiring and firing of the regional chief executive officers shall be subject to approval of both the regional system board and the corporation board;
- (3) Inserting the provision that up to December 31, 2008, the discharge of a regional chief executive officer shall only be for cause and after January 1, 2009, regional chief executive officers and other exempt personnel shall be subject to discipline, including discharge in

- accordance with duly executed contracts, laws governing exempt personnel of the State, and regional system policies adopted in accordance with corporate policies;
- (4) Reducing from ten to eight members of the corporation board to be appointed by the governor from a list of two non-physicians submitted by the senate president and the speaker of the house of representatives within fifteen days of the effective date of this Act as follows:
 - (A) One member from region I from the city and county of Honolulu;
 - (B) One member from region II from Kauai county;
 - (C) Two members from region III from Maui county, except the senate president and the speaker of the house of representatives shall submit two non-physician candidates each;
 - (D) Two members from region IV from eastern Hawaii county, except the senate president and the speaker of the house of representatives shall submit two non-physician candidates each;
 - (E) One member from region V from western Hawaii county, except the senate president and the speaker of the house of representatives shall submit two non-physician candidates each; and
 - (F) Two additional members residing in the State;
 - (5) Reinstating the rotation of physician members on the corporation board;
 - (6) Specifying that a regional system board, in addition to the public health facility management advisory committee, may submit physician candidates for the board and requiring the Governor to attempt to choose physician members from different regions and to rotate their appointments among the five regions;
 - (7) Adding continuing medical education programs to the duties of the corporation board;
 - (8) Adding the provisions that:
 - (A) Duties and powers exercised by the regional system boards shall be consistent with corporation-wide policies, and wherever appropriate, corporation-wide policies shall take into account differences among regions and among types of facilities, particularly acute care, critical access, and long-term care facilities within the system; and
 - (B) New corporation-wide policies, and major changes to existing policies other than those changes mandated by legal or regulatory requirements, shall be developed by the corporation board after consultation with a policies committee. The policies committee shall be made up of representatives of the corporation board and each regional system board or designees of each board. The corporation board shall have two representatives on this committee. The corporation board shall review and consider approval of the policies within thirty days of transmittal by the policies committee or at the next board meeting; provided that, if the policies committee fails to take action within thirty days of receiving the proposed policy, the corporation board may consider and adopt or reject or revise the policy. The regional system boards and corporation board, as needed, may submit a request to the committee to alter corporation-wide policies along with detailed justification for the request. The regional system boards and the corporation board shall establish a procedure to further implement this section collaboratively;
 - (9) Adding that the regional system boards shall submit their regional and facility budgets to the corporation to be consolidated into a corporation-wide budget for purposes of corporation-wide planning and appropriation requests;
 - (10) Adding that rates and charges may vary among regions and facilities and may be consolidated with the rates of other regions into one charge master. Third-party payer contracts may be negotiated at the corporation-wide level with input from the regions, taking into consideration the rates set by the regional system boards. For purposes of securing revenue bonds, the corporation or regional board may covenant to set, and if necessary increase, rates and charges as needed to pay debt service and related obligations plus a coverage factor;
 - (11) Adding that the corporation and each regional system board shall be entitled to undertake the acquisition, construction, and improvement of property, facilities, and equipment to carry out these capital and strategic plans;
 - (12) Clarifying that only the corporation may sue or be sued and that the corporation or any of its regional system boards may waive sovereign immunity for any bonds to the same extent as the State of Hawaii;
 - (13) Clarifying that the corporation board shall delegate to a regional system board its authority to enter into and execute contracts relating to matters exclusively affecting that region;
 - (14) Adding that the corporation board may issue revenue bonds up to \$100,000,000 and that the regional system boards shall have the power to issue revenue bonds in any amount;
 - (15) Adding that the corporation board may pledge other financial assets of the corporation or the regional system boards to secure bond liabilities;
 - (16) Clarifying the custodial control of the regional system boards over facilities and physical assets in the respective regions;
 - (17) Adding that all contracting for or acceptance of gifts, grants, loans, property, or other aid shall be consistent with corporation-wide policies established by the corporation board;
 - (18) Adding that proceeds of bonds and moneys pledged to secure bonds may be invested in obligations permitted by any document that authorizes the issuance or securing of bonds;
 - (19) Adding that, regarding internal policies, the corporation board shall be subject to management and financial audits and clarifying that the regional system boards and the corporation board shall enjoy the exemption from section 103-53(e), Hawaii Revised Statutes, that the corporation board shall be subject to the Hawaii procurement code but that the regional system boards shall not be subject to the code;

- (20) Clarifying that a regional chief financial officer and chief executive officer may only be hired or dismissed with the regional system board's approval and the corporation board;
- (21) Adding that regional system boards and the corporation board are also exempt from the public meeting requirements under part I of chapter 92, Hawaii Revised Statutes;
- (22) Adding that the corporation and any regional system board may deposit moneys into trustee accounts for the purposes of securing or issuing bonds;
- (23) Adding that each regional system board shall submit the results of the annual audit to the corporation board within one hundred twenty days after the close of the regional system board's fiscal year;
- (24) Adding language to protect officers and employees transferred;
- (25) Adding that the terms of membership of the corporation board shall expire as follows:
 - (A) The terms of board members whose date of appointment was prior to and including July 1, 2004, shall expire on December 31, 2007;
 - (B) The terms of board members whose date of appointment was after July 1, 2004, shall expire on September 30, 2008;
- (26) Adding an appropriation of \$750,000 to the Hawaii Health Systems Corporation to support establishment of the regional system boards;
- (27) Changing the effective date from upon its approval to July 1, 2007; provided that:
 - (A) Section 19 shall take effect on January 1, 2009;
 - (B) Section 16 and section 323F-7(c)(30)(B), Hawaii Revised Statutes, shall be repealed on January 1, 2009, and the statutes amended in those sections shall be reinstated in the form they were in before the adoption of this Act; and
 - (C) The amendments made to section 323F-7(c)(15), Hawaii Revised Statutes, in section 23 of this Act shall not take effect if House Bill No. 1764 in any form passed by the legislature, regular session of 2007, becomes an Act.

As affirmed by the record of votes of the managers 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. 1792, S.D. 3, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1792, S.D. 3, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Baker, Tsutsui, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Nakasone, Green, Tokioka, Mizuno, Awana, Managers on the part of the House. Ayes, 4. Noes, 1 (Green). Excused, none.

Conf. Com. Rep. 198 on S.B. No. 907

The purpose of this measure is to:

- (1) Rename the Office of Space Industry, as the Office of Aerospace Development, and adds additional duties relating to identifying and promoting opportunities for expanding and diversifying aerospace-related industries in the State; and
- (2) Appropriate funds for the Office of Aerospace Development, to establish and operate a Pacific International Center for Space Explorations, and for safety and environmental studies for an FAA commercial space port license.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$500,000 in fiscal year 2007-2008 for the purposes of this Act; and
- (2) Changing the effective date from July 1, 2034, to July 1, 2007.

As affirmed by the record of votes of the managers 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. 907, 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. 907, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Tsutsui, Espero, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Slom). Representatives Yamashita, Sagum, Tokioka, Ward, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 199 on H.B. No. 1631

The purpose of this bill is to provide greater transparency in the use of high technology tax incentives while simultaneously gathering and analyzing statistical information on the value of these incentives to the state. Specifically, the bill requires that the Department of Taxation (Department) prepare an annual report using statistics about the high technology businesses already available from July 1, 2004.

Your Committee on Conference has amended this measure by requiring every qualified high technology business (QHTB) that accepts an investment for which the high technology business investment tax credit could be claimed to file an annual survey with the Department. The survey will include information about the QHTB such as investment credit data, revenue and expense data, and specifics about employment and wage data for the QHTB, which will allow the Department to measure the effectiveness of the high technology investment tax credit, including its effect on capital formation, economic development, and diversification of the State's economy based on such factors as the number of QHTBs in various industry sectors, jobs created, compensation levels, and qualified research activities. The results of this study and other information will be reported to the Legislature annually.

Your Committee on Conference further amended this measure by deleting the appropriation section and repealing the bill's provisions after three and a half years to encourage a reevaluation of the usefulness of the information collected and its analyses.

As affirmed by the record of votes of the managers 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. 1631, 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. 1631, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Baker, Ige, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Slom). Representatives Yamashita, M. Oshiro, Chong, Sagum, Ward, Managers on the part of the House. Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 200 on H.B. No. 1008

The purpose of this bill is to ensure that all of Hawaii's children receive appropriate health care by:

- (1) Establishing the Hawaii Infant Health Care Program as a three-year pilot program to provide health care services to uninsured children who are one day, but not more than 30 days of age;
- (2) Establishing the Hawaii Children's Health Care Program as a three-year pilot program to provide coverage to uninsured children who are at least 31 days to 18 years of age;
- (3) Providing free medical care to children 18 years of age or younger whose family income is at or below 300 percent of the federal poverty level (FPL);
- (4) Allowing children 18 years of age or younger whose family income is at or between 250 and 300 percent of the federal poverty level to receive free QUEST-Net benefits; and
- (5) Appropriating funds for the above purposes.

Your Committee on Conference has amended this bill by:

- (1) Inserting the following appropriation amounts:
 - (A) \$150,000 for fiscal year 2007-2008 and \$250,000 for fiscal year 2008-2009 for the Hawaii Infant Health Care Program;
 - (B) \$700,000 for fiscal year 2007-2008 and \$900,000 for fiscal year 2008-2009 for the Hawaii Children's Health Care Program;
 - (C) \$109,000 for fiscal year 2007-2008 and \$218,000 for fiscal year 2008-2009 to provide medical care to children 18 years of age or younger whose family income is at or below 300 percent of FPL;
 - (D) \$350,000 for fiscal year 2007-2008 and \$700,000 for fiscal year 2008-2009 for medical assistance under QUEST-Net;
 - (E) \$52,000 for each year of fiscal biennium 2007-2009 for two full-time equivalent permanent eligibility worker positions; and
 - (F) \$50,000 for fiscal year 2007-2008 for the purchase of equipment and supplies to implement these various programs and services;

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1008, 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. 1008, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Ige, Baker, Hemmings, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Hemmings). Representatives Green, Shimabukuro, Mizuno, Ward, Managers on the part of the House. Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 201 on H.B. No. 212

The purpose of Part I of this bill is to establish a temporary Maui health initiative task force to develop a comprehensive strategic health plan for the county of Maui.

The purpose of Part II of this bill is to appropriate funds for the State Health Planning and Development Agency to develop and maintain a statewide comprehensive health care workforce map and database.

Your Committee on Conference amended this measure by:

- (1) Requiring the State Health Planning and Development Agency to integrate the report into the activities of the Tri-Isle Subarea Health Planning Council;
- (2) Adding “. . .the state health planning and development agency shall grant expedited review to any application for a certificate of need whose health care service area is within Maui County that demonstrates financial viability and meets the Hawaii health performance plan relating to Maui county as revised pursuant to section 2(e). Any required hearings or reviews shall be held in Maui county.”
- (3) Inserting an appropriation amount of \$100,000 out of the general fund for the operation of the task force;
- (4) Deleting the appropriation for the work force map and database because funds were appropriated in H.B. No. 500, C.D. 1, the executive budget, for that purpose; and
- (5) Changing the effective date to take effect upon approval; provided that the appropriation section shall take effect on July 1, 2007; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 212, 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. 212, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Baker, Fukunaga, Tsutsui, Whalen, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, 1 (Whalen). Representatives Green, Sonson, Mizuno, Meyer, Managers on the part of the House. Ayes, 3. Ayes with Reservations, 1 (Meyer). Noes, none. Excused, none.

Conf. Com. Rep. 202 on H.B. No. 1529

The purpose of this bill is to open the door to higher education opportunities by establishing two scholarship programs in honor of United States Senator Hiram L. Fong and United States Senator Oren E. Long, respectively, to be administered by the University of Hawaii (UH).

Your Committee on Conference has amended this bill by:

- (1) Changing the appropriation for UH to establish an endowment trust to fund the Senator Hiram L. Fong Scholarship to \$50,000;
- (2) Changing the appropriation for UH to establish an endowment trust to fund the Senator Oren E. Long Scholarship to \$50,000; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1529, 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. 1529, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Sakamoto, Tsutsui, Tokuda, Gabbard, Managers on the part of the Senate. Ayes, 4. Noes, none. Excused, none. Representatives Chang, Lee, Bertram, Ching, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (Bertram).

Conf. Com. Rep. 203 on S.B. No. 1365

The purpose of this measure is to:

- (1) Require the Employees' Retirement System, by January 1, 2009, to develop criteria to ensure that it gives preference to Hawaii venture capital investments of equal or lesser risk and equal or greater return to out-of-state investments and caps these investments at three per cent of system funds; and
- (2) Appropriate funds to the University of Hawaii Office of Technology Transfer and Economic Development to enter into a partnership with a private sector entity.

Your Committee on Conference has amended this measure by:

- (1) Deleting the specific requirements for the development of criteria related to Hawaii venture capital investments;
- (2) Requiring the Employee's Retirement System Board, by January 1, 2008, to develop criteria to determine the amount of funds that may be prudently invested in Hawaii private placement investments;
- (3) Adding a requirement that the Employees' Retirement System report annually to the Legislature on any Hawaii venture capital investments; provided that if the board determines it is not prudent to invest in any Hawaii venture capital investment the board shall report the rationale for the decision;
- (4) Deleting the appropriation to the University of Hawaii Office of Technology Transfer and Economic Development; and
- (5) Changing the effective date of July 1, 2020, to July 1, 2007.

As affirmed by the record of votes of the managers 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. 1365, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1365, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Fukunaga, Baker, Ige, Slom, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Slom). Representatives Yamashita, Chang, Sonson, M. Oshiro, Ward, Managers on the part of the House. Ayes, 4. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 204 on S.C.R. No. 209

The purpose of this measure is to request the Auditor to study the social and financial impact of mandatory health insurance coverage for use of the LGI Intelligent Medical Vigilance System.

Your Committee on Conference amended this measure by:

- (1) Changing the title to request the Auditor to study insurance coverage for the use of medical vigilance services in acute care hospitals;
- (2) Inserting references to S.B. No. 409, S.D. 1, which mandates coverage of medical vigilance services for all policies and contracts, hospital and medical service plan contracts, medical service corporation contracts, and health maintenance organization plans and contracts issued after December 31, 2007; and
- (3) Making technical, nonsubstantive changes 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 concurs with the intent and purpose of S.C.R. No. 209, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 209, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Ige, Baker, Fukunaga, Whalen, Managers on the part of the Senate. Ayes, 3. Noes, none. Excused, 1 (Whalen). Representatives Mizuno, McKelvey, Magaoay, Ward, Managers on the part of the House. Ayes, 3. Noes, none. Excused, 1 (McKelvey).

Conf. Com. Rep. 205 (Majority) on S.C.R. No. 48

The purpose of the measure is to request an audit of the Hawaii Disability Rights Center (the Center) to investigate whether the Center:

- (1) Is fulfilling its mission;
- (2) Is abusing its authority over its access to records of persons with developmental disabilities or mental illness;
- (3) Has appropriate grievance procedures and alternative remedied to litigation in place; and
- (4) Is being appropriately overseen by any state or federal authority.

Your Committee on Conference finds that there is an ongoing dispute as to whether the federal law that provides the Center access to records overrides the privacy rights of persons receiving services and their families, with or without the appropriate waivers of these privacy rights.

Your Committee on Conference further finds that there is an ongoing dispute concerning the justification necessary for the Center to demand access to records of persons with disabilities.

Your Committee on Conference further finds that the Center's need for access to records should be balanced to the greatest extent possible against the ability of service providers to allocate their limited personnel resources to both provide services to persons with disabilities and to produce documents in response to requests for records and other information.

Your Committee on Conference amended this measure by deleting its title and contents, inserting a more accurate description of the concerns and issues involved, and requesting the Attorney General to:

- (1) Provide an outline of the legal authority that grants the Center access to:
 - (A) Facilities serving individuals with disabilities;
 - (B) Individuals with disabilities; and
 - (C) The records of the individuals with disabilities;
- (2) Describe, after conferring with the National Disability Rights Network, the federal Center for Mental Health Services, and the federal Administration on Developmental Disabilities, the inter-relationship between the aforementioned legal authority and the laws protecting the privacy of individuals and their records, including but not limited to the federal Health Insurance Portability and Accountability Act; and
- (3) Describe, after conferring with the appropriate federal agencies, the inter-relationship between the rights and responsibilities of natural and legal guardians respecting individuals with disabilities and those of the Center respecting these individuals.

Your Committee on Conference further amended this measure to request the Attorney General to:

- (1) Report on best practices identified in other jurisdictions regarding the manner in which the Center should conduct investigations of allegations of abuse or neglect of an individual with disabilities; and
- (2) Submit the analysis requested by this measure and any recommendations for legislation, administrative rules, or audit deemed necessary to the Legislature prior to the convening of the 2008 Regular 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 concurs with the intent and purpose of S.C.R. No. 48, S.D. 1, H.D. 2, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 48, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee. Senators Chun Oakland, Baker, Fukunaga, Ihara, Hemmings, Managers on the part of the Senate. Ayes, 5. Noes, none. Excused, none. Representatives Mizuno, Rhoads, Magaoay, Ward, Managers on the part of the House. Ayes, 3. Noes, 1 (Rhoads). Excused, none.

STANDING COMMITTEE REPORTS

SCRep. 1 Ways and Means on S.B. No. 638

The purpose of this measure is to appropriate funds to provide for the expenses of the Legislature and its service agencies.

More specifically, this measure provides for the expenses of the Legislature, the Office of the Auditor, the Legislative Reference Bureau, the Office of the Ombudsman, the State Ethics Commission, the Legislative Information System, and the Legislative Broadcast System.

Your Committee has amended the bill by replacing the word "or" with the word "for" on page 3, line 10.

As affirmed by the record of votes of the members 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 Second Reading in the form attached hereto as S.B. No. 638, 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, 4 (Chun Oakland, English, Menor, Tsutsui).

SCRep. 2 (Joint) Health and Economic Development and Taxation on S.B. No. 139

The purpose of this measure is to clarify that the cigarette tax collected pursuant to section 245-15, Hawaii Revised Statutes, shall be assessed on a per cigarette basis and to ensure that the cigarette taxes collected are earmarked for each special fund through the year 2011 and beyond.

Testimony in support of this measure was submitted by the Department of Taxation, the Department Of Health, the City and County of Honolulu Emergency Services Department, the Cancer Research Center of Hawaii, the American Cancer Society, the Coalition for a Tobacco-Free Hawaii, Hawaii Pacific Health, Hawaii Primary Care Association, The Queen's Medical Center, and the American Heart Association. Testimony discussing this measure was submitted by the Tax Foundation of Hawaii.

Your Committees find that clarification of Act 316, Session Laws of Hawaii 2006, is necessary to ensure that the cigarette tax is assessed on a per cigarette basis as the Legislature intended. Your Committees further find that, since the cigarette tax was implemented in September 2006, the Department of Taxation has collected the tax on a per cigarette basis.

It is the intent of your Committees to encourage the reduction of tobacco consumption by continuing the collection of cigarette tax revenues and ensuring that these revenues are properly administered and dispersed as the Legislature intended.

Your Committees amended this measure, in accordance with the recommendations submitted by the Department of Taxation, by amending the effective date of subsequent increases in the cigarette tax to begin after September 30, instead of September 29 of each respective year.

As affirmed by the records of votes of the members of your Committees on Health and Economic Development and Taxation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 139, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 139, 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, 2 (Menor, Whalen).

SCRep. 3 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 70

The purpose of this measure is to make an appropriation to provide lifeguard services at Makena State Park on Maui.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources; Department of the Corporation Counsel, City and County of Honolulu; the Hawaiian Lifeguard Association; and a Maui County Council member.

Makena Beach at the Makena State Park on Maui is known as one of the best beaches in the State and is a popular destination for tourists as well as a favorite recreation area for Maui residents. Makena Beach is also locally known for its dangerous high waves and rough shore break, which results in the emergency rescue and resuscitation of many unsuspecting tourists and residents. Currently, there are no lifeguards on duty at the beach to warn its users of the beach's dangerous conditions or to rescue them. Your Committee finds that making an appropriation to fund lifeguard services will provide emergency and rescue services and increase water safety and security at Makena Beach.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 70 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. 4 Economic Development and Taxation on S.B. No. 302

The purpose of this short form bill is to amend the law relating to arts.

Your Committee has amended this bill by inserting language in section 103-8.5, Hawaii Revised Statutes, to add an unspecified percentage of moneys appropriated for state capital improvement projects to the Works of Art Special Fund for performing arts, and to include performances such as live musical, dance, dramatic, choreographed athletic, or acrobatic performances, poetry readings, speeches, and lectures in the definition of works of art.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 302, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 302, S.D. 1, and be recommitted to the Committee on Economic Development and Taxation, for further consideration.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 5 Judiciary and Labor on Jud. Com. No. 1

Recommending that the Senate consent to the nomination of the following:

DISTRICT COURT OF THE SECOND CIRCUIT

KEITH E. TANAKA

The Nominee received a B.A. from the University of Hawaii and a J.D. from the William S. Richardson School of Law. He has been licensed to practice law in Hawaii since 1983. He has served as Deputy Public Defender for the State of Hawaii for five years. For the past eighteen years, the Nominee has been in private practice as a court appointed criminal defense attorney working in District, Family, and Circuit Court. His cases also included appellate work, divorce proceedings, arbitration, commissioner on foreclosure proceedings and parole hearings.

Your Committee received testimony in support of the Nominee from: Jeffrey Portnoy President of the Hawaii State Bar Association, John M. Tonaki State Public Defender, William "Pili" McGrath Deputy Public Defender, Michael M. Ebesugawa Deputy Public Defender, Wendy A. Hudson Supervising Attorney Office of the Public Defender, Maui, Susan L. Arnett Felony Trial Supervisor Office of the Public Defender, Oahu, Ronette M. Kawakami Deputy Public Defender, James R. Rouse Esq., Philip H. Lowenthal Esq., Matthew S. Kohm Esq., Ruth I. Murata, Verdine Kong, Jon H. Apo Esq., Christopher M. Dunn Esq., Keith S. Shigetomi Esq., Susan Fukuda, and Joseph T. Toma Esq. Your committee did not receive any testimony opposing the Nominee.

The Board of Directors of the Hawaii State Bar Association (HSBA) rated the Nominee to be highly qualified. As part of the HSBA Board's procedure for taking a position on judicial appointments, the Nominee was asked to submit a resume, respond to a questionnaire, and appear before the Board to answer questions. The HSBA Board utilized 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.

During the confirmation process, your Committee expressed strong concerns regarding the evaluation process of the Judicial Selection Commission and the Hawaii State Bar Association. The Judicial Selection Commission's (JSC) questionnaire filled out by the nominee did not disclose the fact that he was criticized by the Intermediate Court of Appeals (ICA). The ICA, in reversing a guilty conviction, discussed the nominee's representation of his client. The committee is troubled by the fact that the reversal could and should have been disclosed to the Judicial Selection Commission by the nominee. Moreover, the committee is concerned that the nominee while not disclosing the reversal to the JSC disclosed the reversal to the Hawaii State Bar Association (HSBA). Your committee believes that it is reasonable that the JSC may not have recommended the nominee had the nominee truthfully disclosed the reversal to it. These issues cited herein should be reviewed by the JSC, the Chief Justice, the Governor and the HSBA and dealt with appropriately as these concerns may affect future nominations.

In addition, your committee wishes to advise you that the committee also requested and received the complete record of the nominee from the Office of Disciplinary Counsel. The information provided contained no record of transgressions of the nominee.

However, your Committee has reviewed the personal history, resume, and statements submitted by the Nominee and finds the Nominee to have the necessary qualifications and legal experience to be appointed to the position of the nomination to District Court and further believes that it may not have reached the same conclusion if the nomination were to a higher court.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, 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, 1 (Gabbard).

SCRep. 6 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 5

The purpose of this measure is to appropriate moneys out of the funds derived from the public land trust described under section 10-3(1), Hawaii Revised Statutes, for the repair and maintenance of Iolani Palace.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Friends of Iolani Palace, and the Daughters of Hawaii. The Department of the Attorney General submitted comments on the measure.

Iolani Palace is a Hawaiian national treasure and the only official state residence of royalty in the United States. During the monarchy period, the Palace was the center of social and political activity in the Kingdom of Hawaii. The restoration and preservation of the palace continues today through the efforts of concerned individuals and interest groups, so that the Palace may maintain its grandeur and historic significance.

Under section 10-3(1), Hawaii Revised Statutes, the Office of Hawaiian Affairs is authorized to hold and use a portion of the funds derived from the public land trust for the betterment of the conditions of Native Hawaiians. Your Committee finds that Iolani Palace is a significant cultural asset for Native Hawaiians and their history, and funding from the public land trust for the repair and maintenance of the Palace fulfills the purpose of improving conditions for Native Hawaiians.

Being that the intent of this measure is to provide funding from the public land trust for the repair and maintenance of royal palaces with Native Hawaiian cultural and historic significance, your Committee has amended this measure by broadening its scope to include Queen Emma Summer Palace in Nuuanu Valley on Oahu and Hulihee Palace in Kailua-Kona on the Big Island. Your Committee notes that there are three palaces located in Hawaii, Iolani Palace, Queen Emma Summer Palace, and Hulihee Palace, which are all royal palaces with Native Hawaiian cultural significance. Your Committee also notes that, according to the testimony submitted by the Daughters of Hawaii, Hulihee Palace sustained damage due to the October, 2006, earthquake and is in need of repair and maintenance. Although the Daughters of Hawaii have requested and applied for federal emergency funding and have established a private fundraising campaign, supplemental funding will assist in covering the repair costs that are estimated in the hundreds of thousands of dollars.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 5, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 5, 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. 7 Economic Development and Taxation on S.B. No. 331

The purpose of this short form bill is to amend the law relating to electronic data and information.

Your Committee has amended this bill by:

- (1) Adding a findings and purpose section;
- (2) Adding a new section in Chapter 92, Hawaii Revised Statutes, prohibiting all governmental agencies of the State and county from displaying an individual's social security number in any record or document available for public inspection that is collected, created, or maintained by an agency; and
- (3) Appropriating an unspecified amount to the Office of the Auditor for research and support services necessary to develop additional deterrents for identity theft, and in particular, those related to the compromise of electronic data and information.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 331, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 331, S.D. 1, and be recommitted to the Committee on Economic Development and Taxation, for further consideration.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 8 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 842

The purpose of this measure is to promote and sustain agricultural endeavors in the State.

Specifically, the measure appropriates funds to the Hawaii Farm Bureau Federation to conduct agricultural research and development.

Testimony in support of this measure was submitted by the Department of Agriculture; College of Tropical Agriculture and Human Resources, University of Hawaii; Hawaii Farm Bureau Federation; Maui County Farm Bureau; Big Island Farm Bureau; Kauai County Farm Bureau; Hawaii Agriculture Research Center; Hawaii Crop Improvement Association; Hawaii Aquaculture Association; Alexander & Baldwin, Inc.; Hawaiian Commercial & Sugar Company; Kauai Coffee Company, Inc.; Hawaii Beekeepers' Association; and a private individual.

Agriculture research is essential to the success of diversified agriculture in Hawaii. The knowledge gained through research efforts helps producers boost their yields through informed choices about which crops and varieties to plant, when and where to plant them, how to protect them from pests, and how to optimize post-harvest quality. Agricultural research assists in increasing local food production, improving the State's food security, and assists Hawaii's producers to compete in local and export markets.

The Hawaii Farm Bureau Federation is a nonprofit organization that works to resolve the problems that many farmers, ranchers, and other agricultural producers face in Hawaii. The Bureau represents, protects, and advances the social, economic, and educational interests of Hawaii's agricultural sector. Your Committee finds that appropriating funds to the Hawaii Farm Bureau Federation will facilitate research that will support the continued expansion of diversified agriculture and help create new local, national, and international marketing opportunities for Hawaii agricultural goods.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 842 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(Hee).

SCRep. 9 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 6

The purpose of this measure is to prohibit the sale or offering for sale of all Hawaiian species of edible `opihi, except when the `opihi shell is at least one and one-fourth inches in diameter and is used to make a curio or jewelry.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, the Nature Conservancy, and five private individuals. The Department of Land and Natural Resources supported the interest of the measure with amendments. Testimony in opposition to this measure was submitted by Tamashiro Market, Inc., and Tanioka's Seafoods and Catering.

In recent years, the number of edible `opihi found in Hawaii has declined. The popularity of `opihi as a delicacy has led to overharvesting on the island of Oahu and has made `opihi difficult to find on the neighbor islands. Your Committee finds that prohibiting the sale or offer for sale of all Hawaiian species of edible `opihi will preserve the existing population of `opihi in Hawaii, foster future and larger populations of `opihi in Hawaii, and conserve this unique species that has a significant connection with Native Hawaiian history and culture.

Your Committee believes that the intent of this measure is to preserve the population of `opihi in Hawaii, and to recognize the cultural significance the `opihi has to Native Hawaiian history and culture.

Accordingly, your Committee notes that the Division of Aquatic Resources is currently gathering data on existing populations of all known Hawaiian `opihi species. Your Committee recognizes that this data will be valuable in establishing benchmarks for `opihi conservation efforts, which will be submitted to the Legislature by the end of the 2007 Regular Session.

Furthermore, your Committee notes that `opihi shells are used to make curios or jewelry, especially on the island of Niihau, and an exception for the use of `opihi shells in jewelry is already included in the measure. Your Committee recognizes the significance of gathering rights under the Hawaii Supreme Court case, *Public Access Shoreline Hawaii v. County of Hawaii County Planning Commission*, more commonly known as the "P.A.S.H. Decision," and the concerns that the residents of Niihau may have with respect to the sale prohibition provision in this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Slom). Excused, 1 (Fukunaga).

SCRep. 10 Ways and Means on S.B. No. 139

The purpose of this measure is to clarify that the cigarette tax collected pursuant to section 245-15, Hawaii Revised Statutes, is to be assessed on a per cigarette basis and to ensure that the cigarette taxes collected are earmarked for each special fund through the year 2011 and beyond.

Testimony in support of this measure was submitted by the Emergency Medical Services Department of the City and County of Honolulu, the American Cancer Society Hawaii Pacific, Inc., Hawaii Pacific Health, Coalition for a Tobacco Free Hawaii, the Queen's Medical Center, American Heart Association of Hawaii, Healthcare Association of Hawaii, and two individuals.

Your Committee finds that clarification of Act 316, Session Laws of Hawaii 2006, is necessary to ensure that the cigarette tax is assessed on a per cigarette basis as the Legislature intended. Your Committee further finds that, since the cigarette tax was implemented in September 2006, the Department of Taxation has collected the tax on a per cigarette basis. It is the intent of your Committee to encourage the reduction of tobacco consumption by continuing the collection of cigarette tax revenues and ensuring that these revenues are properly administered and distributed as the Legislature intended.

As affirmed by the record of votes of the members 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. 139, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Chun Oakland, Hooser, Menor).

SCRep. 11 Tourism and Government Operations on S.B. No. 678

The purpose of this measure is to exempt from the general excise tax amounts received by the operator of the Hawaii Convention Center for reimbursement of costs or advances made pursuant to a contract with the Hawaii Tourism Authority.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority, Department of Business, Economic Development, and Tourism, and Department of Taxation. Comments were received from the Tax Foundation of Hawaii.

Existing law requires that the general excise tax be imposed upon amounts received from any source, unless exempted by statute. Thus, the operator of the Hawaii Convention Center, a private entity on contract with the Hawaii Tourism Authority, must pay the general excise tax for revenue it receives as part of its contract. The moneys are paid out of the Convention Center Enterprise Special Fund. Your Committee finds that the moneys paid in general excise taxes by the private contractor could otherwise be applied to the operation and marketing of the Hawaii Convention Center. The amount of general excise taxes paid in 2006 was \$700,000, according to testimony. This is a substantial sum of money that, in effect, amounts to taking money from one government source and putting it in another of the same kind.

The intent of this measure is to relieve the inequity of what amounts to the State taxing itself for its own operations. The situation is distinguishable from the situation wherein a private entity is contracted by the State for services that are not provided by the State.

Your Committee has amended this measure by making technical, nonsubstantive amendments for proper drafting form.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations 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 referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, none.

SCRep. 12 Tourism and Government Operations on S.B. No. 868

The purpose of this measure is to prohibit an ex officio member of a board or commission from serving as chair of that board or commission.

Your Committee received no testimony on this measure.

Your Committee finds that an irreconcilable conflict of interest exists when an ex officio member of a board or commission, who is usually a department director, is also the chair of that board or commission. Your Committee believes that a board or commission should act independently of any department, and that having a department head as a board or commission chair serves to impede this independence.

Your Committee also finds that board or commission members who serve as interim appointees also should not serve as the chair of a board or commission, since doing so may disrupt the continuity and the efficient operation of the board or commission.

In light of this finding, your Committee has amended this measure by adding a prohibition for interim appointments to serve as chair or a board or commission.

Your Committee believes that the amended measure will ensure that boards and commissions are headed by a chair who is a permanent member.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 868, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Trimble). Noes, none. Excused, none.

SCRep. 13 Tourism and Government Operations on S.B. No. 750

The purpose of this measure is to ensure that vacation rentals and bed and breakfast establishments comply with the transient accommodation tax laws as well as other state and county laws and ordinances.

Specifically, the measure requires the Department of Taxation (DOTAX) to coordinate with the Hawaii Tourism Authority (HTA) and each respective county to identify owners of residential properties subject to the transient accommodations tax (TAT) who operate vacation rentals, where the owner does not reside on the property, and bed and breakfast establishments, where the owner resides on the property.

This measure also requires DOTAX to conduct audits of the owners of residential properties used for vacation rentals and bed and breakfast establishments, and to report annually to the Legislature on TAT revenues from such properties.

The organization, Keep it Kailua! testified in support of the measure. Your Committee received testimony in support of the intent of the measure from DOTAX, HTA, the City and County of Honolulu Department of Planning and Permitting, and one individual. Comments were received from the Tax Foundation of Hawaii.

Your Committee finds that vacation rentals and bed and breakfast establishments have long operated incognito from the oversight of government zoning, licensing, and taxation. The results have been detrimental to the well-being and economy of the State. This measure is an important step in implementing a means of identifying and keeping inventory of these illegal operations.

The intent of this measure is to level the playing field among furnishers of transient accommodations. Your Committee believes that it is inherently unfair for vacation rentals and bed and breakfasts to escape their responsibility to the counties and to the State.

Your Committee has amended this measure by:

- (1) Making a conforming statutory amendment to the HTA chapter to reflect its responsibility to cooperate with the DOTAX; and
- (2) Making other technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 750, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 750, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, none.

SCRep. 14 Tourism and Government Operations on S.B. No. 695

The purpose of this measure is to create a category of hunting license for a three-day period of hunting on a private or commercial shooting preserve.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources (DLNR), Hawaii Rifle Association, Lessons in Firearms Education, Arrow One Ranch LLC, Palawai Outfitters, Mauna Loa Outfitters LLC, Kaneohe Gun Shop, and five individuals.

Your Committee finds that hunting is a popular sport that has been undeveloped in Hawaii. Hunting game animals is a well-recognized sport on the Mainland and around the world. Nationwide, hunters are among the largest contributors of money and support toward the conservation and expansion of natural preserves and wildlife habitats.

Testimony indicated that many tourists are unaware of Hawaii's hunting game offerings, and may decide after arriving here that they want to spend a few days to hunt while here. However, this is not possible without a hunting license. Existing law requires a Hawaii hunting license for anyone to hunt, even if a person possesses a valid hunting license in another state. As a prerequisite for obtaining a hunting license, a person must possess a valid hunter education certificate under section 183D-18, Hawaii Revised Statutes. Thus, it is nearly impossible for a tourist to hunt in Hawaii without laborious pre-planning.

Your Committee is cognizant about the safety issues concerning hunting tourism. However, most tourists who want to hunt engage the services of a licensed hunting guide under section 183D-25.5, Hawaii Revised Statutes. Hunting guides testified that safety is their utmost and primary concern.

Your Committee has amended this measure on the recommendation of the DLNR by:

- (1) Providing for a fee of \$95 for a seven-day license, rather than a three-day license for \$50; and
- (2) Allowing the DLNR to set a fee for private and commercial shooting preserve and farmers' licenses, to be deposited into the wildlife revolving fund.

Your Committee believes that this measure, as amended, will encourage tourists to visit Hawaii and will provide revenues through hunting activities that will bolster the State's ability to protect additional natural habitats, and therefore sustain the beauty of our State. Testimony indicated that there are established businesses that cater to tourists who desire to hunt while in Hawaii. This measure would facilitate the development of hunting tourism.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations 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 Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, none.

SCRep. 15 Tourism and Government Operations on S.B. No. 779

The purpose of this measure is to authorize the State Fire Council to employ an administrator and an administrative assistant, and to specify the duties of the administrator.

Your Committee received testimony in support of this measure from the State Fire Council, Honolulu Fire Department, Hawaii Fire Department, and Kauai Fire Department.

Section 132-16, Hawaii Revised Statutes, establishes the State Fire Council, which consists of the fire chiefs of the counties. The functions of the State Fire Council are to adopt the State Fire Code, and to coordinate applications to the federal government for federal grant assistance for fire-related projects and to administer those grants. The State Fire Council also undertakes a myriad of other fire-prevention duties, including fire inspection and prevention.

Existing law does not provide for an administrator for the State Fire Council. Your Committee finds that an administrator is needed to assist the council with its operations to enhance the effectiveness and efficiency of the council.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 779 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. Ayes with Reservations, 1 (Trimble). Noes, none. Excused, none.

SCRep. 16 (Joint) Intergovernmental and Military Affairs and Education on S.B. No. 618

The purpose of this measure is to direct the Department of Education to establish a program to grant high school diplomas to veterans of the armed services who could not complete their high school education due to compulsory service in the armed services of the United States during World War II, the Korean Conflict, and the Vietnam War, as well as those who did not complete high school because of wartime practices.

Testimony in support of the measure was submitted by the Department of Education, the Office of Veteran Services, the Advisory Board on Veteran Services, the Hawaii National Guard Association, the Hawaii National Guard Enlisted Association, the National Guard Association of Hawaii Insurance Trust, and the Chamber of Commerce of Hawaii,

Your Committees believe that the offer of high school diplomas should be made to those persons who were drafted and unable to complete their high school education as well as Japanese Americans who were relocated to internment camps on the mainland during World War II and not allowed to finish high school.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 618 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, 4 (Hee, Nishihara, Taniguchi, Hemmings).

SCRep. 17 (Joint) Intergovernmental and Military Affairs and Education on S.B. No. 640

The purpose of this measure is to ensure that social workers are properly trained to deal with the long-term needs of major natural disaster victims.

Specifically, the measure appropriates funds for the continuation of the University of Hawaii School of Social Work's long-term case management training program to benefit victims of major natural disasters, including expansion of the program to the entire State, focusing on utilizing the University of Hawaii's campuses on the neighbor islands of Kauai, Maui, and Hawaii as training sites.

Testimony in support of the measure was submitted by the State of Hawaii Department of Defense, the University of Hawaii at Manoa, the American Red Cross Hawaii State Chapter, and two private individuals.

Your Committees find that as a result of the number of major natural disasters that have occurred globally in the past year and the difficulties that arose in providing a swift, appropriate, and effective response to the victims of those events, the United States Federal Emergency Management Agency began to identify gaps in its response system. Among other things, the agency noted that recovery from major natural disasters takes much longer than anyone had ever anticipated.

Your Committees further find that there is virtually no established system in the State of Hawaii that provides long-term case management services to victims that identifies the ongoing needs of the affected communities, and that develops, coordinates, and distributes resources to meet those needs.

Your Committees also find that this measure provides funding for a much needed long-term case management training program to local caseworkers through the University of Hawaii's School of Social Work in order to address the on-going needs of victims of major natural disasters throughout the State of Hawaii.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military 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, 6. Noes, none. Excused, 4 (Hee, Nishihara, Taniguchi, Hemmings).

SCRep. 18 Transportation and International Affairs on S.B. No. 523

The purpose of this short form measure is to amend the law relating to transportation.

Your Committee has amended this measure by replacing its contents with language that provides for biofuel storage and transmission infrastructure.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 523, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 523, S.D. 1, and be recommitted to the Committee on Transportation and International Affairs, for further consideration.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Inouye, Taniguchi, Tsutsui).

SCRep. 19 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 162

The purpose of this measure is to exempt Iolani Palace from the standards and conditions related to the receipt of funds under chapter 42F, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Friends of Iolani Palace; the Association of the Hawaiian Civic Clubs; and the Oahu Council, Association of the Hawaiian Civic Clubs. Testimony in opposition was submitted by the Department of Land and Natural Resources.

Iolani Palace is a historic treasure and the only official state residence of royalty in the United States. During the monarchy period, the Palace was the center of social and political activity in the Kingdom of Hawaii. The Palace relies heavily upon private donations and small state subsidies to cover its operation, repair, and preservation costs. Your Committee finds that providing an exemption for Iolani Palace from the

standards and conditions under chapter 42F, Hawaii Revised Statutes, relating to the receipt of funds, will provide relief in the financial operations and budget of the Palace. Furthermore, the exemption will provide the Palace the same relief that is granted for the Bernice Pauahi Bishop Museum under section 6E-40, Hawaii Revised Statutes.

The intent of this measure is to recognize the historic significance of Iolani Palace. This type of exemption will enable the Friends of Iolani Palace to preserve, restore, interpret, and share the sacred, cultural, and historic significance of the Palace for future generations.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 162 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 (Fukunaga, Slom).

SCRep. 20 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 845

The purpose of this measure is to ensure that irrigation systems on the Island of Hawaii are properly maintained and remain operational.

The measure accomplishes this purpose by:

- (1) Providing funds for improvements to both the Lower Hamakua irrigation ditch system and the Waimea irrigation ditch system on the island of Hawaii; and
- (2) Reimbursing the irrigation system revolving fund for the expenses incurred as a result of the October, 2006, earthquake.

Testimony in support of this measure was submitted by the Department of Agriculture, Hawaii Farm Bureau Federation, Big Island Farm Bureau, Hawaii Crop Improvement Association, J & D Farm, and the Dean of the University of Hawaii College of Tropical Agriculture and Human Resources.

Water is essential to agricultural production. Irrigation systems that were developed to support plantation agriculture continue to remain vital to many of Hawaii's diversified farms. Big Island growers who use water from the Lower Hamakua irrigation ditch system and the Waimea irrigation ditch system continue to be negatively impacted by damage to those systems caused by the October, 2006, earthquake. As a result of the earthquake, the Department of Agriculture used funds from the Irrigation System Revolving Fund to pay for expenses, including the costs of hiring personnel for earthquake damage assessment, contractors, pumping, materials, supplies, and equipment.

The Lower Hamakua irrigation ditch system and the Waimea irrigation ditch system sustained damage as a result of the earthquake. Currently, the movement of water through these damaged irrigation systems is made possible by temporary repairs that must be replaced with more permanent repairs if the systems are to return to full capacity. Your Committee finds that funding for repair and maintenance of the Lower Hamakua and Waimea irrigation ditch systems will provide growers with reliable sources of irrigation water. Your Committee further finds that the Irrigation System Revolving Fund needs to be reimbursed so that funds will continue to be available for the repair and maintenance of Hawaii's irrigation systems.

Your Committee believes that this measure will support the continued expansion of diversified agriculture in the State and provide the necessary funding for the repair and maintenance of irrigation systems, which Hawaii farmers heavily rely upon for their agricultural productivity, fulfills this purpose.

Your Committee has amended this measure by:

- (1) Combining sections 2 and 3 for a combined appropriation for the repair and maintenance of both the Lower Hamakua and Waimea irrigation ditch systems on the Big Island;
- (2) Changing the blank appropriation amount for the repair and maintenance of the irrigation systems to a sum of \$3,500,000;
- (3) Changing the blank appropriation amount for deposit into the irrigation system revolving fund to a sum of \$150,000; 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 Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 845, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 845, 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 (Hee).

SCRep. 21 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 844

The purpose of this measure is to support the important efforts of the Hawaii 2050 Sustainability Task Force by appropriating funds for the development of the Hawaii 2050 Sustainability Plan.

Testimony in support of this measure was submitted by the Office of the Auditor; the Office of Planning; the Office of Hawaiian Affairs; the Association of Hawaiian Civic Clubs; the Hawaii Farm Bureau Federation; three members from the Hawaii 2050 Sustainability Task Force; and five private individuals.

A lot has changed in the three decades since the first Hawaii State Plan was established, including population growth and aging, technological advances, geopolitical circumstances, and social and environmental challenges. In light of these local, regional, and global changes, and to better define and implement state goals, objectives, policies, and priority guidelines, the Legislature adopted Act 8, Special Session Laws of Hawaii 2005, which created the Hawaii 2050 Sustainability Task Force to review the Hawaii State Plan and the State's planning process. Furthermore, the Office of the Auditor is required to submit to the Legislature the Hawaii 2050 Sustainability Plan.

The Hawaii 2050 Sustainability Plan will provide a framework for addressing vital quality-of-life and public policy issues, including land and water use, energy, public infrastructure, economic development, transportation, education, the arts, and health, and provide strategies to meet the needs of Hawaii's residents now and in the future. The Sustainability Plan requires a tremendous amount of time, energy, and resources, however,

the members of the Task Force are committed to providing a plan that will create a sustainable vision for Hawaii, and engage the community to ensure that sustainability goals and objectives are met.

Your Committee finds that the Hawaii 2050 Sustainability Plan will be an important tool and guiding force for the State and that community engagement is vital for the development, implementation, and longevity of the plan. Therefore, an appropriation of additional funds will assist the Hawaii 2050 Sustainability Task Force and the Office of the Auditor in planning additional community engagement and public education activities statewide, continuing its website and public awareness programs, conducting large conferences, and drafting, finalizing, and disseminating the Hawaii 2050 Sustainability Plan, which will be submitted to the Legislature prior to the 2008 Regular Session.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 844 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 (Fukunaga, Slom).

SCRep. 22 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Education on S.B. No. 937

The purpose of this measure is to support the revitalization of the Hawaiian language and appropriate funds to Ke Kula 'O Nawahiokalani'opu'u Iki Laboratory Public Charter School for the construction and maintenance of school facilities and other educational program needs.

Testimony in support of this measure was submitted by the University of Hawaii; Ka Haka 'Ula O Ke'elikolani College of Hawaiian Language, University of Hawaii at Hilo; the Charter School Administrative Office; the Office of Hawaiian Affairs; and seven private individuals with the support from student teachers of the University of Hawaii at Manoa Ho'okulaiwi: 'Aha Ho'ona'auao 'Oiwī (proposed Center for Native Hawaiian and Indigenous Education).

Ke Kula 'O Nawahiokalani'opu'u Iki Laboratory Public Charter School is a P-12 school, which is attached to the Ka Haka 'Ula O Ke'elikolani College of Hawaiian Language, and teaches a college curriculum to students who are primarily from lower economic backgrounds on the island of Hawaii. The charter school has been recognized as a national and international model of excellence in education through an indigenous language, and has a one hundred per cent high school graduation rate and an eighty per cent college attendance rate. Currently, the existing school facilities have become inadequate to support the school's growing enrollment of students. Your Committees find that appropriating funds for the construction and maintenance of school facilities will enable the faculty and staff to focus their energies on the important tasks of developing teaching models and curriculum.

The intent of this measure is to provide support in the preservation and perpetuation of the Hawaiian language. Supporting the education and training of Hawaiian-speaking children by providing proper learning facilities ensures that the Hawaiian language will continue to remain vibrant for future generations.

Your Committees have amended this measure by:

- (1) Referring to the charter school by its proper and full name, Ke Kula 'O Nawahiokalani'opu'u Iki Laboratory Public Charter School; and
- (2) Making technical and nonsubstantive amendments for the purposes of style and consistency.

Your Committees recognize and note that in 2006, the Legislature passed Act 298, Session Laws of Hawaii 2006, which bases the funding and financing of charter schools on: (1) actual and projected enrollment figures in the current school year for each charter school; (2) a per-pupil amount for each regular education and special education student; and (3) fringe benefit costs. Currently, there are twenty-seven total charter schools in Hawaii. Before considering the specific funding needs for one charter school, all of the charter schools must be considered as a whole. Your Committees believe this merits further discussion by the Committee on Ways and Means.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, 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. 937, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 937, 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 (Nishihara, Taniguchi).

SCRep. 23 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 847

The purpose of this measure is to assist in the planning and implementing of a long range plan that will help Hawaii's agricultural industry achieve self-sufficiency during times of drought.

The measure accomplishes this purpose by appropriating funds to each county to adequately implement drought mitigation strategies and plans.

Testimony in support of this measure was submitted by the Department of Agriculture, the Department of Land and Natural Resources, the Hawaii Farm Bureau Federation, and the Maui County Farm Bureau.

The effects of droughts can be devastating for Hawaii agricultural producers. Droughts can last for years and during that time, crop yields can fall dramatically and farms can close. In addition to agriculture and livestock industries, droughts affect water supply, commerce, the environment, and public health.

The Hawaii Drought Plan and the County Drought Mitigation Strategies identify and recommend the implementation of drought mitigation actions, subject to available funding. These drought mitigation strategies were developed in consultation with key stakeholders who participated as representative members on each respective local county drought committees. The county committees identified and prioritized projects to help reduce the impact of droughts in their communities. Your Committee finds that an appropriation of funds will signal the importance of these projects and assist in the implementation of the drought strategies and plans in each county.

Your Committee has amended this measure by:

- (1) Deleting the total dollar amount and leaving it blank for the Senate Committee on Ways and Means to determine;

- (2) Identifying each county for a separate appropriation, and leaving each dollar amount blank for the Senate Committee on Ways and Means to determine; and
- (3) Making technical, nonsubstantive changes for the purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 847, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 847, 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 (Hee).

SCRep. 24 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1127

The purpose of this measure is to promote the knowledge and practices of sciences as they existed prior to Western contact in Hawaii by appropriating funds for the development of a traditional science curriculum and standards relating to pre-western contact Hawaii.

Testimony in support of this measure was submitted by the Department of Education.

Contemporary science curriculums taught in schools focus on theories and practices of modern and Western societies. By adhering to traditional Native Hawaiian knowledge and practices, Native Hawaiian societies prior to 1778 Western contact lived in a more harmonious and symbiotic relationship with their environments than contemporary societies. The modern day science curriculum, however, tends to ignore the traditional knowledge and practices.

The traditional Native Hawaiian knowledge and practices are still pertinent today, as the crews of the many successful Hokule'a voyages have proven. Your Committee finds that appropriating funds for the development of a traditional science curriculum and standards relating to pre-western contact Hawaii will accomplish the intent of this measure, which is to promote the Native Hawaiian knowledge and practice of the sciences in Hawaii's schools. Developing a pre-western contact science curriculum will ensure that Native Hawaiians traditional knowledge and practices are not lost, and will be preserved and available for future generations to learn and practice.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1127 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 (Fukunaga, Slom).

SCRep. 25 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1308

The purpose of this measure is to augment financing opportunities for agricultural and aquacultural ventures in the State.

The measure accomplishes this purpose by strengthening the aquaculture loan program under chapter 219, Hawaii Revised Statutes, by creating parity with the agriculture loan program, and combining the revolving and reserve funds of each program together to provide flexibility in funding.

Testimony in support of this measure was submitted by the Department of Agriculture, the Hawaii Agriculture Research Center, the Hawaii Aquaculture Association, and Aquatic Innovations.

The aquaculture industry has recently undergone tremendous growth. Between the years of 2000 and 2006, the industry grew twenty-seven per cent with an increase from \$22,170,000 to \$28,400,000. Aquaculture operations range from small scale ornamental fish operations to open ocean cage cultures, which can be tremendously capital intensive. These industries make available to the public fresh, locally-grown seafood, while diversifying the State's economy and providing employment opportunities. While the demand for aquaculture production is rising, aquacultural producers are also faced with the rising costs of aquaculture facilities, operating inputs, and transportation expenses.

Your Committee finds that strengthening the aquaculture loan program by creating parity with the agriculture loan program and creating more flexibility in funding will enable aquacultural producers to better compete on local and global levels. Increasing loan limits for aquacultural operations will provide additional funding for larger scale operations at a level similar to the agricultural loan program. The use of one revolving and one reserve fund and the combining of expenditure ceilings will enable the Department of Agriculture to assist both the agricultural and aquacultural industries by providing proper funding in a timelier manner without the need to increase the expenditure ceilings of each fund or transferring moneys between the funds.

The intent of this measure is to assist in establishing stronger and more efficient aquaculture operations, and thereby expanding the State's economy. Strengthening the aquaculture loan program will encourage the development of new aquaculture operations and increasing loan limits will aid in the expansion of existing aquacultural operations.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1308 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 (Hee).

SCRep. 26 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 840

The purpose of this measure is to perpetuate the cultural heritage and unique lifestyle of the residents of Kalapana by authorizing the Department of Land and Natural Resources, subject to specific criteria and priority requirements, to award leases for the remaining nineteen lots at Kikala-Keokea.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, and the Office of Hawaiian Affairs.

The unique way of life of the Native Hawaiian residents of Kalapana was disrupted by volcanic eruptions and lava flows that began on January 3, 1983, which destroyed one of the last Native Hawaiian settlements on the island of Hawaii. The Legislature enacted Act 314, Session Laws of Hawaii 1991 (Act 314), to provide relief to the displaced residents of Kalapana by authorizing the Department of Land and Natural Resources to

negotiate long-term leases with qualified, displaced Kalapana families so that they could continue to maintain their heritage and unique way of life in the Kikala-Keokea homestead area, adjacent to the Kalapana-Kapoho Beach Road.

Your Committee finds that, prior to the sunset date of Act 314, the Department of Land and Natural Resources entered into lease agreements with forty-eight qualified and eligible families, but there were still nineteen remaining lots that were not leased after Act 314 expired. Authorizing the Department of Land and Natural Resources to award leases for the remaining nineteen lots at Kikala-Keokea will fulfill the intent of this measure which is to recognize and perpetuate the unique cultural lifestyle of the area residents of Kalapana.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 840 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 (Slom).

SCRep. 27 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 950

The purpose of this measure is to establish kalo, or taro, as the official state plant of Hawaii.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs; Association of Hawaiian Civic Clubs; Oahu Council, Association of the Hawaiian Civic Clubs, and a private individual.

Taro is sacred to Native Hawaiians and is an integral part of the Native Hawaiian culture. Taro is a culturally significant plant to the kanaka maoli, Hawaii's indigenous people. According to the kumulipo, the Hawaiian creation chant, Hawaiian genealogy emerges from the kalo plant. Taro holds great cultural, religious, and historic meaning to Native Hawaiians and is highly respected and revered. Your Committee finds that establishing the kalo plant as the official state plant will ensure continued respect for this sacred ancestor of the Native Hawaiian people.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 950 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 (Slom).

SCRep. 28 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 958

The purpose of this measure is to create a ten-year moratorium on testing, propagating, cultivating, raising, and growing of genetically modified taro in Hawaii.

Testimony in support of the measure was submitted by a Councilmember, Kauai County Council; Hawaii Organic Farmers Association; KAHEA: The Hawaiian-Environmental Alliance; Kauai Taro Growers Association; Kako`o Oiwi; over fifty-five private individuals; a petition from Maui with sixty-seven signatures; and a petition from Kauai with over eight hundred signatures. Testimony in opposition to the measure was submitted by the Department of Health; University of Hawaii; College of Tropical Agriculture and Human Resources, University of Hawaii; Hawaii Coffee Association; Hawaii Science and Technology Council; Hawaii Crop Improvement Association; Hawaii Papaya Industry Association; and four private individuals. The Department of Agriculture submitted comments.

Taro is sacred to Native Hawaiians and is an integral part of the Native Hawaiian culture. Taro is a culturally significant plant to the kanaka maoli, Hawaii's indigenous people. According to the kumulipo, the Hawaiian creation chant, Hawaiian genealogy emerges from the kalo plant. Taro holds great cultural, religious, and historic meaning to Native Hawaiians and is highly respected and revered.

Your Committee heard overwhelming testimony from farmers, interest groups, and private individuals who were all against genetically modified taro due to their concerns that genetically modified taro will destroy the genetic strains of native taro species, and is disrespectful of the cultural foundation taro holds for Native Hawaiians, their culture, and their religious practices. Furthermore, questions exist regarding the possible health, environmental, economic, and cultural impacts of genetically modified taro. Thus, your Committee finds that creating a ten-year moratorium on testing, cultivating, and growing genetically modified taro in Hawaii will provide sufficient time to address the numerous concerns raised by genetically modified taro experiments.

Your Committee, however, recognizes that there are many lethal insects and diseases of taro that occur in the Pacific that can cause wide spread agricultural and financial losses for taro farmers. The Department of Agriculture (Department) testified that due to the Plant Protection Act of 2000, the Department is no longer able to inspect taro from Asia and the Pacific that may carry pests and diseases, which may cause infestation or disease in Hawaii taro patches. Furthermore, the Department points out that Customs and Border Protection under the Department of Homeland Security replaced the United States Department of Agriculture agents and now conducts inspections of plant products from foreign countries, thus, leaving the passenger and baggage pathway more vulnerable to unwanted plant pests and diseases. Your Committee notes that the Hawaii Farm Bureau Federation has submitted a draft report regarding genetically modified organisms to the Department of Agriculture for finalization and is looking forward to the report's findings and recommendations for further guidance on this issue.

Your Committee has amended this measure by:

- (1) Deleting section 1 of the measure and replacing it with specific language to emphasize the cultural significance that taro holds in Native Hawaiian culture, religion, and history; and
- (2) Including "developing" as one of the actions that is prohibited during the ten-year moratorium.

Your Committee believes that the amended measure will address the overwhelming Native Hawaiian cultural concerns that genetically modified taro poses. While genetic engineering may arguably serve as a tool to improve or protect agricultural crops, it is still prudent to respect and preserve the integrity and purity of the various varieties of taro grown in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 958, as amended herein, and recommends 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 Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Slom). Excused, 1 (Fukunaga).

SCRep. 29 Energy and Environment on S.B. No. 993

The purpose of this measure is to protect public interests by lessening the State's dependency on fossil fuels and encouraging the development of renewable energy systems.

The measure accomplishes this purpose by authorizing the issuance of \$20,000,000 in special purpose revenue bonds to assist Honolulu Seawater Air Conditioning, LLC., in the financing of a seawater air conditioning district cooling system in downtown Honolulu.

Your Committee received testimony in support of this measure from Honolulu Seawater Air Conditioning, LLC., Enterprise Honolulu, World Business Academy, Hawaii Renewable Energy Alliance, and the Hawaii Science and Technology Council.

Your Committee finds that the use of alternative energy production will promote the State's goal of lessening its dependence on fossil fuels. Your Committee further finds that encouraging the development of seawater air conditioning cooling systems will reduce fossil fuel dependency and ozone-depleting greenhouse gases by replacing traditional high power consuming technologies with a more efficient alternative.

Your Committee believes that the issuance of special purpose revenue bonds will make the development of these systems more economically feasible and will reduce and stabilize cooling costs for its consumers.

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. 993 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 (Ihara, Kokubun).

SCRep. 30 Energy and Environment on S.B. No. 994

The purpose of this measure is to lessen the State's dependency on fossil fuels.

The measure accomplishes this purpose by including seawater district cooling systems in the definition of "qualified business" for the purpose of state enterprise zone benefits.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development and Tourism, Honolulu Seawater Air Conditioning, LLC., Enterprise Honolulu, University of Hawaii at Manoa- Environmental Center, and the World Business Academy. The Department of Taxation submitted comments regarding this measure.

Your Committee finds that the use of alternative energy production will promote the State's goal of lessening its dependence on fossil fuels. Your Committee further finds that encouraging the use of seawater air conditioning cooling systems will reduce fossil fuel dependency and ozone-depleting greenhouse gases by replacing the traditional high power consuming technologies with a more efficient alternative.

Your Committee believes that providing enterprise zone benefits will effectively reduce the costs of seawater district cooling systems, which in turn will encourage its use by developers and customers, and consequently fulfill the intent of the measure to lessen the State's dependence on fossil fuels.

Your Committee received a fiscal impact statement from the Department of Taxation that provided that this measure will result in a revenue loss to the State of approximately \$450,000. However, this statement did not specify how the fiscal impact was calculated or whether the stated amount was calculated as a one-time fuel impact or on an annual basis.

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. 994 and recommends that it pass Second Reading and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 31 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1531

The purpose of this measure is to ensure Native Hawaiian cultural representation on matters relating to marine and coastal zone managements by requiring the Director of the Office of Planning to appoint one member on the Marine and Coastal Zone Advocacy Council from a list of three nominees submitted by the Office of Hawaiian Affairs.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, the Native Hawaiian Legal Corporation, and three private individuals. Testimony in opposition to this measure was submitted by the Office of Planning.

The coastal zone management program under section 205A-2, Hawaii Revised Statutes, was established to manage, promote, preserve, and protect the State's marine, coastal, and surrounding recreational areas. The program focuses on Hawaii's ecosystem as a whole rather than on the individual species, resources, or uses, thus, the objectives and policies of the program have broad implications. The Marine and Coastal Zone Advocacy Council provides the Office of Planning advice regarding marine and coastal zone management, planning, coordination, and facilitation of the functions of the coastal zone management program. The Council balances the various interests involving coastal zone management to ensure that its advice to the Office of Planning is systemic in content. However, the Office's decisions concerning the management of coastal zone resources can have a direct effect on traditional Native Hawaiian cultural traditions, practices, and beliefs. Your Committee finds that traditional Native Hawaiian coastal and ocean usage and practices need to be taken into consideration and represented on the Marine and Coastal Zone Advocacy Council.

Your Committee notes that the Office of Planning indicated in its written testimony that the Office has strongly supported Native Hawaiian interests in the coastal zone management program initiatives. The Office commits staff and fiscal resources to projects; invites and assures the participation of Native Hawaiian organizations in meetings and workshops on coastal zone management and ocean resources management plan matters; and co-sponsors with the Office of Hawaiian Affairs workshops to promote dialogues with kupuna on the subject of a moku management framework for planning and managing ocean and coastal resources. Furthermore, the Office points out that, in addition to Native Hawaiian interests, the coastal zone management program is required to recognize, observe, protect, and balance other interests such as business, the environment, terrestrial and marine commerce, recreation, research, and tourism. Thus, the Office of Planning is concerned that allowing the

Office of Hawaiian Affairs to designate a member on the Marine and Coastal Zone Advocacy Council may have an unintended effect and inference of providing a preference to one interest over the other interests that the Council must balance for efficient operation.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that requires the Director of the Office of Planning to appoint one member of the Marine and Coastal Zone Advocacy Council from a list of three nominees submitted by the Office of Hawaiian Affairs, and replacing it with specific language that requires at least one member on the Marine and Coastal Zone Advocacy Council to have substantial experience and expertise in traditional Native Hawaiian coastal and ocean usage and practices; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee believes that the amended measure fulfills the intent of the measure to provide and ensure the observation and consideration of Native Hawaiian traditional and cultural coastal and ocean uses and practices on the Marine and Coastal Zone Advocacy Council.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1531, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1531, 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 (Slom).

SCRep. 32 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 546

The purpose of this short form measure is to amend the law relating to land use.

Your Committee has amended this measure by replacing its contents with language that:

- (1) Changes the minimum residential lot size from one-half acre to one acre in a rural district;
- (2) Establishes a minimum residential lot size of five acres in an agricultural district; and
- (3) Allows for the clustering of dwelling units in both districts; provided that the maximum density limitation for each respective type of district is not diminished.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 546, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 546, S.D. 1, and be recommitted to the Committee on Water, Land, Agriculture, and Hawaiian Affairs, for further consideration.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 33 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 561

The purpose of this short form measure is to amend the law relating to water.

Your Committee has amended this measure by replacing its contents with language that requires private entities that furnish water used for agricultural purposes in an area zoned for agricultural use to establish a water rate structure for agricultural use that is comparable to the rate structure used by the respective local county board of water supply.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs 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 recommitted to the Committee on Water, Land, Agriculture, and Hawaiian Affairs, for further consideration.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 34 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1877

The purpose of this short form measure is to amend the law relating to important agricultural lands.

Your Committee has amended this measure by replacing its contents with language that:

- (1) Exempts owners of real property designated as important agricultural lands from paying real property taxes, and makes an appropriation to the counties to offset any revenues lost as a result of exempting land owners of important agricultural lands from real property taxation; and
- (2) Allows farmers to develop, construct, and maintain dwelling units for farmers, employees, and their families on lands designated as important agricultural lands; provided that the farmer complies with certain conditions.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1877, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1877, S.D. 1, and be recommitted to the Committee on Water, Land, Agriculture, and Hawaiian Affairs, for further consideration.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 35 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 848

The purpose of this measure is to address the potential crisis that is developing at the East Kauai irrigation system by appropriating funds to cover operation and maintenance expenses of the irrigation system.

Testimony in support of this measure was submitted by the Agribusiness Development Corporation; the Department of Water, County of Kauai; East Kauai Water Users' Cooperative; Hawaii Farm Bureau Federation; Kauai County Farm Bureau; Hawaii Crop Improvement Association; and Saiva Siddhanta Church.

The East Kauai irrigation system is the only system in the State that is run by the community. In 2001, Amfac Sugar Company announced that it was ceasing operations of its ditch system, which irrigated four thousand acres of land in the Kapaa area. The East Kauai Water Users' Cooperative received a revocable permit from the State to operate the East Kauai irrigation system and took over operations in 2002.

Currently, the East Kauai Water Users' Cooperative faces a serious funding shortfall to cover operation and maintenance expenses. Large portions of the land served by the ditch remain fallow or are occupied by ranchers or farmers who have only begun to develop the land. The income generated from users is insufficient to cover the normal operations and maintenance expenses of the irrigation system. Your Committee finds that appropriating funds for the operation and maintenance of the East Kauai irrigation system will allow the irrigation system to continue to provide water for agricultural producers and its other users.

Your Committee has amended this measure by:

- (1) Adopting the suggestion made by the Agribusiness Development Corporation and adding language to clarify that the East Kauai Water Users' Cooperative will receive funds for the operation and maintenance of the East Kauai irrigation system, and the amounts received will not supplant any other funds appropriated to the Cooperative; and
- (2) Making technical, nonsubstantive changes for the purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 848, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 848, 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 (Hee).

SCRep. 36 Intergovernmental and Military Affairs on S.B. No. 804

The purpose of this measure is to create a special fund to reimburse service members of the Hawaii National Guard and Hawaii National Guard Reserves for premiums paid under service members' group life insurance policies while service members are deployed on active duty to a war zone.

Your Committee received testimony in support of this measure from the State of Hawaii Department of Defense, the Hawaii National Guard Enlisted Association, the Hawaii National Guard Association, the National Guard Association of Hawaii Insurance Trust, and the Armed Services Committee of the Chamber of Commerce of Hawaii.

Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Your Committee finds that members of Hawaii's National Guard and National Guard Reserves make many sacrifices for the people of Hawaii and the United States. The intent of this measure is to provide reimbursement for premiums paid for group life insurance by service members of the Hawaii National Guard and Hawaii National Guard Reserves who are deployed to a war zone.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 804 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, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 37 Transportation and International Affairs on S.B. No. 1034

The purpose of this measure is to exempt common carriers from the general excise and use taxes for fuel sold from a foreign trade zone to common carriers for use in intrastate transportation.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, Aloha Airlines, The Chamber of Commerce of Hawaii, Transport Workers Union, Aloha Airlines Pilots' Union, International Association of Machinists and Aerospace Workers District 141, Hawaiian Airlines and the Hawaii Fueling Facilities Corporation. Comments were received from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that a healthy inter-island airline industry is vital to the State's economy. Hawaii's inter-island airlines continue to face severe financial challenges. Fuel costs in particular have skyrocketed and grown volatile in recent years. In fact, for most airlines, the cost of fuel has surpassed labor as the highest operating cost factor.

The intent of this measure is to level the playing field and create a fairer market for all airlines. Sales of fuel sold from a foreign-trade zone for use by airlines traveling out of the State of Hawaii are exempt from general excise and use taxes. However, intrastate flights are not exempt. To the extent that the Hawaii general excise and use taxes apply to intrastate flights, these taxes only exacerbate the problem for Hawaii airlines. Your Committee received a fiscal impact statement from the Department of Taxation on a revenue loss of \$12.3 million annually. The Department did not submit the methodology by which the fiscal impact was calculated.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1034 and recommends that it pass Second Reading and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Inouye, Taniguchi, Tsutsui).

SCRep. 38 Intergovernmental and Military Affairs on S.B. No. 1500

The purpose of this measure is to make an emergency appropriation of \$4,500,000 to the Department of Taxation to address unbudgeted expenses incurred by the Department in implementing the administration of the county surcharge on the State's General Excise Tax provided for under section 46-16.8, Hawaii Revised Statutes.

Testimony in support of the measure was submitted by the State of Hawaii Department of Taxation, and the City and County of Honolulu Department of Budget and Fiscal Services.

Your Committee finds that it is necessary to increase the appropriation to the Department of Taxation from \$4,500,000 to \$5,000,000 in order for it to fulfill its obligations with the tax collection system software vendor and to cover expenses related to the administration and collection of the county surcharge on the State's General Excise Tax.

Your Committee further finds that this emergency appropriation is necessary and in the best interest of the public to assure that the City and County of Honolulu's county surcharge on the State's General Excise Tax is not adversely impacted. An adverse impact could ultimately affect the funding of the City and County of Honolulu's mass transit project, including the ability of the City and County of Honolulu to obtain federal funding for the mass transit project. Failure to provide this emergency appropriation will also result in the City and County of Honolulu surrendering its guarantee for these costs.

In light of these findings your Committee has amended the measure by increasing the amount appropriated from \$4,500,000 to \$5,000,000.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1500, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 39 Transportation and International Affairs on S.B. No. 1677

The purpose of this measure is to provide effective, efficient responses to incidents, special events, and roadway construction to ensure the smooth flow of traffic on the island of Maui.

Specifically, this measure appropriates funds for the design of a Maui traffic control center.

No testimony was received on this measure.

Your Committee finds that on Maui, traffic across the island is routinely backlogged during morning and afternoon rush hours as a result of roadway maintenance and improvements and when there are traffic accidents or special events. Other examples of commuter traffic backlogs occur in areas such as Paia town where Hana Highway meets Baldwin Avenue, the Piilani Highway corridor from Kihei to Wailea, and in Lahaina town where Lahainaluna Road meets Honoapiilani Highway. A traffic control center for the island of Maui would inform drivers, maximize traffic flow, and enhance public safety.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1677 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 (Hooser, Taniguchi, Tsutsui).

SCRep. 40 Transportation and International Affairs on S.B. No. 1514

The purpose of this measure is to transfer \$36.4 million from the general fund to the State Highway Fund in each of the fiscal years 2007-2008 and 2008-2009, and to appropriate those moneys for state highway improvements.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT) and Hawaii Transportation Association.

This measure provides funding to the DOT to continue to operate, maintain, and construct the state highway system, and to continue to improve road quality. Specifically, the transfers will provide the means for the State Highways Division to implement special maintenance projects to catch up on deferred maintenance in the 2007-2008 and 2008-2009 biennium period. In addition, the transfers allow the DOT to pull down federal matching funds, if any, as applicable.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1514 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 (Hooser, Taniguchi, Tsutsui).

SCRep. 41 Ways and Means on S.B. No. 149

The purpose of this measure is to authorize the issuance of general obligation bonds and determine whether the issuance of the bonds will cause the State's debt limit to be exceeded.

Your Committee finds that:

- (1) The measure will authorize the financing of project appropriations contained in acts of the Legislature for which the means of funding are designated as general obligation bond funds or reimbursable general obligation bond funds; and
- (2) Issuance of the bonds authorized will not cause the State's constitutional debt limit to be exceeded.

The Department of Budget and Finance and the Hawaii State Teachers Association submitted testimony in support of this measure.

Your Committee has amended this measure by 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. 149, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 149, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Chun Oakland, Hooser, Menor).

SCRep. 42 Ways and Means on S.B. No. 1083

The purpose of this measure is to appropriate funds to hard wire all state capitol conference rooms, the capitol auditorium, and both legislative chambers for video broadcasts.

The League of Women Voters provided testimony in support of this measure. Olelo Community Television offered comments.

Your Committee finds that video broadcasts improve public access capabilities and facilitate citizen participation. Your Committee further finds that hard wiring the state capitol avoids the costs of manual installation of wiring by a contractor, as currently practiced.

Your Committee has amended this bill by making a technical nonsubstantive amendment for 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. 1083, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1083, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Chun Oakland, Hooser, Menor).

SCRep. 43 Ways and Means on S.B. No. 1084

The purpose of this measure is to appropriate funds to broadcast legislative proceedings via the Internet.

Your Committee received supporting testimonies from Life of the Land, the League of Women Voters, and the President and CEO of Olelo Community Television.

Your Committee finds that televised coverage of legislative sessions and hearings is critical to maintaining an informed electorate in a democratic society. Coverage of legislative proceedings, however, are limited to brief news reports by local television stations and limited coverage by local cable television channels that are available only to paying cable viewers at certain broadcast times. Your Committee further finds that thousands of homes across the State could access proceedings of the legislature using the Internet, thus expanding public access to the legislative process.

Current computer technology called streaming media or webcasting allows the transmission of video and audio signals over the Internet to all islands and beyond, and recordings of live webcasts can be archived so that users can listen to or view a file at their leisure. The streaming media or webcasting programs can also be accessed wherever computers are available, such as public libraries, schools, youth centers, and other public places.

Your Committee has amended the measure by deleting the phrase "section centers" on page 2, lines 14, and 15 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. 1084, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1084, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Chun Oakland, Hooser, Menor).

SCRep. 44 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1007

The purpose of this measure is to require an investment broker and agent who share compensation for their services to pay the general excise tax on only that portion of the compensation retained by each.

Your Committee received testimony in support of this measure from Linsco/Private Ledger Corporation, SunAmerica Securities Inc., Brookstreet Securities Corporation, the National Association of Insurance and Financial Advisors Hawaii, and an individual.

Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that where an investment broker and agent share compensation, each should only be required to pay taxes on their respective portions, rather than on the entire compensation.

The intent of this measure is to add investment brokers and agents to the list of persons in section 237-18, Hawaii Revised Statutes, who are only required pay general excise tax on the portion of compensation they retain individually, rather than on the whole compensation received.

Your Committee has amended this measure by changing the effective date upon which the new taxing structure applies from gross income or gross proceeds received after December 31, 2006, to gross income or gross proceeds received after June 30, 2007.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1007, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1007, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 45 (Joint/Majority) Commerce, Consumer Protection and Affordable Housing and Transportation and International Affairs on S.B. No. 1506

The purpose of this measure is to maintain the rental motor vehicle surcharge at \$3 a day and to appropriate funds out of the State Highway Fund for operational costs, maintenance, and capital improvements on the State highway system.

Your Committees received testimony in support of this measure from the Department of Taxation and the Department of Transportation.

Catrala Hawaii, Avis Budget Group, Dollar Rent A Car, Enterprise Rent-A-Car, and Thrifty Car Rental submitted testimony in opposition to this measure.

Comments on this measure were received from the Hawaii Insurers Council and the Tax Foundation of Hawaii.

Your Committees find that the rental vehicle surcharge tax is a major revenue source for the State Highway Fund, contributing approximately twenty-five per cent of all the revenues deposited into the fund. The existing law allows for the rental vehicle surcharge tax to revert to \$2 a day on September 1, 2007, which would reduce revenue for much needed repairs on the State highway system.

Your Committees have amended this measure by deleting the specific amount appropriated from the State Highway Fund to promote further discussion, making the appropriation effective on July 1, 2007, and making technical, nonsubstantive changes for purposes of clarity and style.

Your Committees note that this measure, as part of the Administration Package, would maintain the tax at \$3 per day and make this amount permanent instead of allowing the tax to revert back to \$2 per day.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1506, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1506, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, 1 (Slom). Excused, 5 (Hooser, Ihara, Inouye, Sakamoto, Tsutsui).

SCRep. 46 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1542

The purpose of this measure is to recognize the significance of ceded lands in Hawaii by prohibiting the Department of Land and Natural Resources from selling, exchanging, or otherwise alienating lands contained within the Public Land Trust without the consent of the Board of Trustees of the Office of Hawaiian Affairs.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, the Native Hawaiian Legal Corporation, and a private individual. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources and the Department of the Attorney General.

The Board of Land and Natural Resources is responsible for managing the Public Land Trust. Pursuant to the Admission Act, the lands, proceeds, and income of the Public Land Trust must be managed and used for one or more of five trust purposes. The betterment of the conditions of Native Hawaiians is one of those purposes.

Your Committee heard testimony presented from the Department of Land and Natural Resources and the Department of the Attorney General that essentially objected to prohibiting the Board of Land and Natural Resources from selling, exchanging, or otherwise alienating ceded lands without the approval of the Board of Trustees of the Office of Hawaiian Affairs. Despite their reasons for objecting to this measure, your Committee finds that in lieu of a prior approval from the Office of Hawaiian Affairs, the Board of Land and Natural Resources should still be required to seek the approval from a government body prior to the sale or exchange of ceded lands to further ensure that the purposes of the Public Land Trust, especially with respect to the betterment of the conditions of Native Hawaiians, are observed and respected.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that requires the Board of Land and Natural Resources to obtain consent from the Board of Trustees of the Office of Hawaiian Affairs prior to the sale, exchange, or otherwise alienation of ceded land, and replacing it with specific language that requires the Board of Land and Natural Resources to:
 - (A) Obtain approval of the Legislature by at least two-thirds majority vote of the members of each house prior to the sale, exchange, or otherwise alienation of ceded land; and
 - (B) Submit a concurrent resolution with specific information on the land and the action proposed for introduction to the Legislature for its review prior to the sale, exchange, or alienation of ceded land; and
- (2) Making technical, nonsubstantive stylistic changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1542, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1542, 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 (Slom).

SCRep. 47 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Education on S.B. No. 615

The purpose of this measure is to recognize Native Hawaiian traditional and cultural practices pertaining to the land and the ocean by appropriating funds to develop a plan for the creation of a permanent `Aha Moku Advisory Council, which will serve as an advisory body to governmental agencies involved with adopting and maintaining regulatory policies pertaining to the ocean and land.

Testimony in support of this measure was submitted by the Association of Hawaiian Civic Clubs, the Hawaiian Civic Club of Hilo, the Nature Conservancy, and a private individual.

Before Western contact, Native Hawaiians successfully controlled, nurtured, protected, and preserved their native cultural traditions and practices. These traditions and practices reflect a deep spiritual connection with the ocean and the land, but are in imminent danger of being lost. Furthermore, Hawaiian indigenous and endemic species of marine and terrestrial life, found nowhere else in the world, are in imminent danger of extinction. Ironically, the Native Hawaiian community, as the host culture, is usually not consulted at the policy-making level on laws and rules that relate to the ocean and land, and may have a direct impact on their culture, despite their traditional cultural methods defined under ahupua`a management systems, which sustained the Native Hawaiians for thousands of years prior to Western contact.

Your Committees find that actively engaging the Native Hawaiian community in creating a consensus on a process to protect and perpetuate Hawaii's unique marine and land resources will create a more sustainable future for Hawaii. An `Aha Moku task force consisting of representatives from each moku of each island and other key stakeholders will assist in developing a plan for the formation of a permanent `Aha Moku Advisory Council. The permanent `Aha Moku Advisory Council will then serve as an advisory body to governmental agencies involved with adopting and maintaining regulatory policies pertaining to the ocean and land.

The intent of this measure is to provide sustainable measures for the continued presence and growth of Hawaii's unique and delicate marine and land resources. Engaging the Native Hawaiian community in creating a marine and land resources consensus will assist in the protection and preservation of Native Hawaiian cultural traditions and practices, and create a more sustainable future for Hawaii's marine and land resources.

Your Committees have amended this measure by:

- (1) Adopting the suggestion made by the Association of Hawaiian Civic Clubs by:
 - (A) Adding specific language that the permanent `Aha Moku Advisory Council will be developed by participants in the Na Ho`ohanohano I Na Kupuna Puwalu Series; and
 - (B) Adding, as an additional duty for the task force to accomplish, the researching of a proper site within the University of Hawaii to be a permanent and safe depository for data and information; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, 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. 615, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 615, 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 (Nishihara, Taniguchi).

SCRep. 48 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Education on S.B. No. 835

The purpose of this measure is to support the diversified agriculture industry by appropriating funds for the College of Tropical Agriculture and Human Resources to develop a long range plan for a food innovation and security center to develop and promote new, safe, high-quality, high-value agricultural products from Hawaii.

Testimony in support of this measure was submitted by the College of Tropical Agriculture and Human Resources, University of Hawaii; the Department of Agriculture; Hawaii Farm Bureau Federation; Maui County Farm Bureau; Big Island Candies; and the Hawaii Food Industry Association.

Agriculture and its value-added products contribute \$2,400,000,000 to the State's economy and employ more than 38,000 people. The value of diversified agriculture has more than doubled during the past twenty-five years, and this growth indicates an improvement in the State's food security and lessens the State's dependence on food imports. Despite these favorable numbers, more needs to be done to ensure a higher level of food security and self-sufficiency for the State.

Your Committees find that creating a food innovation and security center will assist Hawaii's agricultural and value-added businesses to bring to market products whose quality and value offset the State's high costs of land, labor, water, and transportation. This center will focus on Hawaii's statewide food needs by providing value-added businesses assistance with developing new products from Hawaii-grown produce, and providing agricultural producers assistance with producing safe, wholesome foods that meet Good Agricultural Practices (GAP), and Health Approved Safety Standards Protection (HASSP) certification standards.

Your Committees believe that this measure will support and assist in the expansion of diversified agriculture. A food innovation and security center will promote the production of high-quality, high-value, safety-certified food products for both local and export markets, which will result in the continued growth of Hawaii's diversified agricultural industry.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, 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. 835 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, 2 (Nishihara, Taniguchi).

SCRep. 49 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Education on S.B. No. 936

The purpose of this measure is to support the revitalization of the Hawaiian language and appropriate funds for Ka Haka `Ula O Ke`elikolani College of Hawaiian Language at the University of Hawaii at Hilo.

Testimony in support of this measure was submitted by the University of Hawaii; Ka Haka `Ula O Ke`elikolani College of Hawaiian Language, University of Hawaii at Hilo; the Office of Hawaiian Affairs; and eight private individuals with the support from student teachers of the University of Hawaii at Manoa Ho`okulawi: `Aha Ho`ona`auao `Oiwai (proposed Center for Native Hawaiian and Indigenous Education).

With the exception of its use within the Ni`ihau community, the Hawaiian language is still on the brink of extinction. The Hawaiian Language Immersion Program is the primary vehicle through which the Hawaiian language can be perpetuated as a living language with the creation of future generations of Hawaiian-speaking children.

Your Committees find that it is critical to support initiatives that focus on teacher professional development, curriculum research and development, and educational leadership for the Hawaiian Language Immersion Program. Funding will enable the Ka Haka `Ula O Ke`elikolani College of Hawaiian Language to continue to operate at the level provided by start-up grant funds and also stabilize the College's strong record of innovation and excellence. Furthermore, additional funding will enable the College to hire new staff.

The intent of this measure is to provide support in the preservation and perpetuation of the Hawaiian language. Supporting the education and training of future Hawaiian language immersion teachers ensures that the Hawaiian language will continue to remain vibrant for future generations.

Your Committees have amended this measure by:

- (1) Replacing the blank dollar appropriation amount with \$608,000, for Ka Haka `Ula O Ke`elikolani College of Hawaiian Language to obtain equity funding to hire additional staff members, and to acquire necessary tools and material to implement the program; and
- (2) Deleting the Department of Education as the expending agency and adding the University of Hawaii.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, 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. 936, as amended herein, and recommend 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 Chairs on behalf of the Committees. Ayes, 8. Noes, none. Excused, 2 (Nishihara, Taniguchi).

SCRep. 50 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Education on S.B. No. 1093

The purpose of this measure is to develop a community-based consensus for managing Hawaii's marine resources by appropriating funds for the creation of an ocean health consensus project.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the University of Hawaii, Aqua Lung, Frogman Charters, Jack's Diving Locker, Trilogy Excursions, the Ocean Tourism Coalition, Lahaina Divers, Maui-Molokai Sea Cruises – Prince Kuhio, Expeditions, the Nature Conservancy, Maui Dive Shop/Ali'i Nui, and three private individuals. Testimony in opposition to this measure was submitted by a private individual. A private individual submitted comments.

Hawaii has the highest level of marine endemism of any place of similar size in the tropics. Twenty-five per cent of the fish species native to Hawaii are found nowhere else in the world. Scientists estimate that a number of native fish species have declined by more than seventy-five per cent over the past one hundred years. This is a loss that affects the livelihood of fishermen, Native Hawaiian culture and practices, and Hawaii's food supply. Due to Hawaii's geographic isolation, it is crucial that the State's shore reef systems and fisheries achieve and maintain a level of self-sufficiency and sustainability.

Your Committees find that there is a critical need to obtain consensus among the various stakeholders who use Hawaii's marine resources for sustenance, recreation, and commercial production. Establishing a community-based consensus on the management of Hawaii's marine resources will provide valuable input and tools in the development of a plan to protect, preserve, and enhance the State's marine resources for the benefit of future generations.

The intent of this measure is to provide sustainable measures for the continued presence and growth of Hawaii's unique and delicate marine resources. The creation of a community-based ocean health consensus is consistent with efforts to create a more sustainable Hawaii.

Your Committees have amended this measure by:

- (1) Adding ocean tourism as one of the key stakeholder representatives to be included in the consensus project; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committees recognize and note the concerns from the Department of Land and Natural Resources regarding the lack of guidance on the actual process by which the key stakeholders will be selected and convene for the consensus, and the time frame in which the outcome of this project will be accomplished. Your Committees appreciate the Department's willingness to work with the University of Hawaii and the Center for Conservation Research and Training to develop a framework and timeline for the consensus project.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, 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. 1093, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1093, 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 (Nishihara, Taniguchi).

SCRep. 51 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Education on S.B. No. 1784

The purpose of this measure is to support the revitalization of the Hawaiian language by:

- (1) Creating a link between the public schools, the local communities, and university teacher education programs by amending section 304A-1203, Hawaii Revised Statutes; and
- (2) Appropriating funds to establish and resource Ho'okulaiwi: `Aha Ho'ona'auao `Oiwī (proposed Center for Native Hawaiian and Indigenous Education).

Testimony in support of this measure was submitted by the Department of Education; the University of Hawaii; Principal, Nanaikapono Elementary School; the Native Hawaiian Legal Corporation; Ngā Pae o te Māramatanga, National Institute of Research Excellence in Maori Development and Advancement at the University of Auckland; Te Whare Wānanga o Awanuiārangi; the National Indian Education Association; the Office of Hawaiian Affairs; and one hundred sixty-three private individuals.

With the exception of its use within the Ni'ihau community, the Hawaiian language is still on the brink of extinction. Furthermore, Native Hawaiian students perform poorly in regular public schools because they lack role models and there is an absence of curriculum and teaching styles that speak to the Hawaiian way of life and learning. The Hawaiian Language Immersion Program is the primary vehicle through which the Hawaiian language can be perpetuated as a living language with the creation of future generations of Hawaiian-speaking children.

Your Committees find that there is a critical need for teachers, curriculum developers, researchers, and teacher educators in the Hawaiian community. Ho'okulaiwi: `Aha Ho'ona'auao `Oiwī addresses this need by preparing teachers for Department of Education Hawaiian Language Immersion Programs, Title I schools with a large number of Native Hawaiian children, or Hawaiian-focused charter schools, and trains educational leaders in curriculum research, school administration, and continuing education of teachers by supporting study at the masters and doctoral levels. Appropriating funds to establish resources for Ho'okulaiwi: `Aha Ho'ona'auao `Oiwī within the University of Hawaii will allow the program to train and prepare more qualified teachers and provide more permanent faculty positions.

Your Committees further find that Ho'okulaiwi is a form of educational renewal that addresses the needs of each individual school by including members of the community and school in decision-making for teaching methods, recruiting, and curriculum development. Involving the community within the decision-making process provides another valuable perspective and allows the incorporation of Native Hawaiian cultural traditions and practices within the school curriculum.

The intent of this measure is to provide support in the preservation and perpetuation of the Hawaiian language. By training teachers, Ho'okulaiwi: `Aha Ho'ona'auao `Oiwī assists in the preservation and continuation of the Hawaiian language for future generations.

Your Committees have amended this measure by:

- (1) Adopting the suggestion made by the Department of Education to delete any references to local community boards for consistency and clarity; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, 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. 1784, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1784, 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 (Fukunaga, Taniguchi).

SCRep. 52 (Majority) Energy and Environment on S.B. No. 731

The purpose of this measure is to restrict the fuel tax to fuel used for transportation purposes.

Your Committee received testimony in support of this measure from the Kauai Island Utility Cooperative. Your Committee received testimony in opposition to this measure from the Department of Taxation, the Department of Transportation, and one individual. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that restricting the fuel tax to fuel used only for transportation purposes is overly broad and detrimental to the state highway system's operations and maintenance. Your Committee further finds that the license tax currently imposed upon facilities that purchase liquid fuel for electricity generation results in more than \$2 million of annual tax liability, which is then passed on to its consumers.

It is the intent of your Committee to relieve some of the tax burden from power-generating facilities and electric cooperatives that purchase liquid fuel. It is the further intent of your Committee to not exempt power-generating facilities and electric cooperatives from the environmental response tax pursuant to section 243-3.5, Hawaii Revised Statutes.

Your Committee received a fiscal impact statement on this measure from the Department of Taxation that anticipates a revenue loss of approximately \$1.7 million in fiscal year 2008.

Your Committee amended this measure in accordance with the Department of Taxation's recommendations by removing the exemption from section 243-7, Hawaii Revised Statutes, and adding the exemption to the "license taxes" section, section 243-4, Hawaii Revised Statutes.

Your Committee further amended this measure by clarifying that the exemption applies to power-generating facilities and electric cooperatives, thereby narrowing the scope from the original language of the measure that very broadly exempted the fuel tax from "fuel used for power generation purposes".

Your Committee further amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, 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. 731, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 731, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, 1 (Trimble). Excused, 2 (Ihara, Kokubun).

SCRep. 53 Energy and Environment on S.B. No. 1077

The purpose of this measure is to bring the State into the forefront of environmental change by setting an example and promoting policies and regulations within state departments and agencies to decrease the release of greenhouse gas.

The intent of this measure is to require the head of each state department, through planning, processes, regulations, and permit applications, to reduce greenhouse gas emissions where feasible.

Testimony in support of this measure was received from Honolulu Seawater Air Conditioning, LLC; Life of the Land; the Conservation Council for Hawai'i; Hawaii Solar Energy Association; the Respiratory & Environmental Disabilities Association of Hawaii; the Sierra Club Hawai'i Chapter; and eight individuals. The Department of Business, Economic Development and Tourism submitted comments on this measure.

Your Committee finds that climate change due to human-produced greenhouse gas emissions is a serious issue that must be addressed to protect our health and environment. Ongoing efforts must be made to increase the use of newer, cleaner 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. 1077 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 (Ihara).

SCRep. 54 Energy and Environment on S.B. No. 1247

The purpose of this measure is to prohibit the Department of Health from issuing permits, after December 31, 2008, to any new facilities that burn or consume coal, or to any existing coal burning facilities intending to expand or modify, which would result in an increase of coal consumption.

Your Committee received testimony in support of this measure from Life of the Land; Honolulu Seawater Air Conditioning, LLC; the Sierra Club, Hawai'i Chapter; Respiratory and Environmental Disabilities Association of Hawaii; and nine individuals. The Department of Health; Hawaii Agriculture Research Center, Alexander & Baldwin, Inc.; Gay & Robinson, Inc.; and ILWU Local 142 submitted testimony in opposition to this measure.

Your Committee finds that the burning of coal as a source of energy is not part of a clean and sustainable energy future for the State and negatively affects the State's air quality. The intent of this measure is to decrease coal consumption within the State by prohibiting the Department of Health from issuing permits for new covered sources and for modified existing sources that would increase coal consumption.

Your Committee has amended this measure by changing the compliance date to December 31, 2009, to take into account the concerns raised by the Department of Health that the deadline of December 31, 2008, was too short.

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. 1247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1247, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 3. Ayes with Reservations, 1 (Kokubun). Noes, none. Excused, 2 (Ihara, Trimble).

SCRep. 55 Commerce, Consumer Protection and Affordable Housing on S.B. No. 763

The purpose of this measure is to provide additional assistance to low-income renters by providing an increase in the low-income household renter tax credit.

Your Committee received testimony in support of this measure from one individual. The Department of Taxation provided comments on this measure.

Your Committee finds that the lack of affordable rentals and the continual increase in rent prices makes it difficult for low-income renters to be able to find affordable rentals and to continue to pay their ever increasing rent. This tax credit, which has not been increased since 1981, will provide some assistance to low-income renters by increasing the tax credit for low-income household renters to an unspecified amount, to be multiplied by the number of qualified exemptions, for taxable years beginning December 31, 2006.

The Department of Taxation testified that, because the amount of the tax credit is unspecified, they are not able to ascertain the measure's fiscal impact.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 763 and recommends that it pass Second Reading and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 56 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1962

The purpose of this measure is to provide an income tax deduction to residential unit owner-occupants for the qualifying costs of installation of an automatic fire sprinkler system.

Your Committee received testimony in support of this measure from the State Fire Council, the Honolulu Fire Department, and the Hawaii Council of Associations of Apartment Owners. Testimony in opposition to this measure was received from the Department of Taxation. Comments on this measure were received from the Tax Foundation of Hawaii.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, if passed, would result in an annual revenue loss to the State of approximately \$10,100,000, assuming the maximum tax credit of \$7,000 was claimed. During the public hearing on this measure, your Committee received testimony from the Department of Taxation that the State would suffer up to a \$1,500,000 annual loss for every \$1,000 claimed as a tax credit under this measure. However, the Department of Taxation did not specify the methodology by which the fiscal impact was calculated.

Your Committee finds that this measure encourages the installation of automatic fire sprinkler systems in residential units to mitigate the effects residential fires and prevent property damage, injuries, and deaths.

Your Committee has amended this measure by deleting the specified amount for the maximum deduction that may be claimed in order to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1962, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1962, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 57 Economic Development and Taxation on S.B. No. 623

The purpose of this measure is to appropriate funds to the Hawaii Small Business Development Center Network for:

- (1) Three existing vacant positions and one new position;
- (2) Reestablishment of a training program in Kailua-Kona to bring the network into compliance with requirements of the United States Small Business Administration; and
- (3) Restoration of funds lost to indirect fees.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism and the Hawai'i Small Business Development Center (SBDC) Network.

Your Committee finds that the SBDC Network provides thousands of small business owners and managers throughout the State with individual and group business training, counseling, and research. As a result, many of these Hawaii residents have been able to expand or start new businesses. In addition, the SBDC Network has been instrumental in bringing millions of dollars in federal funding to Hawaii since 1994.

Your Committee applauds the work of the SBDC Network, and is strongly supportive of this measure to appropriate the additional funds necessary for the SBDC Network to continue its work on behalf of Hawaii's small businesses.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 623 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, Ige).

SCRep. 58 Economic Development and Taxation on S.B. No. 897

The purpose of this measure is to appropriate \$1,000,000 for deposit into the Hawaii 3Ts School Technology Laboratories Fund to expand the Project EAST (Environmental and Spatial Technology) program to Oahu and continuing to expand EAST on the neighbor islands.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, High Technology Development Corporation, Department of Education, Economic Development Alliance of Hawaii, Hawaii Island Economic Development Board, Maui Economic Development Board, Kauai Economic Development Board, Women in Technology, Trex Hawaii, LLC, a teacher at Kaua'i High School, nearly four dozen EAST students from King Kekaulike High School, Baldwin High School, Lahainaluna High School, Maui High School, and Molokai High School, and three individuals.

Your Committee finds that Project EAST has been very successful in the eight Hawaii public schools that currently offer the program – five on Maui, one on the Big Island, one on Kauai, and the latest EAST on Molokai. In addition, Hawaii students have won extensive honors at each of the national EAST competitions they have attended since the program's inception in Hawaii.

Your Committee heard testimony that spoke to the strengths of EAST in developing team-building and learning skills, as well as the practical applications of technology in problem solving. Members of your Committee were particularly impressed by the student testimony, both for its enthusiasm and maturity.

It is the intent of your Committee to voice strong support for Project EAST and its expansion to Oahu and additional neighbor island schools.

Your Committee has amended the findings and purpose section of this measure to acknowledge the support of the Senate Majority Caucus for Project EAST, and made nonsubstantive, technical amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 897, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 897, 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, Ige).

SCRep. 59 Economic Development and Taxation on S.B. No. 710

The purpose of this measure is to appropriate \$2,710,000 for fiscal year 2007-2008, for the Department of Accounting and General Services' Information Processing Services Program to implement an interim alternate data center site and a business continuity plan while a solution for a permanent alternate data center site is developed.

Testimony in support of this measure was received from the Department of Accounting and General Services, High Technology Development Corporation, and one individual.

Your Committee finds that government operations are increasingly dependent on reliable information processing and telecommunication services as more of the State's services become automated. In the event of a system failure, state agencies would be unable to pay over sixty thousand state employees and contractors, process welfare checks to over ten thousand recipients, provide health related services or otherwise procure, regulate, or undertake a wide variety of services to the public that are now provided by telephone, over the Internet, or even through face to face transactions. The October 2006, earthquakes that shook the islands made that very clear, and it was fortunate that the State's data center was not compromised.

Your Committee further finds that establishing an alternate data center to provide critical core functions has taken on an increased urgency. The Department of Accounting and General Services projects a non-recurring facility preparation cost of \$500,000 and approximately \$2,200,000 for annual operational costs of a short-term five thousand square foot facility.

Discussion of the alternate data center also raised the issue of building a permanent facility designed to include other large user government agencies. A permanent twenty thousand square foot facility, housed at a location other than Oahu, could be operational within two to three years, once funding is available.

Your Committee has amended this measure by replacing the appropriation with an unspecified amount for the purposes of further discussion on the costs of providing an interim data center as well as the costs of a permanent facility.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 710, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 710, 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, Ige).

SCRep. 60 Economic Development and Taxation on S.B. No. 880

The purpose of this measure is to establish the museum of Hawaiian music and dance committee to determine the appropriate type of institution that should be established, its location, possible financing mechanisms, and to complete an initial business plan for the museum.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, the State Foundation on Culture and the Arts, and the Hawaii Tourism Authority.

Your Committee finds that the establishment of a museum of Hawaiian music and dance would provide a focus and a gathering place for the many aspects of Hawaiian culture.

Such a facility is long overdue, and it is the intent of your Committee to provide financial support for the work of the museum of Hawaiian music and dance committee.

Your Committee notes that in discussions on this measure, concerns were raised that the scope of the committee's mandate may require funding beyond the cost sharing between the Hawaii Tourism Authority, the Office of Hawaiian Affairs, and the State Foundation on Culture and the Arts, as required under section 2(b) of this measure. Your Committee believes the issue merits further discussion, regarding both costs and the financial responsibilities of the agencies.

Your Committee has amended the measure accordingly, by:

- (1) Appropriating an unspecified amount to the Hawaii Tourism Authority to assist the committee; and
- (2) Making nonsubstantive, technical amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 880, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 880, 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. 61 Economic Development and Taxation on S.B. No. 928

The purpose of this measure is to appropriate funds for one boards and commissions administrative assistant position to assist the Small Business Regulatory Review Board.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, the Small Business Regulatory Review Board and two board members, and the Hawaii Business League.

Your Committee finds that the Small Business Regulatory Review Board meets monthly and its eleven volunteer business owner or officer members spend countless unpaid hours reviewing existing, new, and modified administrative rules that affect small businesses. In the process, they analyze hundreds of pages of proposed rules to determine if there are better ways to make them less complex and costly for smaller firms, review current rules, and organize conferences on problems facing small businesses.

The administrative assistant position proposed by this measure would assist in the Board's marketing efforts, be responsible for all administrative support, maintain the Board's website, monitor budget and procurement information, and coordinate meetings.

Your Committee is in strong support of this measure and believes that its passage is critical to maintaining the successful work of the Small Business Regulatory Review Board.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 928 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. 62 Energy and Environment on S.B. No. 1396

The purpose of this measure is to create an income tax credit for the purchase of eligible energy efficient appliances.

Your Committee received testimony in support of this measure from the Department of Taxation; the Department of Business, Economic Development and Tourism; the Department of Commerce and Consumer Affairs; Hawaiian Electric Company, Inc.; the Gas Company; the Sierra Club, Hawai'i Chapter; and one individual. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that encouraging energy efficiency will help the State reduce its dependence on imported fossil fuels, preserve Hawaii's delicate environment, and reduce the need for building new electric generation capacity. The intent of this measure is to promote greater energy efficiency and demand side management awareness among consumers by creating an income tax credit that may be claimed on the purchase of appliances that satisfy the energy efficiency guidelines of the Environmental Protection Agency and the federal Department of Energy.

Your Committee has amended this measure to change references to the term electricity to the more appropriate term, energy, in the purpose section of this measure.

Your Committee received a fiscal impact statement from the Department of Taxation indicating that this measure, if passed, would result in a revenue loss to the State of \$9.6 million for fiscal year 2009. No methodology for determining the loss was furnished.

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. 1396, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1396, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 63 Health on S.B. No. 1610

The purpose of this measure is to reduce health care costs for private hospitals and their patients.

The measure accomplishes this purpose by providing a general excise tax exemption to private hospitals that have an annual patient population consisting of sixty per cent or more of individuals who are uninsured, or Medicaid or Medicare recipients.

Your Committee received testimony in support of this measure from one individual.

Your Committee finds that health care costs are increasing more rapidly than the cost of living. In addition, many private hospitals care for patients who do not have insurance, or who are Medicaid or Medicare recipients. This results in many unpaid or underpaid health care bills that hospitals often absorb.

Your Committee anticipates that this measure will have a fiscal impact on the State's general fund; however, a statement to this effect was not submitted by the Department of Taxation or any other state agency.

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. 1610 and recommends that it pass Second Reading and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Baker). Noes, none. Excused, 1 (Whalen).

SCRep. 64 Health on S.B. No. 1686

The purpose of this measure is to provide for the improvement of health care services and treatments by supporting medical research for the early detection of hepatitis.

Specifically, the measure establishes the Antara Medical Trust Fund, the moneys from which will be expended for FDA approved laboratories in Hawaii to develop commercially marketable tests for the early detection of hepatitis. The measure also offers a tax credit as an incentive to taxpayer's who contribute to the Antara Medical Trust Fund.

Your Committee received testimony in support of this measure from Antara Biosciences Inc. and Hawaii Citizens for Better Health.

Your Committee finds that hepatitis is a serious health care problem in our community. Low income individuals are at an increased risk of contracting hepatitis. Your Committee further finds that promoting medical research for in vitro diagnostic testing for hepatitis will help to decrease the serious complications those infected with the disease endure and prevent the further spread of the disease.

In addition, your Committee believes that establishing the Antara Medical Trust Fund will further benefit Hawaii by creating more biotech jobs within the State and by providing funding for health care services for low income individuals and residents living in rural areas of the State.

Your Committee amended this measure by including a technical amendment that requires a claim for this tax credit to be filed on or before the end of the twelfth month following the close of the taxable year for which the credits may be claimed.

Your Committee anticipates that this measure will have a fiscal impact on the general fund; however, a statement to this effect was not submitted by the Department of Taxation or any other state agency.

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. 1686, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1686, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 65 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 849

The purpose of this measure is to clarify the legislative intent and application of Act 12, Special Session Laws of Hawaii 2005 (Act 12), relating to the Director of the Office of Planning.

Specifically, this measure:

- (1) Amends section 225M-2, Hawaii Revised Statutes, to provide that the Director of the Office of Planning will hold office for a term to expire at the end of the term for which the Governor was elected, unless removed sooner by the Governor; and
- (2) Amends Act 12, to provide that any person serving as the Director of the Office of Planning on the day after the 2006 General Election and any Director thereafter will be subject to the advice and consent by the Senate.

Testimony in opposition to this measure was submitted by the Governor's Office and the Office of Planning.

In 2005, the Legislature enacted Act 12, which clarified that the Department of Business, Economic Development, and Tourism has sole jurisdiction over the Land Use Commission and the State Planning Act, and directed the Office of Planning to directly report only to the Director of Business, Economic Development, and Tourism. Furthermore, Act 12 amended section 225M-2, Hawaii Revised Statutes, to emphasize the importance of the Office of Planning and accordingly required that its director be nominated by the Governor, by and with the advice and consent of the Senate, and appointed by the Governor, without regard to chapter 76, Hawaii Revised Statutes.

Your Committee finds that it was the intent of the Legislature when enacting Act 12 that the position of the Director of the Office of Planning be given a high level status within the Executive Branch, and that its term of office coincide with the Governor's term of office. Thus, the position of Director must be treated in like manner as the single executive of a principal department of the State, including its term of office and submitting to the advice and consent by the Senate. Your Committee believes that amending section 225M-2, Hawaii Revised Statutes, and Act 12, Special Session Laws of Hawaii 2005, fulfills and clarifies the intent of Act 12.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 849 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, 1 (Hee).

SCRep. 66 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 259

The purpose of this measure is to improve the quality of life for the residents of the Papakolea homestead and surrounding areas by appropriating funds to assist in covering the operations costs of the Papakolea Community Center and Park.

Testimony in support of this measure was submitted by the Department of Hawaiian Home Lands and the Office of Hawaiian Affairs.

The Papakolea Community Center and Park is located on Hawaiian Home Lands. Although the community center and park is open to everyone, its primary users are from the surrounding neighborhoods of Papakolea, Tantalus, Pauoa, and Makiki. In 2005, the Community Center recorded over 15,000 visitors and users of the Center. The Center provides area residents with a full-range of comprehensive services including life long education classes and experiences, health and wellness programs, and entrepreneurial and employment opportunities. Thus, the Center is the focal point for kupuna, family, and youth activities.

Your Committee finds that appropriating funds to assist the Center with covering the operations costs of this important resource fulfills the intent of this measure, which is to improve the quality of life of the residents of the Papakolea homestead and surrounding areas.

Your Committee has amended this measure by deleting the dollar amount and replacing it with a blank amount 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, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 259, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 259, 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 (Hee).

SCRep. 67 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Tourism and Government Operations on S.B. No. 715

The purpose of this measure is to promote Hawaii's agricultural industry by encouraging the purchase and use of Hawaii agricultural products.

More specifically, this measure adds a new section to the State Procurement Code under chapter 103D, Hawaii Revised Statutes, to provide incentives for food operations of state correctional facilities and state hospitals and healthcare facilities to award contracts to the lowest responsible and responsive bidder with preferences given to agricultural products raised or grown in Hawaii.

Testimony in support of this measure was submitted by the Department of Agriculture, the Department of Accounting and General Services, the State Procurement Office, the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, the Hawaii Agriculture Research Center, and the Maui Economic Development Board, Inc. A private individual submitted comments.

Hawaii heavily depends on the importation of food and goods. It is becoming increasingly more difficult for Hawaii agricultural producers to compete with foreign and out-of-state agricultural producers because Hawaii agricultural producers are faced with high labor costs, land values, and transportation costs. As a result, there is much debate on the issue of Hawaii's food supply security and sustainability. Your Committees find that state agencies should assist in promoting and maintaining of Hawaii's agricultural industry by providing a preference within the State Procurement Code for agricultural products raised or grown in Hawaii. Your Committees believe that establishing a preference program within the State Procurement Code for agricultural products raised and grown in Hawaii fulfills the intent of this measure, which is to promote and protect Hawaii's agricultural industry, and enable a more viable food security future for Hawaii.

Your Committees have amended this measure by:

- (1) Adopting the suggested amendments from the State Procurement Office by deleting section 1 of this measure and replacing it with language that:
 - (A) Adds a new definition for "Hawaii agricultural products" to section 103D-1001, Hawaii Revised Statutes; and
 - (B) Amends section 103D-1002, Hawaii Revised Statutes, by adding a new subsection for the purpose of encouraging the purchase and use of Hawaii agricultural products in food operations of state correctional facilities and state hospitals and healthcare facilities, and requiring the Department of Agriculture, with the assistance of the State Procurement Office, to develop a Hawaii agricultural product program; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Tourism and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 715, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 715, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 8. Ayes with Reservations, 2 (Slom, Trimble). Noes, none. Excused, 1 (Fukunaga).

SCRep. 68 (Joint/Majority) Water, Land, Agriculture and Hawaiian Affairs and Tourism and Government Operations on S.B. No. 718

The purpose of this measure is to support the floriculture industry in Hawaii by encouraging the purchase of flower lei made only with flowers grown in Hawaii.

More specifically, this measure adds a new section to the State Procurement Code under chapter 103D, Hawaii Revised Statutes, to provide incentives for state agencies to award contracts to the lowest responsible and responsive bidder with preferences given to flower lei made only with flowers grown in Hawaii.

Testimony in support of this measure was submitted by the Department of Agriculture, the Department of Accounting and General Services, the State Procurement Office, the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, Green Point Nurseries, the Maui Flower Growers Association, Paradise Flower Farms, and a private individual.

Hawaii is known for its beautiful flowers and lei. It is common for a lei to be given to someone for a special occasion or as a symbolic gesture of aloha. Ironically, these lei are often times made with flowers that are imported from a foreign county where they are grown at a fraction of the cost of locally grown flowers and lei. Hawaii floricultural producers are faced with high labor costs, land values, and transportation costs, which makes it difficult for local floriculture producers to compete with foreign floricultural competitors. Your Committees find that state agencies should assist in promoting and maintaining Hawaii's floricultural industry by providing a preference within the State Procurement Code for floricultural products raised or grown in Hawaii.

The State Procurement Office presented testimony in support of this measure with suggested amendments for the intent of this measure to be properly reflected in and consistent with the State Procurement Code. The State Procurement Office indicated to your Committees that the definition for "Hawaii products" under section 103D-1001, Hawaii Revised Statutes, includes and applies to Hawaii-grown flowers. Thus, the Hawaii product preference provisions under section 103D-1002, Hawaii Revised Statutes, also apply to Hawaii-grown flowers. The State Procurement Office, however, pointed out that flower lei are considered small purchases and are currently not included within the scope of the State Procurement Code. The Office indicated that it will need to adopt rules to establish a floricultural product program to address the intent of this measure, which the Office is authorized to do under section 103D-1002, Hawaii Revised Statutes.

Accordingly, your Committees have amended this measure by:

- (1) Adopting the suggested amendments from the State Procurement Office by deleting section 1 of this measure and replacing it with language that amends section 103D-1002, Hawaii Revised Statutes, by adding a new subsection for the purpose of encouraging the purchase and use of Hawaii grown flowers by requiring the Department of Agriculture, with the assistance of the State Procurement Office, to develop a Hawaii floriculture program; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committees believe that the amendments made to this measure fulfill the intent of this measure, which is to promote and protect Hawaii's floricultural industry.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Tourism and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 718, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 718, 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 (Trimble). Excused, 1 (Fukunaga).

SCRep. 69 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 933

The purpose of this measure is to streamline the process for the acquisition and management of lands having value as a resource to the State.

Specifically, this measure provides more flexibility in the appraisal process when the Board of Land and Natural Resources acquires land having value as a resource to the State by:

- (1) Allowing the Board of Land and Natural Resources the option to accept an existing appraisal prepared on behalf of a nonprofit organization, or contract for an independent appraisal; and
- (2) Prohibiting the Board of Land and Natural Resources from purchasing land for a sum greater than the highest value fixed on any appraisal unless the higher value is justified by the appraiser or the Attorney General, or the acquisition is made by condemnation.

Testimony in support of this measure was submitted by the Nature Conservancy and the Trust for Public Land. The Department of Land and Natural Resources submitted comments.

Under chapter 173A, Hawaii Revised Statutes, land having value as a resource to the State includes land having natural, environmental, recreational, scenic, cultural, agricultural production value, and may include park and trail systems that provide access to these types of land. The Legacy Land Conservation Commission was established under section 173A-2.4, Hawaii Revised Statutes, to advise the Department and the Board of Land and Natural Resources on the acquisition of land having value as a resource to the State and request grants from the Land Conservation Fund for the preservation of lands having value as a resource to the State.

When the Board of Land and Natural Resources acquires land having value as a resource to the State, the Board is required to contract for an independent appraisal, even if a current appraisal already exists and is available. Your Committee finds that providing the Board an additional option of accepting an existing and current appraisal that was prepared by nonprofit organization will save the State money on unnecessary and duplicative appraisals. Your Committee believes that providing additional flexibility in the appraisal process during land acquisitions will fulfill the intent of this measure, which is to streamline the process for the acquisition and management of lands having a resource to the State.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 933 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 (Hee).

SCRep. 70 (Joint) Energy and Environment and Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 598

The purpose of this measure is to encourage green building design and practices in an effort to shift toward greater energy sustainability.

The measure attempts to accomplish this purpose by providing a general excise tax exemption for buildings or facilities built in conformance with the United States Green Building Council's Leadership on Energy and Environmental Design green building rating system.

Your Committees received testimony in support of this measure from Honolulu Seawater Air Conditioning, LLC., and the Hawaii Association of Realtors. The Department of Business, Economic Development, and Tourism and the American Chemistry Council submitted testimony supporting the intent of this measure. Testimony offering comments on this measure was submitted by the Department of Taxation and the Hawaii Carpenter's Union.

Your Committees find that buildings represent forty per cent of our total energy use. Encouraging the construction of energy efficient buildings is essential to Hawaii's energy sustainability.

Your Committees have amended this measure by requiring the Department of Taxation to work in conjunction with the Department of Accounting and General Services to determine the criteria for green building qualification.

Your Committees further amended this measure by clarifying that the exemption applies to all buildings statewide.

Your Committees also amended this measure to provide that a building may qualify as a "green building" if it is in conformance with comparable state-approved, nationally recognized, and consensus based guideline, standard, or system, except when the guideline, standard, or system interferes with the use of the building or facility as an emergency shelter.

Furthermore, your Committees changed the effective date of the measure from upon approval to July 1, 2007.

The Department of Taxation was unable to calculate the measure's fiscal impact because the exemption percentage was left blank.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 598, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 598, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 71 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1350

The purpose of this measure is to increase the inventory of affordable housing units to benefit the State's working class by exempting the sale or transfer of real property that is subject to a sustainable affordable lease from the ten-year buyback and shared appreciation equity restrictions under chapter 201H, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Hawaii Housing Finance and Development Corporation; Hawaii Reserves, Inc.; and the Hawaii Leeward Planning Conference.

Under section 201H-47, Hawaii Revised Statutes, for a period of ten years after the purchase, lessees of sustainable affordable leases who wish to sell their homes must sell back their homes to the Hawaii Housing Finance and Development Corporation, who in turn will resell the home to another income-qualified family, or to a qualified resident. Sustainable affordable lease projects already satisfy the intent of the buyback and shared equity appreciation restrictions under chapter 201H, Hawaii Revised Statutes, because the homes in a sustainable affordable development are permanently affordable and intended to remain in the affordable housing inventory. If the traditional ten-year buyback and shared appreciation equity restrictions are applied to sustainable affordable leases, the purpose and implementation of the sustainable affordable development model under chapter 516, part VI, Hawaii Revised Statutes, will be frustrated. Your Committee finds that exempting sustainable affordable leasehold developments and projects from the ten-year buyback and shared appreciation equity restrictions will expedite the development process for sustainable affordable leaseholds.

The Hawaii Leeward Planning Conference indicated to your Committee that there are many instances where immediate family members of a deceased lessee are forced to move out of the affordable home because of the ten-year buyback and shared equity provisions. Accordingly, your Committee has amended this measure by adopting the amendment that was suggested by the Hawaii Leeward Planning Conference by adding an additional exemption under section 201H-47(c), Hawaii Revised Statutes, to include the right of first refusal for the sale or transfer of real property to an immediate family member of the purchaser upon the purchaser's death.

Your Committee believes that the amended measure fulfills the intent of this measure, which is to increase the inventory of affordable housing units to benefit the State's working class.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1350, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1350, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hee).

SCRep. 72 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1758

The purpose of this measure is to support and expand a diversified agricultural industry in Hawaii by appropriating funds for the Agribusiness Incubator Program at the College of Tropical Agriculture and Human Resources at the University of Hawaii to continue its operations and services until replacement federal funding can be secured.

Testimony in support of this measure was submitted by the Department of Agriculture; the College of Tropical Agriculture and Human Resources, University of Hawaii; the Agribusiness Incubator Program; Mana Ulu Kalo Company LLC; Big Island Plants and Foliage, Inc.; Green Point Nurseries, Inc.; Maui Land and Pineapple Company, Inc.; Matsuda-Fukuyama Farms, Inc.; Kahuku Farmers, Inc.; Nalo Farms Inc.; Green Growers, Inc.; Grove Farm Co., Inc.; Hawaii Cooperative of Organic Farmers; Hawaii Farm Bureau Federation; and five private individuals.

The University of Hawaii's Agribusiness Incubator Program provides hands-on business consulting services to agribusinesses that might not otherwise have access to these types of assistance. The Program improves the viability of new businesses and increases the success rate of existing agribusiness expansion through a comprehensive business consulting program. To date, the Program has served thirty-one clients, including farming and value-added businesses located statewide. On average, clients have increased their revenues by one hundred twenty-one per cent, increased their operating profits by ninety per cent, and increased their workforce by thirty-four per cent.

Currently, the Agribusiness Incubator Program is entirely dependent upon funding through a special grant from the United States Department of Agriculture to institutions, which serve Native Alaskans and Native Hawaiians. This year, the Program will lose funding in September of 2007.

Your Committee finds that additional state funding will allow the Program to continue to provide agribusinesses with valuable services and resources until alternative sources of funding are found to cover future operating budgets. Your Committee believes that appropriating funds to the Agribusiness Incubator Program fulfills the intent of this measure, which is to support and expand a diversified agricultural industry in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1758 and recommends that it pass Second Reading and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Tokuda).

SCRep. 73 Education on S.B. No. 1133

The purpose of this measure is to require businesses that claim certain state tax credits to provide experiential learning opportunities to public school students.

Testimony in support of this measure was submitted by the Workforce Development Council and one individual. Comments on the measure were submitted by the Department of Taxation.

Your Committee finds that the State affords a multitude of tax credits to taxpayers based on various services, investments, or other criteria, including school repair and maintenance, ethanol production, low-income housing, certain renovations and development, and high technology businesses or investments. Your Committee further finds that as a condition to receiving these types of tax incentives, certain businesses should be required to provide some contribution or benefit to the State and its residents.

Experiential learning is one way by which these businesses can benefit from additional assistance and workforce development and our students can benefit from the opportunities to learn and gain experience in various fields. Experiential learning is learning through actual experience, allowing students to test academic theories through real world applications. Your Committee believes that experiential learning provides students with an invaluable opportunity to relate their studies to real world experiences.

Your Committee recognizes that this measure may currently be too broad in its application, as it could have the unforeseen consequence of requiring a large number of businesses with fifty or more employees who claim the capital goods excise tax credit to provide experiential learning opportunities. Your Committee determines that the measure should be more limited in its scope to focus on fewer businesses, particularly those in emerging industries such as those within the innovation and high technology sectors.

Accordingly, your Committee has amended this measure by:

- (1) Removing the requirement that businesses with fifty employees or more that claim the tax credit provided under section 235-110.7, Hawaii Revised Statutes, provide experiential learning opportunities to public school students;
- (2) Changing the taxable year from which the measure applies from after 2006 to after 2050 to facilitate further discussion on the measure; and
- (3) Making technical, nonsubstantive changes for 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. 1133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1133, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Nishihara, Taniguchi).

SCRep. 74 (Majority) Energy and Environment on S.B. No. 644

The purpose of this measure is increase the use of renewable energy to protect our environment, reduce pollution, and make housing more affordable.

The measure attempts to accomplish this purpose by mandating the installation of solar water heating devices in all new residential units constructed on or after January 1, 2008. It also provides an income tax credit for solar water heating devices installed in new homes prior to the mandate.

Your Committee received testimony in support of this measure from the Sierra Club, Hawai'i Chapter and Windward Ahupua'a Alliance. The Hawaii Renewable Energy Alliance submitted testimony in support of the intent of this measure with comments. Your Committee received testimony in opposition to this measure from Hawaiian Electric Company, The Gas Company, the Land Use Research Foundation of Hawaii, and the Building Industry Association- Hawaii. The Department of Taxation, the Department of Business, Economic Development, and Tourism, Hawaii Solar Energy Association, the Tax Foundation of Hawaii, and one individual submitted comments on this measure.

Your Committee finds that solar water heating is the best "clean" energy alternative for homes in Hawaii. Your Committee further finds that using fossil fuels to heat water is one of the most significant contributors to environmental pollution. Solar hot water needs to be a basic amenity in our homes, just like indoor plumbing and electricity. In addition, your Committee notes that mandating solar water heating is not a new concept. Israel has had this policy in place since 1957, recognizing the need to be petroleum independent from their neighboring countries.

Your Committee received a fiscal impact statement from the Department of Taxation indicating that this measure, if passed, would result in an annual revenue loss to the State of \$24.4 million for fiscal year 2009 and beyond.

Further, your Committee believes that affordability is essential to the success of this measure. Although solar water heating makes housing more affordable over time, an incentive is needed to set this in motion, raise awareness, and reduce the initial costs of the device.

Your Committee amended this measure by:

- (1) Providing a tax credit for owners of all homes, newly constructed or existing, who install a solar water heating device;
- (2) Requiring and installation inspection or a comparable quality assurance standard;
- (3) Delaying the date from which residential solar water heating becomes mandatory by one year so that solar water heating will be mandatory beginning January 1, 2009; and
- (4) Making the tax credit continuous, thus home owners who install a solar water heating device in their homes after January 1, 2009 will still be eligible for the tax credit.

Your Committee further amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, 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. 644, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 644, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Trimble). Excused, 1 (Ihara).

SCRep. 75 Energy and Environment on S.B. No. 1098

The purpose of this measure is to reduce our dependence on petroleum products, encourage the purchase of motor vehicles that operate on alternative fuels, and promote the use of renewable energy in homes.

The measure attempts to accomplish this purpose by providing a general excise tax exemption for the installation of solar thermal energy systems and the purchase of fuel efficient automobiles.

Your Committee received a fiscal impact statement from the Department of Taxation indicating that this measure, if passed, would result in a revenue loss to the State of \$1.5 million for fiscal year 2008.

Your Committee received testimony in support of this measure from the Hawaii Solar Energy Association and Hawaii Renewable Energy Alliance. The Department of Business, Economic Development, and Tourism submitted testimony in support of the intent of this measure. The Department of Taxation and the Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that promoting the use of solar energy for water heating and energy efficient vehicles is the most cost effective approach to reducing Hawaii's demand for imported fossil fuels. In addition, your Committee finds that energy conservation can be further advanced by general excise tax exemptions on the sale of biofuels, provided that the end consumer realizes the savings from this exemption.

Accordingly, your Committee amended this measure by:

- (1) Defining "solar thermal energy system";
- (2) Redefining the exemption for "fuel efficient" automobiles to alternative fuel motor vehicles or hybrid vehicles that meet or exceed thirty-five miles per gallon for highway driving and that can also operate using non-petroleum biodiesel;
- (3) Including a general excise tax exemption for the sale of biofuels with an assurance that the end consumer will benefit from the exemption; and
- (4) By adopting the Department of Taxation recommendation to clarify that the tax exemptions apply to gross income or gross proceeds received on or after January 1, 2008.

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. 1098, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1098, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 76 Energy and Environment on S.B. No. 1222

The purpose of this measure is to encourage the use of renewable energy technology systems in the State.

The measure attempts to accomplish this purpose by clarifying that tax credits are eligible to only in-state installations of renewable energy technology systems.

Your Committee received comments on this measure from the Department of Taxation, Hawaii Renewable Energy Alliance, and the Tax Foundation of Hawaii.

Your Committee received a fiscal impact statement from the Department of Taxation indicating that this measure, if passed, would result in a revenue gain to the State of \$29,000.

Your Committee finds that allowing renewable energy technology systems installed out-of-state to be eligible for tax credits defeats the purpose of offering tax credits. Your Committee further finds that clarification is needed to ensure only renewable energy technology systems installed in the State of Hawaii are eligible for tax credits.

Your Committee adopted the Department of Taxation's recommendations and amended this measure by re-inserting "resident" into section 235-129(a), Hawaii Revised Statutes, and by clarifying that all tax credits earned by an S corporation may be allocated to its shareholders.

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. 1222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1222, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 77 (Joint) Health and Intergovernmental and Military Affairs on S.B. No. 11

The purpose of this measure is to decrease the financial burden of health care costs on patients in the State.

Your Committees received testimony in support of this measure from Hawaii Medical Association, the Hawaii Society of Clinical Oncology, Healthcare Association of Hawaii, and ten individuals. The Hawaii Coalition of Care Home Administrators submitted testimony in support of the intent of this measure with recommendations. The Department of Taxation submitted testimony with comments on this measure.

Your Committees find that the costs of health care services are increasing, as are the number of uninsured individuals and their ability to pay for these services. Your Committees further find that health care services are necessities to living, not a luxury, and; therefore, should not be subject to taxation.

Your Committees intend to accomplish the purpose of this measure by exempting all medical services performed or provided by a licensed medical practitioner, hospital, medical facility, nursing home or facility, or rehabilitation facility from the county surcharge on the state general excise tax.

The Department of Taxation submitted a fiscal impact statement regarding this measure indicating that the revenues derived from the Honolulu County surcharge on the general excise tax will be lowered by approximately \$9 million for fiscal year 2008 and beyond. The department further stated that this measure will impact the general fund by a loss of approximately \$900,000, or ten per cent of the surcharge collected.

Your Committees amended this measure by making a technical, nonsubstantive amendment and changing the effective date for the purpose of encouraging further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 11, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 11, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Noes, none. Excused, 1 (Menor).

SCRep. 78 Intergovernmental and Military Affairs on S.B. No. 797

The purpose of this measure is to provide an income tax credit for the construction of residential safe rooms.

Testimony in support of this measure was submitted by the Department of Defense. Testimony in opposition to this measure was submitted by the Department of Taxation.

The Department of Taxation was unable to ascertain the fiscal impact this measure would have on state tax revenue, but it opined that it would be substantial.

Your Committee finds that the construction of residential safe rooms would serve to mitigate the loss of life in a hurricane or tsunami. Presently, there is only one incentive under the current Loss Mitigation Grant Program that provides a partial reimbursement for approved resistive devices. A tax credit, coupled with a grant, will provide an additional incentive for homeowners to build safe rooms, which may reduce the dependence of public emergency shelters.

Your Committee further finds that the language of section 235-110.91(h), Hawaii Revised Statutes, should be added to this measure to require all claims for the income tax credit be filed within twelve months following the close of the taxpayer's taxable year, as is required of all other tax credits. Your Committee also finds, for clarification purposes, the term "taxpayer" should be changed to "individual" throughout the measure. In light of these findings, your Committee amended this measure to reflect these changes.

The intent of your Committee is to provide an income tax credit to encourage individuals to construct a residential safe room, which would serve to mitigate the loss of life in a hurricane or a tsunami.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs 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 Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 79 Intergovernmental and Military Affairs on S.B. No. 798

The purpose of this measure is to create a one-time tax credit for victims of the October 15, 2006 earthquake.

Taxpayers who are not claimed or are not otherwise eligible to be claimed as a dependent by another taxpayer for federal or Hawaii state individual income tax purposes, who file a net income tax return for a taxable year, would be eligible for this one-time nonrefundable earthquake victim tax credit.

Testimony in support of this measure was submitted by the Department of Defense. The Department of Taxation submitted comments on this measure.

The Department of Taxation was unable to ascertain the fiscal impact of the measure since it is unknown how much of the losses incurred due to a disaster may be covered by insurance or government and charitable relief.

Your Committee finds that as a result of the October 15, 2006 earthquake, many residents of the State of Hawaii have suffered property damage to their real or personal property. Many victims do not have earthquake insurance and many have paid for home repairs and replacement of household furnishings out of their own pockets. A one-time tax credit will allow victims to off-set some of their expenses from the damage caused by the October 15, 2006 earthquake.

Your Committee amended this measure by deleting subsection (d) in section 1, relating to qualified taxpayers certifying to the Department of Taxation that they are in compliance with all applicable federal, state, and county statutes, rules, and regulations, and therefore, eligible for the tax credit. This language was removed because the Department of Taxation does not have the staff necessary to carry out such a provision. Your Committee also made technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 798, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 798, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 80 Intergovernmental and Military Affairs on S.B. No. 805

The purpose of this measure is to provide an exemption from passenger motor vehicle taxes and registration fees for members of the Hawaii National Guard and Hawaii-based reserve components of the U.S. military.

Testimony in support of the measure was submitted by the State Department of Defense, the Department of Taxation, the Department of Transportation, the National Guard Association of Hawaii Insurance Trust, the Hawaii National Guard Association, the Hawaii National Guard Enlisted Association, and the Chamber of Commerce of Hawaii. The Tax Foundation submitted comments on the measure.

Your Committee finds that the exemption of passenger motor vehicle taxes and registration fees for members of the Hawaii National Guard and Hawaii-based reserve components of the U.S. military provided in this measure is similar to the exemption provided to nonresident military personnel under the Soldiers' and Sailors' Civil Relief Act.

Your Committee amended this measure by extending the exemption from passenger motor vehicle taxes and registration fees for members of the Hawaii National Guard and Hawaii Reserves to other resident active duty personnel, including Coast Guard personnel. Your Committee has also included language that prohibits the use of the exemption on commercial vehicles.

Your Committee intends that this amendment will strongly convey to members of the Hawaii National Guard, Hawaii Reserves and other active duty personnel, including Coast Guard personnel that the State of Hawaii truly cares and supports their service and commitment to our nation.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 805, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 805, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 81 Intergovernmental and Military Affairs on S.B. No. 808

The purpose of this measure is to establish a five per cent income tax credit for Hawaii employers that hire State residents who are members of the Hawaii National Guard. It also establishes that the maximum tax credit per Hawaii National Guard employee shall be \$1,000.

Testimony in support of this measure was submitted by the State of Hawaii Department of Defense, the Hawaii National Guard Association, the Hawaii National Guard Enlisted Association, the National Guard Association of Hawaii Insurance Trust, and the Chamber of Commerce of Hawaii.

Comments were submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that as our nation continues its war on terrorism, many of our citizen soldiers and airmen will be called to active military duty to deploy. To this end, this measure provides an incentive for employers to hire and continue to employ members of the Hawaii National Guard. It also serves as a key recruitment and retention incentive and, at the same time, demonstrates that the State of Hawaii truly cares and supports its National Guard.

Your Committee further finds that the terms employer and taxpayer are used interchangeably throughout this measure. In order to alleviate any confusion regarding these terms, your Committee has replaced the term, "employer" with "taxpayer."

The Department of Taxation testified that, if this measure is enacted, the estimated revenue loss would be approximately \$5,000,000 annually. No methodology on how the amount was calculated was provided.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 808, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 808, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 82 Intergovernmental and Military Affairs on S.B. No. 809

The purpose of this measure is to establish the Hawaii Reserve Military Family Relief Special Fund in order to provide emergency economic relief to families of deployed members of the Hawaii National Guard and Federal Reserve members and create an income tax check-off to fund it.

Testimony in support of the measure was submitted by the Department of Defense and the Chamber of Commerce of Hawaii. Testimony in opposition to the measure was submitted by the Department of Budget and Finance. Comments were submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that members of the Hawaii National Guard and Federal Reserve units and their families are faced with numerous challenges when members are activated and deployed to hostile and hazardous combat and peacekeeping zones. All too often, members and their families face unexpected emergencies and the need for outside financial assistance is essential to their well-being. Establishment of the Hawaii Reserve Military Family Relief Special fund provides members and their families with a source for this assistance.

Your Committee finds that delaying the establishment of the Hawaii Reserve Military Family Relief Special Fund to apply to taxable years beginning after December 31, 2010, would provide the Department of Taxation adequate time to add a check-off provision to the income tax return form. As such, your Committee has amended the bill to provide for this date.

Your Committee further finds that the amendments made to section 235-102.5, Hawaii Revised Statutes, separates certain language contained in the existing subsection (d) and establishes it as a new subsection (f). Your Committee believes that the separation of this language was inadvertent, since the separated language is vital to the operation of subsection (d). In light of this belief, your Committee has amended the measure by reinstating subsection (d) as it currently exists.

Your Committee received a fiscal impact statement from the Department of Taxation that this check-off would generate approximately \$100,000 to \$250,000 annually. No methodology for calculating the amount was furnished.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 809, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 809, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 83 Intergovernmental and Military Affairs on S.B. No. 1341

The purpose of this measure is to appropriate funds to:

- (1) Cover the costs of recovery and remediation efforts as a result of storms that occurred in February and March 2006;
- (2) Stabilize and repair storm-damaged slopes, drainage ways, and drainage systems to restore functionality and prevent future damage;
- (3) Hire consultants to determine structural integrity of dams and reservoirs statewide, assess potential immediate risk, and recommend long-term plans to ensure dam safety; and
- (4) Investigate, review, and litigate all issues relating to the Ka Loko dam breach that occurred in March 2006.

The bill appropriates \$500,000 for fiscal year 2007-2008, to be expended by the Department of Land and Natural Resources, and \$2,000,000 for fiscal year 2007-2008, to be expended by the Department of the Attorney General.

Your Committee received testimony in support of this measure from the Department of Defense, the Department of Land and Natural Resources, and the Attorney General's Office.

Your Committee finds that the state agencies requesting funds pursuant to this measure continue to respond to the impact of the storms that occurred in February and March, 2006, to ensure the safety of all of Hawaii's residents. All of Hawaii's residents will benefit from the State's ongoing effort to remediate after the storms and will safeguard Hawaii's residents from natural disasters of this sort in the future. The appropriations made by this measure are in the public interest and for the public health, safety, and the general welfare of the State.

Your Committee has changed the effective date from upon approval to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1341, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1341, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 84 Intergovernmental and Military Affairs on S.B. No. 1625

The purpose of this measure is to allow each county to assess a rental motor vehicle surcharge tax payable to the respective county assessing the tax and to extend the sunset date of the \$3 a day state rental motor vehicle surcharge tax.

Testimony in support of this measure was submitted by the Department of Transportation. Testimony in opposition to this measure was submitted by the Legislative Committee of Catrala Hawaii, Avis Budget Group, Dollar Rent A Car, Dollar Thrifty Automotive Group, Inc, and Enterprise Rent-A-Car. Comments were submitted by the Department of Taxation, Hawaii Insurers Council, and the Tax Foundation of Hawaii.

Your Committee finds that it is important to provide a funding source for state highway improvement and maintenance projects to ensure that Hawaii's highways and roads are as safe as possible. To this end, your Committee believes that the counties should have the option to assess a rental motor vehicle surcharge tax and the responsibility for administering a county rental motor vehicle surcharge tax should fall on the electing county. Your Committee also believes that the sunset date on the existing \$3 state rental motor vehicle surcharge tax should be extended from 2007 to 2009 to produce additional revenue.

Your Committee amended the bill by:

- (1) Authorizing the counties to assess a motor vehicle surcharge tax of up to \$1 per day from October 2007, to August 31, 2009, payable to the respective county; provided that the county adopts an ordinance and meets other requirements prior to October 1, 2007;
- (2) Placing the responsibility of administering the county rental motor vehicle surcharge tax on the electing county; and
- (3) Extending the sunset date on the existing \$3 per day state rental motor vehicle surcharge tax from October 1, 2007, to August 31, 2009.

Your Committee intends that these amendments will provide funding for state highway improvement and maintenance projects.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, by extending the \$3 state rental motor vehicle surcharge, if passed, would result in a revenue gain of \$12,000,000 in fiscal year 2008, and \$16,000,000, each fiscal year thereafter. Allowing the counties to assess a motor vehicle surcharge of up to \$3 per day, would result in revenue gains totaling as much as \$36,000,000 in fiscal year 2008, and \$48,000,000 in each fiscal year thereafter. The fiscal impact statements submitted did not specify the methodology by which the fiscal impacts were calculated. In addition, your Committee notes that because the amended measure only allows a county motor vehicle surcharge tax of up to \$1 day, the projected revenue generation will be less than what is listed in the fiscal impact statement.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1625, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1625, S.D. 1, and be referred to the Committees on Commerce, Consumer Protection and Affordable Housing and Transportation and International Affairs.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 85 (Majority) Energy and Environment on S.B. No. 1703

The purpose of this measure is to reduce Hawaii's dependency on imported petroleum.

The measure attempts to accomplish this purpose by:

- (1) Levying an additional one per cent general excise tax on the gross proceeds of the sale of passenger cars and light duty trucks weighing more than five thousand pounds curb weight;

- (2) Establishing a Clean Fuel Revolving Fund into which the additional one per cent tax will be deposited to provide rebates to individuals who purchase qualified alternative fuel vehicles or hybrid vehicles in Hawaii; and
- (3) Providing a general excise tax exemption for amounts received from the sale of qualified alternative fuel vehicles and hybrid vehicles.

Your Committee received testimony in support of this measure from the Sierra Club, Hawai'i Chapter. Your Committee received testimony in opposition to this measure from the Alliance of Automobile Manufacturers. The Department of Taxation submitted testimony in opposition to part of this measure. The Department of the Attorney General submitted recommendations for this measure. The Department of Business, Economic Development, and Tourism, Hawaii Automobile Dealers Association, and the Tax Foundation submitted comments on this measure.

Your Committee finds that encouraging the purchase of fuel efficient and alternative fuel vehicles is crucial to Hawaii's energy and economic security. Your Committee further finds that the "feebate" program established in this bill may be an effective method of accomplishing this goal with a reduced fiscal impact to the State. However, significant concerns were raised by several testifiers including the impact this measure will have on trucks used for agricultural purposes and work duty.

Your Committee received a fiscal impact statement from the Department of Taxation indicating that the additional general excise tax on certain passenger cars and trucks does not have any revenue impact. However, this general excise tax would collect an additional \$6.8 million which would then be allocated to the Clean Fuel Revolving Fund.

Your Committee amended this measure by changing the effective date to encourage further discussion and to enable subsequent committees to address concerns about this bill.

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. 1703, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1703, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, 1 (Trimble). Excused, 2 (Ihara, Kokubun).

SCRep. 86 Energy and Environment on S.B. No. 985

The purpose of this measure is to reduce petroleum dependency and encourage the use of hybrid vehicles.

The measure attempts to accomplish this purpose by offering tax credits to individuals who purchase hybrid motor vehicles.

Your Committee received testimony in support of this measure from two individuals. Testimony supporting the intent of this measure was submitted by the Sierra Club, Hawai'i Chapter and the Alliance of Automobile Manufacturers. The Department of Taxation, the Tax Foundation of Hawaii, and one individual submitted comments on this measure.

The Department of Taxation was unable to determine the fiscal impact of the measure due to the fact that the amount of the tax credit is unspecified.

Your Committee finds that minimizing the use of fossil fuels is essential to Hawaii's energy independence. An effective mechanism to encourage the purchase of vehicles that are powered by alternative fuels is needed. Your Committee further finds that general excise tax exemptions are the most effective and expedient means of achieving this goal.

Accordingly, your Committee amended this measure by removing the tax credit language and inserting language that offers a general excise tax exemption to purchasers of "alternative fuel vehicles." Your Committee defined "alternative fuel vehicle" as a motor vehicle that obtains forty miles or more per gallon and as defined in section 30B of the Internal Revenue Code (with respect to all alternative motor vehicle tax credit), and includes advanced lean burn technology motor vehicles, alternative fuel motor vehicles, fuel cell motor vehicles, and hybrid motor vehicles.

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. 985, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 985, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 87 Education on S.B. No. 94

The purpose of this measure is to establish a revolving fund to support the Department of Education's food distribution program.

Testimony in support of this measure was submitted by the Department of Education (DOE). Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Your Committee finds that the DOE provides commodity foods to agencies, including public schools, private schools, and other state institutions, that participate in the National School Lunch Program. Commodity foods are currently stored in warehouses within the State; however, the DOE is prohibited from using federal funds to pay fees associated with the state-contracted warehouses. Your Committee further finds that, according to the DOE, warehouse charges for fiscal year 2006 totaled in excess of \$1.2 million. As the DOE is unable to continue to shoulder the costs of warehouse expenses on its own, it is forced to recover a portion of the costs from those agencies that are the recipients of commodity foods.

Your Committee determines that the establishment of a revolving fund, funded through the collection of fees collected for, interest earned on, and other moneys associated with the DOE's food distribution program, is necessary to support the continued operations of the food distribution program and allow it to be a self-sustaining program.

Accordingly, your Committee has amended this measure by:

- (1) Including an appropriation out of the food distribution program revolving fund for the payment of services provided by state contracted warehouses under the DOE food distribution program; 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 Education 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, 6. Noes, none. Excused, 1 (Hee).

SCRep. 88 Education on S.B. No. 76

The purpose of this measure is to require the Department of Education to develop a plan to provide for air conditioning systems in all public school facilities within the next ten years and to incorporate energy conservation initiatives in public school facilities.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association. Testimony in opposition to this measure was submitted by the Department of Education (DOE).

Upon further review of the measure and the testimony provided, your Committee has amended the purpose of this measure to require the development and implementation of a plan for temperature reduction measures in public school facilities that incorporates energy conservation initiatives and appropriate funds for that purpose.

Your Committee finds that although Hawaii's tropical climate is ideal for outdoor recreational activities, it is not necessarily conducive to learning for public school students. Many of Hawaii's public schools are not equipped with air conditioning or other temperature reduction measures, which can make the classroom environments uncomfortable and even unbearable for students and teachers alike. Your Committee further finds that the DOE maintains a lengthy priority list of schools which need to be equipped with air conditioning systems. The DOE has begun installing air conditioning systems at the highest priority schools and currently follows energy efficiency guidelines in undertaking each project. However, according to the DOE's calculations, the funds necessary to comply with the objectives of this measure would require total funding in the neighborhood of \$1,000,000,000 or \$100,000,000 each year over a ten-year period. Additionally, the DOE has indicated that it does not believe air conditioning all public school facilities within the next ten years is an achievable goal.

Your Committee is mindful of the DOE's concerns, but remains committed to providing public school students with comfortable learning environments. Your Committee understands that the task of providing air conditioning to all public school facilities within the State, while incorporating energy conservation initiatives is a daunting proposition that requires a comprehensive approach to the problem.

Therefore, your Committee determines that a more realistic approach to the problem would be to develop alternative methods for reducing the temperature of classrooms. Your Committee believes that creative and innovative methods for establishing suitable classroom environments for students may be utilized, including the use of alternative energy resources, incentives for energy consumption or cost reduction, alternative materials for buildings, and other energy efficient measures. Additionally, the DOE should seek the expertise of knowledgeable individuals or firms in the development of the plan to ensure the most cost-effective and efficient methods are being used.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the requirement that the DOE develop a plan to provide for air conditioning systems in all public school facilities within the next ten years and to incorporate energy conservation initiatives in public school facilities;
- (2) Requiring the DOE to develop a plan to provide for temperature reduction measures in public school facilities within the State that incorporates energy conservation initiatives within a \$200,000,000 budget over the next ten years;
- (3) Specifying that the plan should include:
 - (A) The utilization of temperature reduction measures, which may include air conditioning, tinted glass for windows, thicker insulation, reflective roofing, trees or other vegetation for shade, and wooden versus glass or aluminum louvers;
 - (B) The incorporation of energy conservation initiatives throughout public school facilities;
 - (C) The use of wind, photovoltaic, hydropower, geothermal energy, ocean thermal energy conversion, and wave energy technologies;
 - (D) The creation of incentives for schools to reduce electrical energy consumption or costs, or both, including returning up to fifty per cent of the savings at each school to the school for its own use;
 - (E) The development of long-term plans to reduce usage or costs, or both, related to electricity, gas, and water, including the construction of new infrastructures;
 - (F) The establishment of energy reduction usage or cost goals, or both, for all public school facilities and timelines for attaining those goals; and
 - (G) Providing for the implementation of energy efficient lights, appliances, or other fixtures in all public school facilities;
- (4) Requiring the DOE to contract with a private engineering firm, or other appropriate entity, in developing the plan; and
- (5) Including an authorization for the issuance of general obligation bonds and making an appropriation of \$20,000,000 per year for the fiscal biennium for the development and implementation of the plan.

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. 76, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 76, 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 (Hee).

SCRep. 89 Education on S.B. No. 1179

The purpose of this measure is to appropriate funds for non-school hour programs for school-age children.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii Youth Services Network, and the Coalition for a Drug-Free Hawaii. Testimony in opposition to the measure was submitted by the Office of Youth Services.

Your Committee finds that in the United States, nearly two-thirds of school-age children are from families where both parents work outside of the home. As a result, many school-age children are left unattended or without some type of formal non-school hour care program in which to participate. Your Committee further finds that structured programs and activities during non-school hours for school-age children help to reduce the risk of delinquency and behavioral problems and establish a safe and nurturing environment for school-age children.

The Department of Education administers the A+ program, which provides non-school hour care to children enrolled in Hawaii public elementary schools in grades kindergarten through six. Currently, Hawaii is the only state that makes non-school hour child care universally available to all children enrolled in public elementary schools and partially subsidizes its cost to parents. However, no similar program exists for older children who require care and supervision.

Your Committee believes in the importance of caring for our youth and protecting them from the dangers of juvenile crime, drug use, and experimentation with tobacco, alcohol, and sex, during non-school hours. The establishment of non-school hour programs for children in grades kindergarten through twelve will provide for the safety of our children and help to reduce juvenile crime, improve school performance, and provide our children with structured non-school learning experiences. Your Committee also believes that a non-school hour activities program coordinator could ensure that all students have access to quality non-school hour programs through the coordination of all non-school hour activities.

Accordingly, your Committee has amended this measure by:

- (1) Including an appropriation for a non-school hour activities program coordinator to coordinate all non-school hour activities; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1179, 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 (Hee, Taniguchi).

SCRep. 90 Education on S.B. No. 766

The purpose of this measure is to recruit and retain qualified teachers for employment at neighbor island public schools through the establishment of a loan forgiveness program.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii, the Hawaii Teacher Standards Board, and one individual. Testimony in opposition to this measure was submitted by the Department of Budget and Finance and one individual.

Your Committee finds that qualified teacher recruitment and retention for our public schools is of the utmost importance to providing quality education to our children. Economics often play a major role in the recruitment and retention of teachers, and the high cost of living in Hawaii only exacerbates the existing teacher shortage problem. Teaching positions in public schools in geographically isolated locations or hard-to-fill positions in densely populated locations present a particular challenge for the Department of Education. Alternative incentives to increased salary must be explored to be cost-effective while still ensuring our schools are staffed by qualified teachers. Your Committee recognizes that the Hawaii Educator Loan Program, administered by the University of Hawaii, was established as a tool for recruiting students to become educators and teach in public schools in the State. Your Committee believes that the establishment of a similar program geared towards filling hard-to-fill positions throughout the entire State would assist the Department of Education in its recruitment and retention efforts.

Your Committee recognizes that the Department of Education continues to increasingly be tasked with greater responsibilities and may require the assistance of a financial institution in administering a loan forgiveness program. Additionally, your Committee recognizes that a schedule for the reduction of loan repayment amounts is also necessary to truly incentivize the program and that the program should be limited to allow participation only while continuing to teach in a hard-to-fill position.

Accordingly, your Committee has amended this measure by:

- (1) Expanding its application from teachers who are employed at neighbor island schools to teachers throughout the State who are employed in hard-to-fill positions;
- (2) Authorizing the Department of Education to contract with a financial institution for the administration of the Educator Loan Forgiveness Program;
- (3) Creating a loan forgiveness schedule for reduced payments for years one through seven;
- (4) Limiting participation in loan forgiveness to teachers who continue to teach in hard-to-fill positions; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 766, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 766, 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 (Hee, Taniguchi).

SCRep. 91 Education on S.B. No. 1095

The purpose of this measure is to ensure that state child serving agencies maintain a high quality of service.

The measure accomplishes this purpose by establishing quality assurance committees at various levels within the Department of Education to address policies impacting the delivery of services by state child serving agencies and to provide opportunities for community input and feedback.

Testimony in support of this measure was submitted by the Department of Education, the Department of Health, the State Council on Developmental Disabilities, and the Special Education Advisory Council. Testimony in opposition to the measure was submitted by one individual. Comments on the measure were submitted by the Hawaii State Teachers Association and the Office of Information Practices.

Your Committee finds that ensuring the delivery of quality services by state child serving agencies is necessary in caring for our children and in fulfilling the State's obligation under the Felix Consent Decree. Your Committee further finds that efforts to establish a statewide quality assurance system to monitor the performance and efficacy of services provided to children by state child serving agencies have been undertaken by the Departments of Education and Health. Furthermore, testimony indicates that efforts to develop a Memorandum of Agreement among state child serving agencies may negate the necessity of the establishment of multiple quality assurance committees as provided under this measure.

However, your Committee believes that the Legislature should remain committed to ensuring that quality services are being provided to our children and determines that an ombudsman with knowledge of the system and the services available would be beneficial to stakeholders in resolving problems and assuring the delivery of appropriate services. An ombudsman would be of great service to stakeholders and provide further assurances regarding the quality of services being provided within the State.

Accordingly, your Committee has amended this measure by:

- (1) Removing its contents, which created quality assurance committees at the school, complex, district, and state levels;
- (2) Deleting the appropriation for support staff for the state quality assurance committee;
- (3) Including an appropriation for one full-time equivalent ombudsman position for each school district to assure the delivery of quality services by state child serving agencies; and
- (4) Specifying that each ombudsman shall:
 - (A) Assist families in ensuring that their children are receiving state services that meet the needs of each child by helping to monitor the performance and effectiveness of the services being provided;
 - (B) Address questions and concerns of stakeholders and other interested parties with regard to the delivery of services by state child serving agencies;
 - (C) Investigate complaints from stakeholders or other members of the public against a department or child serving agency, or other organization;
 - (D) Work to resolve individual issues through problem solving with stakeholders; and
 - (E) Help to identify issues or policies within the system and develop solutions for implementation within the Department 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 is in accord with the intent and purpose of S.B. No. 1095, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1095, 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, Nishihara, Taniguchi).

SCRep. 92 Intergovernmental and Military Affairs on S.B. No. 733

The purpose of this measure is to appropriate funds for the Office of Veteran Services to cover the cost of staff, printing, and distribution of a newsletter, published quarterly for each year, in order to inform veterans on important issues, including any changes to their benefits, the availability of support services and programs, and relevant events and ceremonies.

This measure appropriates \$100,000 for fiscal year 2007-2008, and \$100,000 for fiscal year 2008-2009.

Your Committee received testimony in support of this measure from the Department of Defense, the State Advisory Board on Veteran Services, and one individual.

Your Committee finds that it is important to provide timely and accurate communication to the 114,000 veterans who reside in the State of Hawaii, elsewhere, and abroad. There are still thousands of veterans who remain unaware of their benefits. This newsletter will continue to make a significant impact in reaching and informing veterans on important issues regarding their benefits.

Your Committee further finds that the funding for this measure should be expended by the Office of Veteran Services instead of the Department of Defense.

Your Committee amended the measure to provide for this change in expending agency, along with other minor grammatical changes. Your Committee intends that the Office of Veteran Services is a more appropriate expending agency for this measure.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 733, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 733, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 93 Intergovernmental and Military Affairs on S.B. No. 1428

The purpose of this measure is to raise the salary cap for the position of Director of the Office of Veterans Services from an amount not to exceed sixty-nine per cent of the salary of the Director of Human Resources Development to an amount not exceeding seventy-four per cent of the salary of the Director of Human Resources Development.

Testimony in support of this measure was received by the Department of Defense, the Advisory Board on Veterans Services, and the Department of Human Resources Development

Your Committee finds that due to the increased deployments of the Hawaii National Guard and Hawaii-based Reserve components, the State's veteran population is expected to continue to grow. The Office of Veterans Services is responsible for the development and management of policies and programs related to veterans and their families. With the increase in veterans, and the responsibilities and expertise that is required for this position, the current compensation limitation is too low and has not kept pace with the inflation. Under existing law, the maximum salary

allowable for this position is \$64,608.84. This measure would allow the Governor to increase the salary up to approximately \$70,670.00, based on the salary recommendations for department heads contained in the 2004 Executive Salary Commission Report. This measure provides for fair compensation for the Director of the Office Veterans Services position.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1428 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, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 94 Health on S.B. No. 51

The purpose of this measure is to protect the health and safety of individuals who receive home care services.

Your Committee received testimony in support of this measure from Healthcare Association of Hawaii and Castle Medical Center. The Department of Health submitted testimony in support of the intent of this measure with comments.

Your Committee finds that the health care services sector is growing in home and community-based provider markets. Increasingly, elderly and disabled individuals want to be cared for and remain living in their homes instead of being institutionalized. Home care agencies provide many of the needed supportive services in the home. However, your Committee finds that these home care agencies do not have to be licensed. Currently, the only requirement for home care agencies in Hawaii is a general excise tax license.

It is the intent of your Committee to accomplish the purpose of this measure by requiring home care agencies to be licensed. This will ensure that quality care is being provided and will help to protect the often vulnerable population from potential abuse, exploitation, and improper care.

Your Committee has amended this measure by adopting the Department of Health recommendation of removing the appropriation from the measure. According to the department, the licensing process can be established using existing resources within the department. Your Committee has also made a technical amendment for the purpose 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 S.B. No. 51, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 51, 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. 95 Health on S.B. No. 69

The purpose of this measure is to provide comprehensive quality health care and alleviate the health care workforce shortage in Hawaii.

The measure accomplishes this purpose by appropriating funds to an unspecified agency to support the development and maintenance of a statewide comprehensive health care workforce map and database that appropriately and effectively assesses staffing needs.

Your Committee received testimony in support of this measure from the Mayor of the County of Hawaii, Hawaii Medical Service Association, Hawaii Pacific Health, Hawaii Psychiatric Medical Association, and two individuals. Your Committee received testimony with comments on this measure from Department of Health, Department of Human Services, and Hawaii Medical Association.

Your Committee finds that a severe shortage of health care workers exists in our State, especially on the neighbor islands. Your Committee further finds that data is critical to understanding our workforce needs. Currently, a comprehensive, publicly-available database does not exist.

It is the intent of your Committee that the database is updated on a regular basis to maintain its accuracy and assures appropriate confidentiality.

Your Committee has amended the measure by deleting the specific amount appropriated and leaving it unspecified.

Your Committee further finds that, although it has amended the measure by removing the specific amount to be appropriated, an appropriation in the amount of \$500,000 is recommended for the initial development and maintenance of the state health care workforce map and database.

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. 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 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. 96 Health on S.B. No. 240

The purpose of this measure is to authorize the Neurotrauma Special Fund to be used for funding direct services that assist individuals with neurotraumatic injuries.

Your Committee received testimony in support of this measure from the Hawaii Disability Rights Center, the Occupational Therapy Association of Hawaii, Hawaii Centers for Independent Living, Hawaii Psychiatric Medical Association, the Center on Disability Studies, and three individuals. Your Committee received testimony in opposition to this measure from the Governor's Policy Office. Testimony making comments on this measure was submitted by the Department of Health, the Department of Human Services, and the Department of Budget and Finance.

Your Committee finds that individuals with neurotraumatic injuries are in need of basic health and human services. Your Committee further finds that many of these individuals do not qualify for services from the Developmental Disabilities Division or the Adult Mental Health Division of the Department of Health.

It is the intent of your Committee to ensure that individuals with neurotraumatic injuries receive the direct services they need, by authorizing the Neurotrauma Special Fund to pay for these services. Further, it is not the intent of your Committee to place the State in a position of vulnerability that would subject the State to liability in the event of insufficient resources in the Neurotrauma Special Fund to pay for direct services.

Accordingly, your Committee amended this measure by adding a limitation of liability provision stating that the responsibilities of the Department of Health are limited to the resources available and that no action may be brought to compel the provision of further services.

Your Committee further amended this measure by changing the effective date for the purpose of encouraging further discussion on this matter.

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. 240, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 240, 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. 97 Health on S.B. No. 810

The purpose of this measure is to ensure that the state-owned lands in the Waimano ridge area are used in an effective, appropriate, and “community-friendly” manner that has the approval of the residents of the Waimano ridge community and the State.

Your Committee received testimony in support of this measure from the Center on Disability Studies. Your Committee received testimony in opposition to this measure from the Department of Health.

Your Committee finds that the Waimano ridge task force is in need of financial support in order for it to develop and implement a “community-friendly” master plan for the state-owned Waimano ridge lands.

Your Committee intends to accomplish the purpose of this measure by providing needed funding through appropriations and general obligation bonds for the Waimano ridge task force to establish a comprehensive Waimano ridge master plan, for a full-time facilities manager position, and for building projects. This funding will enable the Waimano ridge task force to develop a master plan that facilitates the establishment of a “totally integrated community” where activities on the state-owned Waimano ridge lands will be community-friendly. It is the further intent of your Committee to authorize the issuance of general obligation bonds to support building demolition, building improvements, and water system upgrades for the Waimano ridge lands that will allow for the implementation of the master plan.

Your Committee amended this measure by adopting the Department of Health’s recommendation to change the purpose section language to reflect the Legislature’s support of good communications and relations between the State and the Waimano ridge community residents.

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. 810, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 810, 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. 98 Health on S.B. No. 952

The purpose of this measure is to enable Kahuku Hospital to remain in operation and continue to serve the residents and visitors of the north shore of Oahu.

The measure accomplishes this purpose by authorizing the Hawaii Health Systems Corporation to acquire Kahuku Hospital. This acquisition will enable the hospital to remain in operation, and retain its certificate of need and critical access hospital designation.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii Health Systems Corporation, Kahuku Hospital, the Kahuku Hospital Laboratory, Healthcare Association of Hawaii, Brigham Young University Hawaii, the Polynesian Cultural Center, Hawaii Reserves, Inc., Ko’olauloa Community Health and Wellness Center, Inc., Na Lei Lokahi- The Salvation Army Family Treatment Services, United Public Workers, Queen Lili’uokalani Children’s Center, the Laie Community Association, and two hundred forty-two individuals and residents of the Kahuku community. Your Committee received testimony from the State Procurement Office that was limited to opposing the proposed provision that would exempt Kahuku Hospital from the procurement requirements of Chapters 103D and 103F, Hawaii Revised Statutes.

Your Committee finds that Kahuku Hospital is in jeopardy of closing its doors as of June 30, 2007, if it cannot be acquired by Hawaii Health Systems Corporation as part of its Chapter 11 bankruptcy reorganization proceeding. Your Committee further finds that Kahuku Hospital is the only facility in the community offering emergency services and therefore, it is imperative to keep the hospital operating in order to serve the residents and visitors of the north shore of Oahu.

It is the intent of your Committee that this measure gives authorization and support for Hawaii Health Systems Corporation to acquire Kahuku Hospital and in no way mandates Hawaii Health Systems Corporation to acquire Kahuku Hospital.

If a voluntary acquisition takes place, your Committee intends for the transition to be based on sound management principles, basic community needs, and not to jeopardize the present support of other hospitals in the Hawaii Health Systems Corporation system. In addition, the Department of Health estimates that this acquisition will generate approximately \$3.9 million in transition costs; \$1 million for Hawaii Health Systems Corporation and \$2.9 million for Kahuku Hospital.

Further, it is the intent of your Committee to ensure the continuation of Kahuku Hospital’s emergency services while encouraging the development of an alternative model of health care that utilizes federal funding and works in conjunction with community health centers.

Your Committee adopted the recommendations of the State Procurement Office and amended this measure by deleting the language exempting Kahuku Hospital from the procurement requirements of Chapters 103D and 103F, Hawaii Revised Statutes. Your Committee further amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, 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. 952, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 952, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Baker). Noes, none. Excused, 1 (Whalen).

SCRep. 99 Health on S.B. No. 1260

The purpose of this measure is to keep Kahuku Hospital operating in order to serve the residents of the north shore of Oahu.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii Medical Association, the Councilmember for City and County of Honolulu District II, and thirty-one individuals. The Department of the Attorney General submitted testimony with recommendations on this measure.

Your Committee finds that Kahuku Hospital is in jeopardy of closing its doors in March 2007. Your Committee further finds that by enabling Kahuku Hospital to file for chapter 11 reorganization bankruptcy, rather than for chapter 7 liquidation bankruptcy, will allow the hospital to:

- (1) Continue operations;
- (2) Preserve its hospital license;
- (3) Retain its certificate of need and critical access hospital designation; and
- (4) Reorganize and settle its debts.

Your Committee further finds that the board of directors of Kahuku Hospital has agreed to continue the hospital's operations into the first half of 2007 under a chapter 11 reorganization proceeding pending the enactment of legislation that will have the effect of causing Kahuku Hospital to be acquired by Hawaii Health Systems Corporation, or otherwise to become affiliated with the Hawaii Health Systems Corporation.

It is the intent of your Committee to accomplish the purpose of this measure by authorizing a grant pursuant to chapter 42F, Hawaii Revised Statutes, and appropriating \$950,000 to Kahuku Hospital to maintain the hospital's operations, to cover the costs associated with the chapter 11 reorganization, and the potential transfer of hospital operations to the Hawaii Health Systems Corporation.

Your Committee has adopted the recommendations of the Department of the Attorney General and amended this measure by including language that clarifies that the grant pursuant to chapter 42F, Hawaii Revised Statutes, is to be appropriated as an emergency appropriation in order to simplify and expedite the grant to Kahuku Hospital.

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. 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 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. 100 (Joint/Majority) Transportation and International Affairs and Intergovernmental and Military Affairs on S.B. No. 1042

The purpose of this measure is to lessen the amount of artificial light that contributes to the diminishing ability of the telescopes on Mauna Kea and Haleakala to conduct research.

Specifically, the measure requires the Department of Transportation, to the extent that it is practical, to comply with county ordinances and standards relating to outside lighting for all new installations at airports, harbors, and highways.

Your Committees received testimony in support of this measure from the University of Hawaii Institute for Astronomy and the Commission 50 of the International Astronomical Union.

The Department of Transportation submitted testimony in opposition to this measure.

Your Committees find that Hawaii is home to two of the world's premier astronomy observatories, Haleakala on Maui and Mauna Kea on Hawaii. Mauna Kea is considered the finest observing site in the world. One of the most critical needs for preserving the value of these sites is to reduce bright sources of light that penetrate the dark night sky. Recent nighttime images from the international space station revealed that some of the brightest sources of light on Maui and Hawaii are the airports and harbors on both islands. Astronomers on Mauna Kea are now detecting artificial light sources from urban areas that are diminishing the telescopes' ability to do research.

Your Committees have amended this measure to take out the requirement that airport runways be included by the Department of Transportation when complying with county ordinances and standards relating to outside lighting for all new installations at airports, harbors, and highways.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1042, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1042, 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, 1 (Hemmings). Excused, 1 (Taniguchi).

SCRep. 101 (Joint) Transportation and International Affairs and Intergovernmental and Military Affairs on S.B. No. 1048

The purpose of this measure is to enhance traffic safety statewide by requiring that, whenever construction or repair work that requires the use of steel plates is performed on a public highway by the State, a political subdivision, or a private contractor, motorists be warned with appropriate signage of the presence of steel plates in the roadway.

Your Committees received testimony in support of this measure from the Department of Transportation, Street Bikers United Hawaii, the Maui Chapter of Street Bikers United Hawaii, and the Oahu Chapter of Street Bikers United Hawaii.

Your Committees find that steel plates placed in the roadway during construction or repairs can pose a threat to motorists and their vehicles. Steel plates can be hazardous because of the raised edge presented to oncoming traffic. They can also be dangerous for motorcyclists even in the best weather and are especially hazardous for motorcyclists in wet conditions.

The State lacks a uniform policy to warn motorists of the presence of steel plates in the roadway during construction or repairs. While the Department of Transportation adheres to the standards of the Manual on Uniform Traffic Devices, these standards do not address the use of steel plates. The County of Maui has recently adopted a policy requiring the use of signs to warn motorists whenever steel plates are used. However,

the County of Hawaii has no policy requiring placement of warning signage, the County of Kauai believes that existing road construction signage is sufficient, and the City and County of Honolulu allows contractors to determine what signage is necessary.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1048 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, 1 (Taniguchi).

SCRep. 102 Health on S.B. No. 667

The purpose of this measure is to allow students who graduated from an accredited mental health counselor program prior to July 1, 2007, to be licensed under the original licensure standard and to make licensure of mental health counselors permanent.

Your Committee received testimony in support of this measure from Kaiser Permanente regarding making mental health licensure permanent, Chaminade University, the Alliance for Professional Counselor Licensure, Hawaii Rehabilitation Counseling Association, Sestak Rehabilitation Services, Lokahi Treatment Centers, and ten individuals. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that Act 14, Session Laws of Hawaii 2006 (Act 14), raised the requirements for licensure of mental health counselors. Your Committee further finds that Act 14 resulted in the unintended consequence of prohibiting individuals from licensure who had pursued licensure under the original standard that existed prior to the enactment of Act 14.

In addition, your Committee finds that this measure, while having the effect of grandfathering in students who graduated prior to the enactment of Act 14, also sets aside the requirement specific to mental health studies and experience, an integral part of the new qualifications for licensure and consumer protection.

It is the intent of your Committee to accomplish the purpose of this measure by permitting individuals that have graduated from an accredited mental health counselors program before July 1, 2007, to apply for licensure. However, your Committee believes that the current requirements that focus on experience in the mental health setting are important for consumer protection. It is the further intent of your Committee to allow the Auditor to conduct a review of the program prior to December 2008, in order to evaluate the effectiveness of the licensure requirements and the implementing agency.

Accordingly, your Committee amended this measure by removing the language that permits licensure for applicants who:

- (1) Have a degree in counseling or a field related to the practice of mental health counseling;
- (2) Completed the required hours of intern and post-graduate experience in counseling with supervision by a person who holds an advanced degree in counseling; and
- (3) Have passed the National Counselor Examination for Licensure and Certification.

Your Committee further amended this measure by requiring an applicant who graduated from the specified program before July 1, 2007, to have experience that is specific to mental health counseling or the equivalent by requiring that:

- (1) The required academic terms, graduate credit hours, supervised client contact, and certification shall be verified by written certification by an official of the institution of higher education attesting that the practicum intern experience has been completed and is equivalent to a mental health graduate level program; and
- (2) The required three thousand hours of post-graduate experience in the practice of mental health counseling with one hundred hours of face-to-face clinical supervision shall be verified through written certification by an officer of the employing agency and the clinical supervisor attesting to the completion of the post-graduate experience.

Your Committee further amended this measure by deleting the language that would repeal the sunset date; thereby, preserving the sunset date in section 26H-2, Hawaii Revised Statutes, to ensure an Auditor's review of the licensure program.

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. 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 Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 103 Health on S.B. No. 257

The purpose of this measure is to preclude controlled substances from being sold on the streets by preventing the improper prescribing and dispensing of pharmaceuticals in the State.

Your Committee received testimony in support of this measure from the Department of Public Safety and Kaiser Permanente.

Your Committee finds that pharmaceutical controlled substances are being fraudulently prescribed by practitioners through the Internet, telephone, and mail without a proper medical reason or examination.

Your Committee intends to accomplish the purpose of this measure by:

- (1) Enabling the Department of Public Safety to bring an administrative action against a controlled substance registrant for violations of Chapter 329, Hawaii Revised Statutes;
- (2) Adding the definition of "bona fide practitioner-patient relationship" to establish minimum guidelines that must be met prior the administering, prescribing, or dispensing of controlled substances;
- (3) Clarifying the requirements for oral prescriptions issued to a pharmacy and record keeping requirements for all controlled substances;

- (4) Clarifying that it is a violation of state law to pre-sign blank prescriptions to facilitate the fraudulent obtaining of controlled substances; and
- (5) Enabling the Department of Public Safety to conduct administrative inspections of pharmacies and deleting the requirement for administrative inspection warrants.

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. 257 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 104 Public Safety on S.B. No. 52

The purpose of this measure is to make better use of our federal law enforcement resources.

Specifically, this measure extends the power to arrest under Hawaii law to include agents of the Federal Bureau of Investigation; Drug Enforcement Administration; Bureau of Alcohol, Tobacco, Firearms and Explosives; United States Secret Service; and United States Marshal Service. This measure provides for the continuation of the authority to arrest of agents in the Customs Service and the Citizenship and Immigration Service. Additionally, by eliminating the specific mention of the "Immigration and Naturalization Service," this measure will also reflect the reorganization of the federal immigration and naturalization agency, currently referred to as the United States Citizenship and Immigration Service under the Department of Homeland Security.

The Department of the Attorney General and one individual submitted testimony in support of this measure.

Your Committee finds that granting the power to arrest under state law to these federal agents who are trained in law enforcement, the Legislature will not only aid the federal agencies in conducting their investigations, but will also make better use of our federal resources in combating crime. Federal agents often come into contact with state fugitives or witness criminal activities while carrying out their duties. However, they frequently do nothing to pursue the state criminal because of concern that they lack authority and could be held liable.

Your Committee further finds that extending the power to arrest under state law to these additional federal agencies, would in no way diminish the authority of our state law enforcement agencies, rather one hundred fifty agents would be added to the law enforcement presence in our communities.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 52 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 105 Public Safety on S.B. No. 855

The purpose of this measure is to reduce the recidivism rate in the state correctional facilities.

Specifically, this measure appropriates funds for a cognitive restructuring and transition pilot program to be established in the County of Hawaii at Kulani Correctional Facility and the Hale Nani Reintegration Center.

Testimony in support of this measure was submitted by The Department of Public Safety, the Mayor of the County of Hawaii, Community Alliance on Prisons, Going Home Task Force of the Island of Hawaii, Goodwill Industries Hawaii – Job Connections in Hilo, Hawaii Substance Abuse Coalition, and four individuals.

Your Committee finds that cognitive restructuring has proven to be a cost-effective means of reducing recidivism and thereby reducing criminal justice costs. It has been proven to be an effective means for treating substance abusing offenders and is currently used in our correctional facilities, including Hale Ola Ho'opono program at Kulani Correctional Facility and the Level II substance abuse treatment programs provided by the Salvation Army by contract at many of the State's correctional facilities.

Your Committee further finds that cognitive restructuring aids offenders in their reentry into the community. For example, those who have had cognitive skills training are more successful in finding and maintaining employment.

Your Committee finds that an appropriation of \$33,000, for each year of the 2007-2009 fiscal biennium for a cognitive restructuring and transition pilot program to serve the County of Hawaii at the Kulani Correctional Facility is a wise investment of state resources.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 855 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, 1 (Sakamoto).

SCRep. 106 Public Safety on S.B. No. 912

The purpose of this measure is to further the rehabilitation of incarcerated offenders, better prepare them for reentry into society, and to help empower and heal the victims of the offender's actions.

Specifically, this measure appropriates funds for each year of the 2007-2009 fiscal biennium to expand the restorative circles pilot program, currently in place at the Waiawa and women's correctional facilities, to correctional facilities statewide.

Testimony in support of this measure was submitted by the Department of Public Safety; the Hawaii Paroling Authority; Community Alliance on Prisons; TJ Mahoney & Associates' Ka Hale Ho'ala Hou No Na Wahine; and three individuals.

Your Committee finds that the restorative circles program, based on restorative justice methodology, is an effective means of rehabilitation and a transformative process in which offenders restore their relationships with their families, their community, and their victims. It is also an effective healing methodology for the victims, empowering them to make decisions about how to repair the harm caused by their offenders.

Your Committee is proud to report that Hawaii is the world leader in intertwining restorative justice circles with reintegration planning, which is fitting for a culture that includes the practice of ho'oponopono. This innovative, voluntary rehabilitation program includes offenders, family members, mentors and, victims, in a safe, facilitated process that is ultimately healing to all who participate. First, there is a discussion about the offense, how to repair the harm, and how to move on. Then, when appropriate, the group assists the offender in developing a reintegration program consisting of suggestions regarding housing, employment, financial security, continuing education, and other ideas for staying physically and emotionally healthy. Of the thirty circles that have taken place, there has been a one hundred per cent satisfaction rate reported by the one hundred fifty participants.

Your Committee finds that the expansion of this pilot program is merited by its success, important to the public interest, and that a minimum appropriation of \$200,000 for each year of the 2007-2009 fiscal biennium should be considered.

As affirmed by the record of votes of the members of your Committee on Public Safety 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, none. Excused, 1 (Sakamoto).

SCRep. 107 Public Safety on S.B. No. 914

The purpose of this measure is to remedy the inadequacies in the mental health care of incarcerated persons in state correctional facilities.

Specifically, this measure proposes an appropriation of \$500,000 for each year of the 2007-2009 fiscal biennium to be expended by the Department of Public Safety to improve mental health care for offenders incarcerated at state prisons and address the concerns noted in communications with the federal Department of Justice. The measure requires the Department of Public Safety to report to the Legislature by November 1, 2007, regarding its plan and progress in meeting the mental health needs of our incarcerated population.

Testimony in support of this measure was submitted by the Department of Public Safety, the Office of the Attorney General, Community Alliance on Prisons, the Hawaii Disability Rights Center, the National Alliance on Mental Illness Oahu, and three individuals.

Your Committee finds that there are alarming deficiencies in the mental health treatment of incarcerated persons with mental illness in our state correctional facilities. These deficiencies are due to a lack of adequate funding, high turn over rates of mental health staff, and a drastic increase of offenders with co-occurring disorders (mental health issues along with substance abuse problems). According to the 2004 Annual Report of the Department of Public Safety:

The department's mental health staff is only able to provide episodic mental health care that focuses on stabilizing the patient's mental health condition through medication. The segment of the inmate population with mental health problems is expected to grow and require increases in the department's already limited mental health service resources. (Page 35)

Your Committee finds that the mental health services of the health care division of the Department of Public Safety is significantly understaffed, needing at least an additional three psychologists and several more social workers. There is a problem with the recruitment and retention of mental health workers at our correctional facilities because of the difference in pay and working conditions, including an elevated risk to the mental health worker that comes from working in a correctional facility and with offender populations.

Your Committee finds that a fifty-cent per hour "risk pay" is insufficient to offset the increased risk and the pay and work environment discrepancies are a reflection of the perception that mental health is not a "real" program of the Department of Public Safety. These labor issues directly affect the ability of the Department of Public Safety to recruit and maintain mental health professionals and adequately treat the mentally ill offenders in our correctional facilities.

Your Committee further finds that the nontreatment of mentally ill offenders can make their condition worse. Many of these incarcerated individuals need intensive medical intervention, which is more cost effective than a lifetime of reoffense, rearrest and reincarceration.

Your Committee finds that a written action plan from the Department of Public Safety that is to be made open to the public should be submitted to the Legislature by November 1, 2007. This plan is to include the Department's existing resources and staffing that is in place, what additional resources and staffing is needed to be up to standard, and what will be needed in the future. Alternative services, such as the use of telemedicine should be considered in the Department's action plan to improve mental health services, the completion of its training and policy manuals, and the updating of its record keeping system.

Your Committee has requested that the Department of Public Safety update its report on the feasibility of expanding the Hawaii State Hospital to include an offender wing so as to be able to adequately treat mental health patients who are incarcerated. This study was being done by the Departments of Health and Public Safety a few years ago.

Your Committee amended the measure to reflect that the Oahu Community Correctional Center is the only facility in Hawaii that the State has been informed was under an investigation relating to mental health services. The measure was also amended to reflect that no official "findings" have been issued by the Department of Justice as of January 30, 2007, but rather concerns were brought to the attention of the Department of Public Safety by experts retained by the federal Department of Justice. The measure was further amended to require that the Department of Public Safety commence its reports to the Legislature on its actions taken to improve mental health care for offenders prior to the convening of the 2008 Regular Session, rather than the 2009 Regular Session. Technical, nonsubstantive changes have been made for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 914, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 914, 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, 1 (Sakamoto).

SCRep. 108 Public Safety on S.B. No. 919

The purpose of this measure is to require the mainland branch of the Department of Public Safety's Corrections Division to monitor and report on the condition of Hawaii resident inmates housed in mainland prisons under the Interstate Corrections Compact.

Testimony in support of this measure was submitted by Community Alliance on Prisons and two private individuals. The Department of Public Safety submitted testimony in opposition.

Your Committee finds that it is unfortunate that the State is forced to send Hawaii residents to the mainland for incarceration due to the lack of local facilities that are able to accommodate the volume and special needs of our inmate population. Incarcerating inmates on the mainland puts a great distance between families and friends as well as our own corrections agency, making the monitoring of the incarcerated person's health, progress in rehabilitation, and other concerns very difficult.

Your Committee further finds that the correctional facilities housing Hawaii resident inmates under the Interstate Corrections Compact are state run facilities that are subject to the laws and standards of the respective states. This does not, however, relieve the State of Hawaii of its ultimate responsibility for monitoring Hawaii inmates' conditions at these facilities.

Your Committee further finds that although there are reporting requirements under the Interstate Corrections Compact, reporting is inconsistent as to frequency and content. Currently there are twelve Hawaii residents incarcerated at six different Interstate Corrections Compact facilities. Some of these facilities report on a quarterly basis, while others report only annually.

This measure has been amended to require the Department of Public Safety to submit a standardized, quarterly report on each Hawaii resident incarcerated under the Interstate Corrections Compact. The report must contain information regarding the incarcerated person's health, behavioral or disciplinary issues, progress in rehabilitative programs, and any complaints filed by the incarcerated person and how the complaint has been resolved.

This measure was further amended by removing the requirement for quarterly onsite visits to each of the inmates and deleting the appropriation suggested for such visits. Technical nonsubstantive changes have been made for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety 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, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 109 Public Safety on S.B. No. 1174

The purpose of this measure is to maintain and strengthen the bond between a child and the child's incarcerated parent.

The measure accomplished this purpose by expanding parent-child programs that teach appropriate interactions and bonding between incarcerated parents and their children at state correctional facilities. These programs are known to reduce the negative impact incarceration has on the offenders' children, reducing abuse and neglect and decrease the occurrence of recidivism. The measure also appropriates an unspecified sum to expand the SKIP program.

The Department of Public Safety, the Office of Hawaiian Affairs, Child and Family Service, Community Alliance on Prisons, Hawaii Youth Services Network, Keiki O Ka Aina Family Learning Centers, Nurturing Fathers of Hawaii, Strengthening Keiki of Incarcerated Parents Partnership, and four individuals submitted testimony in support of the measure.

As important as the SKIP program is for the relationship between incarcerated parents and their children, your Committee finds that it is just as important to intervene with nonincarcerated offenders and their children to prevent further deterioration of the parent-child relationship and repetitive offenses of the parent or child. Limiting funding to these programs to state correctional facilities would prevent our support of earlier intervention with the nonincarcerated offender community.

Your Committee further finds that it is important to recognize the programs that are already in existence and their need for continued funding, that there should be more flexibility for the use of the funds appropriated, including the ability to purchase parent-child interaction programs.

Your Committee also finds that the collection of accurate data on the children of incarcerated adults is important and such information should be kept confidential, except as to needed service providers. Since the Department of Public Safety relies on self-reporting, obtaining accurate data is very difficult. Incarcerated persons tend to under report or inaccurately report for various reasons. Therefore, the Department of Public Safety should only be required to make reasonable efforts to ensure that the data it collects is accurate.

Your Committee has amended the measure by:

- (1) Amending the purpose of the measure to clarify the Legislature's support for programs that are already in place;
- (2) Providing the Department of Public Safety with greater flexibility to use the appropriation so that the department may assist nonincarcerated offenders and their children;
- (3) Imposing more realistic data collection standards on the Department of Public Safety and ensuring that the information remains confidential; and
- (4) 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 Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1174, as amended herein, and recommends 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 Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 110 (Joint) Transportation and International Affairs and Tourism and Government Operations on S.B. No. 1039

The purpose of this measure is to prohibit the future binding of the State to government procurement rules contained in an international trade agreement without legislative action.

Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committees find that a number of today's international free trade agreements contain policy obligations and restrictions that would take precedence over state and local government provisions relating to state purchasing laws and preferences. These trade agreements may contain provisions that undermine provisions of the State's public procurement code and other state preference and set-aside policies established to promote and protect various sectors and groups of our local economy. However, questions relating to the State's public procurement code or decisions relating to state preference and set-aside policies are within the legislative domain and should require legislative action.

Your Committees note that the Governor vetoed H.B. No. 2199, C.D. 1, 2006, relating to international trade agreements. This measure addresses those veto considerations to the extent possible by legislative action.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Tourism and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1039 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees. Ayes, 8. Ayes with Reservations, 1 (Trimble). Noes, none. Excused, 2 (Inouye, Taniguchi).

SCRep. 111 (Joint) Human Services and Public Housing and Commerce, Consumer Protection and Affordable Housing on S.B. No. 1917

The purpose of this measure is to:

- (1) Provide funding for various homeless shelters and transitional housing programs and services;
- (2) Require the Hawaii Finance and Development Corporation to create an affordable housing inventory registry to identify state and county lands that may be used for affordable housing;
- (3) Extend the sunset date for the allocation of fifty per cent of conveyance tax revenues to the rental housing trust fund to June 30, 2009; and
- (4) Provide funding for various affordable and public housing programs.

The Office of the Governor, the Hawaii Housing Finance and Development Corporation, the Hawaii Public Housing Authority, and the City and County of Honolulu Department of Community Services submitted testimony in support of the intent of this measure. The Hawaii Association of Realtors, the Hawaii Family Forum, Catholic Charities Hawaii, the Affordable Housing and Homeless Alliance, the Waikiki Health Center, Hawaii Habitat for Humanity Association, and two individuals submitted testimony in support of this measure.

Your Committees find that the homeless and affordable housing crises continue to be one of the State's most significant and challenging social problems. Meaningful solutions to Hawaii's housing and homeless problems must be found. Several testifiers noted that the conveyance tax is a good source of revenues, with a sensible nexus, to facilitate the development of affordable rental housing, and opined that the percentage of the tax allocated to the rental housing trust fund should be increased to sixty-five per cent.

One testifier noted that the federal government discourages the construction of additional public housing communities that encompass a single income population, and instead favors mixed-use communities. Another testifier noted that the Hale Kokua program screens and places homeless individuals in private homes to assist in the care of elderly or infirm individuals, and that this is a challenging practice that may pose a risk if there is a mismatch.

It is the Committees' intent to improve access to shelter and support services for the homeless, and to improve and increase the available public housing and affordable housing inventory.

Upon further consideration, your Committees have amended this measure by:

- (1) Adding additional language regarding the affordable housing issue to the findings section;
- (2) Requiring the affordable housing inventory registry to also include affordable housing projects, and state and federal public housing projects, statewide;
- (3) Allocating sixty-five per cent of conveyance tax revenues to the Rental Housing Trust Fund;
- (4) Extending the sunset date for the allocation of the conveyance tax revenues to the Rental Housing Trust Fund to June 30, 2012;
- (5) Clarifying that the appropriation to the Hawaii Public Housing Authority is for capital improvement projects, as well as for the repair and maintenance of existing federal and state public housing buildings;
- (6) Deleting the appropriations for:
 - (A) The construction of public housing in communities and the assistance of nonprofit organizations in development and management of the communities; and
 - (B) The Hale Kokua Program; and
- (7) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

Your Committees note that while the appropriation amounts are blank, they recommend that the following be considered:

- (1) \$2,000,000 for homeless facilities, emergency shelters, and transitional shelters;
- (2) \$8,000,000 to provider agencies that offer outreach or support services, or both, to unsheltered homeless, at-risk homeless, and individuals residing in homeless facilities;
- (3) \$50,000,000 to the Rental Housing Trust Fund for the planning, development, and construction of affordable housing;
- (4) \$50,000,000 to the Dwelling Unit Revolving Fund for the planning, development, and construction of four thousand affordable housing units. The Committees further recommend that the appropriation be made out of the general revenues as cash instead of issuing general obligation bonds;

- (5) \$40,000,000 in general obligation bonds to the Hawaii Public Housing Authority for capital improvement projects;
- (6) \$10,000,000 for the repair and maintenance of existing federal and state public housing buildings out of the general revenues as cash, instead of issuing general obligation bonds; and
- (7) \$15,000,000 for the repair and maintenance of elevators in existing federal and state public housing buildings.

Also, your Committees further recommend that the Committee on Economic Development and Taxation explore a request that was made to include an appropriation for Shelter Plus Care.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1917, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1917, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Noes, none. Excused, 1 (Ihara).

SCRep. 112 Health on S.B. No. 967

The purpose of this measure is to minimize financial burdens of individuals who choose to save the life of others by becoming living organ donors.

The measure attempts to accomplish this purpose by enabling organ donors to deduct up to \$10,000 in travel and lodging expenses and lost wages from their adjusted gross income.

Your Committee received testimony in support of this measure from the American Liver Foundation, the Organ Donor Center of Hawaii, and four individuals. The Tax Foundation of Hawaii submitted comments.

Your Committee strongly supports the principle that human organs should not be bought or sold. However, your Committee finds that organ donations should not be a financial burden to families or donors.

Your Committee amended this measure by clarifying that the tax deduction may carry over to the taxable year following the year of organ donation when the expenses incurred in the following year are a direct result of the organ donation.

Your Committee further amended this measure to include lost income of individuals that are self-employed as a deductible expense.

Your Committee did not receive a fiscal impact statement on this measure from the Department of Taxation or any other state agency.

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. 967, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 967, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 113 Economic Development and Taxation on S.B. No. 708

The purpose of this measure is to create a tax credit for the rehabilitation of historic properties, and to authorize the transfer of the credits by a nonprofit taxpayer.

Testimony in support of this measure was received from Historic Hawai'i Foundation, Haleiwa Main Street, the Society for Hawaiian Archaeology, and three individuals. The Department of Taxation and the Department of Land and Natural Resources submitted comments. The Department of Taxation also opposed the transfer of tax credit language contained in the measure.

Your Committee finds that similar tax credits are in use at the federal level and by over half of the states. While details vary from state to state, they have proven effective, particularly when used with the twenty per cent federal historic tax credit.

Your Committee further finds that a considerable community revitalization benefit could accrue from nonprofits being able to transfer credits. However, it may be prudent to start with a smaller-scaled approach and assess the results before authorizing transfer credits for nonprofits.

Accordingly, it is the intent of your Committee to support a tax credit for the rehabilitation of historic properties; provided that the credit shall be one hundred per cent recaptured under certain conditions.

Your Committee has amended this measure by:

- (1) Deleting all references to nonprofits and the transfer of credits;
- (2) Clarifying that the amount of the tax credit shall be twenty-five per cent of the excess of qualified expenditures over \$10,000;
- (3) Deleting provisions that would have required the Director of Taxation to provide an opinion on whether the planned improvements were qualified;
- (4) Adding new language regarding the conditions when a credit may or may not be one hundred per cent recaptured;
- (5) Making the tax credit applicable to taxable years after December 31, 2007; and
- (6) Making technical amendments for the purpose of clarity.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, as introduced, would result in a revenue loss to the State of \$16,800,000 per year. Their methodology is as follows:

There are approximately six hundred properties on the historic register. However, the bill allows new properties to be designated as historical properties for purposes of the credit and is being advertised as a means of promoting urban renewal in some old districts. For purposes of the revenue estimate, it was assumed that fifteen per cent of the properties take advantage of the credit per year, that the average of the renovations is

\$150,000, and that as many as three thousand properties may be, or may become eligible. The revenue cost is therefore estimated to be $3,000 \times 0.15 \times \$150,000 \times 0.25 = \$16,800,000$ per year.

The amended draft of this measure now reflects the two departments' concurrence on this historic preservation credit. Your Committee therefore notes that the Department of Taxation's fiscal impact analysis can be offset by restricting the scope of the credit.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 708, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 708, 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, Ige).

SCRep. 114 Economic Development and Taxation on S.B. No. 1315

The purpose of this measure is to re-enact and codify sections of Act 292, Session Laws of Hawaii 2000, to make the Access Hawaii Committee permanent and to authorize the committee to provide oversight of the State's Internet portal manager.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, State Procurement Office, Department of Commerce and Consumer Affairs, Office of Information Practices, High Technology Development Corporation, the Judiciary, and the County of Kauai.

Your Committee finds that Act 292, Session Laws of Hawaii 2000, established the Access Hawaii Committee as a mechanism for oversight of the State's Internet portal manager, and authorized setting charges for electronic services. This Act contained a sunset date of June 30, 2003. Act 110, Session Laws of Hawaii 2003, extended the sunset date to June 30, 2005, but it was not subsequently extended and the committee ceased to exist at that date.

Your Committee has heard from a broad range of governmental agencies about the importance of the committee and its oversight of the State's portal manager. Public expectations about Internet access to government information continue to increase at a rapid pace, and agencies must be able to meet these demands in a coordinated, efficient, and timely manner.

It is the intent of your Committee to support the permanent establishment of the Access Hawaii Committee and to expand its membership.

Your Committee has amended this measure accordingly, to:

- (1) Increase the membership of the committee from eleven to thirteen, and add the Administrative Director of the Judiciary and a representative of the Legislature's data management system; and
- (2) Make technical, nonsubstantive amendments to conform to the preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1315, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1315, 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. 115 Economic Development and Taxation on S.B. No. 1497

The purpose of this short form bill is to amend Hawaii's income tax law to conform to changes to the Internal Revenue Code.

Your Committee finds that this bill would bring Hawaii tax law into compliance with the following federal acts, which were enacted in 2006, and amended the Internal Revenue Code:

- (1) The Tax Increase Prevention and Reconciliation Act of 2005. (P.L. No. 109-222; May 17, 2005);
- (2) The Heroes Earned Retirement Opportunity Act of 2006. (P.L. No. 109-227; May 29, 2006);
- (3) The Pension Protection Act of 2006. (P.L. No. 109-280; August 17, 2006);
- (4) An Act to Complete the Codification of Title 46, United States Code, "Shipping", as positive law. (P.L. No. 109-304; October 6, 2006); and
- (5) The Tax Provisions of the Tax Relief and Health Care Act of 2006. (P.L. No. 109-432; December 20, 2006).

Your Committee has amended this bill by amending section 235-2.3(a), Hawaii Revised Statutes, to replace the date December 31, 2005, with December 31, 2006.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1497, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1497, S.D. 1, and be recommitted to the Committee on Economic Development and Taxation, for further consideration.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Espero).

SCRep. 116 Education on S.B. No. 7

The purpose of this measure is to appropriate funds for two instructor positions for the establishment of a Junior Reserve Officers' Training Corps program at Lahainaluna High School.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, and one individual.

Your Committee finds that the Junior Reserve Officers' Training Corps (JROTC) program was established by the United States Congress in 1916 to instill in our youth the values of citizenship, community service, and personal responsibility. Your Committee further finds that JROTC

programs provide our youth with positive alternatives to participation in gangs, the opportunity to give back to the community, and a sense of belonging; promote physical fitness, teamwork, and respect for authority; and teach leadership skills and self-motivation. A recent study by the Center for Strategic and International Studies indicated that JROTC programs strengthen our youth, communities, and the nation by nurturing individualism in the service of a common goal.

Currently in Hawaii there are twenty-three JROTC programs, one of which exists on the island of Maui. A federal requirement for the establishment and existence of a JROTC program is that the school must employ two retired military personnel. Therefore, additional funding for Lahainaluna High School is needed to hire the necessary personnel for the JROTC program. Your Committee believes in the virtues of JROTC programs, believes that the establishment of a JROTC program at Lahainaluna High School will positively serve the students, community, and the State, and determines that the existence of two programs on Maui will allow the participants to benefit from increased opportunities for participation in JROTC activities.

Your Committee has amended this measure 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 7, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 7, 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 (Hee).

SCRep. 117 Education on S.B. No. 91

The purpose of this measure is to expand the State's nursing education capacity.

Specifically, the measure appropriates funds for nursing workforce development as follows:

- (1) Appropriate funds for the University of Hawaii to hire additional nursing faculty and support positions at campuses throughout the State;
- (2) Appropriate funds for the University of Hawaii for the establishment of nursing scholarship and loan programs;
- (3) Appropriate funds for the University of Hawaii to conduct facility planning and development; and
- (4) Appropriate funds for the University of Hawaii Statewide Nursing Consortium to provide for distance learning.

Testimony in support of this measure was submitted by the Hawaii State Center for Nursing of the University of Hawaii, the Hawaii Health Systems Corporation, the Hawaii Primary Care Association, the Healthcare Association of Hawaii, two representatives from the Hawaii Association of Professional Nurses, the Hawaii Government Employees Association, The Queen's Medical Center, the University of Hawaii Statewide Nursing Consortium, and five individuals. Comments on the measure were submitted by the University of Hawaii System.

Your Committee finds that the current shortage of nurses nationwide is projected to increase to a twenty per cent shortfall by the year 2020. In Hawaii, it is estimated that thirty-one per cent of Hawaii's nursing workforce will retire by 2015, with sixty-one per cent expected to retire by 2020. The demand for nurses exceeds the current supply and the gap will continue to grow as nurses retire and our population continues to age. The health of our residents and the quality of care that they can expect to receive is in jeopardy, and measures must be taken to thwart the ongoing problem.

Your Committee believes that the University of Hawaii can address the problem through efforts to grow the current nursing workforce by providing adequate faculty and staff for the nursing programs at campuses throughout the State, developing nursing loan and scholarship programs to encourage individuals to pursue nursing careers, expanding current facilities to enhance and improve the nursing program at the University of Hawaii at Manoa, and developing and utilizing distance learning throughout the State. Your Committee is also concerned, however, that although the demand for faculty and staff within the nursing programs throughout the State is high, the supply of qualified, willing applicants may not equal the demand. Therefore, your Committee believes that the appropriation of funds for 46.5 positions for fiscal year 2007-2008 is appropriate at this time. Thereafter, however, the nursing program needs to provide feedback regarding these new positions and vacancies to allow for the reevaluation of the request for additional positions and moneys for fiscal year 2008-2009.

Accordingly, your Committee has amended this measure by:

- (1) Removing the appropriation of funds for faculty and staff positions within the nursing programs of the University of Hawaii at Manoa, the University of Hawaii at Hilo, Kapiolani Community College, Maui Community College, Hawaii Community College, and Kauai Community College for fiscal year 2008-2009; 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 Education 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 Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 1 (Hee).

SCRep. 118 Education on S.B. No. 604

The purpose of this measure is to promote the long-term physical health of public school students.

Specifically, this measure requires the Department of Education to:

- (1) Emphasize guiding students to make a commitment to lifelong physical activity and decreased sedentary behavior;
- (2) Develop a developmentally appropriate course of study for physical education instruction for grades kindergarten through six to be taught by at least one licensed physical education teacher;
- (3) Implement physical education instruction that complies with the Nation Association for Sports and Physical Education standards; and
- (4) Allow high school principals to grant physical education credit to students participating in after-school athletic or co-curricular activities.

Testimony in support of this measure was submitted by the American Heart Association, the Hawaii State Teachers Association, and eleven individuals. Testimony in opposition to this measure was submitted by two individuals.

Your Committee finds that childhood and adolescent obesity is at an all-time high and can lead to the development of life-long health problems. Your Committee further finds that physical activity can have beneficial effects on one's long-term mental and physical health. Studies have indicated that individuals who lead physically active lives as children are more likely to continue a pattern of physical activity into adulthood and are also associated with having higher levels of academic achievement. Your Committee believes that our public schools must provide our students with appropriate physical activities and programs that promote a commitment to lifelong physical activity. Such programs should include after-school and summer programs, taught by licensed physical education teachers, to continue to emphasize physical activity and active lifestyles outside of school hours.

Additionally, your Committee recognizes that appropriate physical education instruction is necessary for students in grades kindergarten through six and should be taught by licensed physical education teachers to ensure proper implementation and successful results. For students in grades seven and eight, there has been a lack of standardized physical education instruction being followed. The National Association for Sports and Physical Education has established appropriate standards, with which the Department of Education should be in general accordance. Finally, your Committee recognizes that the benefits of physical education instruction can be realized in less than formal physical education instruction settings. Your Committee determines that participation in after-school athletics or other co-curricular activities can have great value and provide additional ways for students to pursue physical health and activity.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Department of Education to establish programs and activities that promote a commitment to lifelong physical activity, including after-school and summer programs taught by licensed physical education teachers;
- (2) Clarifying that physical education instruction for grades six and seven should be generally in accordance with the National Association for Sports and Physical Education standards;
- (3) Specifying that high school principals may grant credit to students for participation in after-school athletics and other co-curricular activities; provided that a licensed physical education teacher shall certify that the activity is generally in accordance with the Department's physical education instruction standards; and
- (4) Making an appropriation for after-school and summer programs and activities, to be taught by licensed physical education 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. 604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 604, 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. 119 Education on S.B. No. 688

The purpose of this measure is to appropriate funds for the development and initiation of plans by the Hawaii P-20 Initiative Council for education in Hawaii for the coming century.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii P-20 Initiative attached to the University of Hawaii System, and Good Beginnings Alliance.

Your Committee finds that planning for education in the new century is a complex endeavor that must take into account early childhood, primary, secondary, and post-secondary education, as well as career and workforce training. Your Committee further finds that a clear vision must be established and a plan for achieving that vision must be developed and initiated as soon as possible. The Hawaii P-20 Initiative is a consortium of public and private educators, governmental officials, including representatives from the University of Hawaii and the Department of Education, and community leaders who work together to improve academic achievement in the State. Your Committee believes that the Hawaii P-20 Initiative Council is the appropriate body to develop and initiate plans for education in Hawaii for the new century by ensuring that we produce responsible and productive citizens from an education system that contemplates a comprehensive vision that promotes lifelong learning from early childhood education to career and workforce preparation.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that funds appropriated shall be expended by the University of Hawaii for the purposes of this Act; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 688, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 688, 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 (Hee).

SCRep. 120 Education on S.B. No. 867

The purpose of this measure is to require the Department of Education to conduct a study on the feasibility of converting hard cover textbooks to e-books for use in public schools.

Testimony in support of this measure was submitted by the Department of Education and one individual.

Your Committee finds that Hawaii currently suffers from a textbook shortage, which adversely affects students' abilities to learn in the classroom and study and complete homework assignments at home. Your Committee further finds that the costs associated with providing an adequate number of textbooks, and even more specifically up-to-date textbooks, to all students is a costly endeavor. Your Committee believes that in this new age of technology, the State must explore creative and innovative options for assuring proper learning materials are provided to students and teachers. E-books, or electronic books, are text documents that have been converted to a digital format that can be accessed on

computers or other electronic devices. They are user-friendly and provide greater options for students, as opposed to traditional textbooks. However, as the use of e-books over traditional textbooks is a new approach for the schools, your Committee determines that a feasibility study should be conducted to ascertain the true costs and benefits associated with the purchase of e-books for use in public schools.

Your Committee has amended this measure by making technical, nonsubstantive measures for 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. 867, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 867, 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 (Hee).

SCRep. 121 Education on S.B. No. 1131

The purpose of this measure is to appropriate funds to the Office of Technology Services of the Department of Education for the continued implementation of student information systems, student support systems, additional requirements, and infrastructure enhancements.

Testimony in support of this measure was submitted by the Department of Education (DOE) and the Hawaii Government Employees Association. Comments on the measure were submitted by one individual.

Your Committee finds that the DOE needs to streamline its processes and increase productivity, assist principals in managing their schools' academic financial plans, and provide data to support students and increase accountability and transparency. Your Committee further finds that additional funding is necessary to ensure that these objectives are accomplished and a comprehensive information technology system is established. The DOE has further requested funding to establish regional support centers to deliver support services and provide data to establish a fee for service structure on the islands of Maui and Hawaii. Additionally, the DOE seeks funding for a facilities management system to enable the department to link the facilities' inventory with a condition assessment of those facilities' major components and track and prioritize major and minor repairs to those facilities. Your Committee determines that these additional requests for funding are necessary and proper for the provision of information technology services for public schools in the State.

Accordingly, your Committee has amended this measure by:

- (1) Including an appropriation to establish regional support centers to provide technology support services to schools on the islands of Hawaii and Maui; provided that the pilot program established in section 2 of the measure shall also evaluate the effectiveness of the delivery of support services and provide data to establish a fee for service structure;
- (2) Including an appropriation for a facilities asset management system to enable the DOE to link the facilities' inventory with a condition assessment of those facilities' major components and to track and prioritize major and minor repairs to those facilities; and
- (3) Making technical, nonsubstantive changes for 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. 1131, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1131, 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 (Hee).

SCRep. 122 Education on S.B. No. 1932

The purpose of this measure is to provide adequate facilities for our public school students.

Specifically, this measure:

- (1) Appropriates funds for the Department of Education's repair and maintenance projects;
- (2) Authorizes the issuance of general obligation bonds and general revenues for the University of Hawaii's repair and maintenance projects; and
- (3) Provides public land and facilities for early childhood education programs.

Testimony in support of this measure was submitted by the Department of Education (DOE), the University of Hawaii (UH), and Kamehameha Schools.

Your Committee finds that a significant backlog of repair and maintenance projects exists in our public schools, including the University of Hawaii system. The DOE estimates a current backlog of \$341,000,000, and the UH system estimates a current backlog of \$165,000,000. Your Committee further finds that in 2001, the Legislature appropriated funds to the DOE to reduce the existing repair and maintenance backlog, which at the time was estimated at \$640,000,000. Your Committee believes that additional funding is necessary to help to alleviate the current backlog of repair and maintenance projects within the DOE and the UH system to attempt to lower them to manageable levels. However, your Committee believes that the bifurcation of funding from general revenues and general obligation bonds is necessary to provide a clear picture of how these figures can be successfully reduced over time.

Additionally, your Committee finds that there is a need for early childhood education facilities within the State. Increased efforts should be made to utilize existing public school facilities and public school lands for early childhood education programs. This measure also requires priority to be given to land or facilities on sites with sufficient space for three or more classrooms to be renovated or constructed. However, no funds are appropriated for those purposes. Therefore, your Committee has included appropriate funding for land or facilities for early childhood education programs as provided in the measure.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that funding in each year of the 2007-2009 fiscal biennium to decrease the DOE repair and maintenance backlog shall be as follows:
 - (A) \$95,000,000 in general obligation bonds; and

- (B) \$35,000,000 in general revenues;
- (2) Specifying that funding in each year of the 2007-2009 fiscal biennium to decrease the UH system repair and maintenance backlog shall be as follows:
- (A) \$50,000,000 in general obligation bonds; and
- (B) \$18,000,000 in general revenues;
- (3) Including a general fund appropriation of \$5,000,000 for each year of the 2007-2009 fiscal biennium for land or facilities for early childhood education programs; and
- (4) Making technical, nonsubstantive changes for 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. 1932, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1932, 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. 123 Human Services and Public Housing on S.B. No. 426

The purpose of this short form measure is to amend the law relating to human services.

Your Committee has amended this measure by replacing its contents with language that appropriates funds for a statewide interpreter referral service for public and private agencies and for persons who are deaf, hard of hearing, or deaf-blind.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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 recommitted to the Committee on Human Services and Public Housing, for further consideration.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 124 Human Services and Public Housing on S.B. No. 427

The purpose of this short form measure is to amend the law relating to human services.

Your Committee has amended this measure by inserting language that increases state supplemental payments for certain domiciliary care and requires a portion of the payment to be retained by the recipient for personal use.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is 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 recommitted to the Committee on Human Services and Public Housing, for further consideration.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 125 Human Services and Public Housing on S.B. No. 428

The purpose of this short form measure is to amend the law relating to human services.

Your Committee has amended this measure by inserting language that appropriates funds for the Blueprint for Change project to continue to deliver diversion and child protective services to target families, and for additional neighborhood places in Waimanalo, Oahu, and Kauai.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 428, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 428, S.D. 1, and be recommitted to the Committee on Human Services and Public Housing, for further consideration.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 126 (Majority) Human Services and Public Housing on S.B. No. 258

The purpose of this measure is to establish a long-term care income tax to pay for long-term care benefits and a long-term care income tax credit for long-term care insurance premiums.

The Policy Advisory Board for Elder Affairs, Kokua Council, and International Longshore and Warehouse Union Local 142 submitted testimony in favor of this measure. The Department of Taxation and the Association of Insurance and Financial Advisors submitted testimony in opposition. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that this measure proposes a gradually increasing flat tax to be paid by all taxpayers that will provide a gradually increasing benefit for caregivers. The benefit will provide caregivers with a modest income to enable them to care for a qualifying individual in the home. The measure also provides a tax credit to encourage individuals to purchase a supplemental private long-term care insurance plan.

It is the Committee's intent to support caregivers and encourage the provision of long-term care coverage for Hawaii residents.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

Your Committee notes the Department of Taxation's fiscal impact for the tax credit for the purchase of long-term care insurance is \$1.9 million to \$5.5 million for tax years 2010 to 2017. No methodology for determining the revenue loss was furnished.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 258, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 258, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, 1 (Hemmings). Excused, 1 (Sakamoto).

SCRep. 127 Human Services and Public Housing on S.B. No. 624

The purpose of this measure is to provide a tax credit to individual taxpayers who purchase long-term care insurance premiums.

The Department of Taxation, the Healthcare Association of Hawaii, and the Association of Insurance and Financial Advisors submitted testimony in support of this measure. The Kokua Council submitted testimony in opposition.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, if passed, would result in an annual revenue loss to the State of \$2,700,000 for fiscal year 2009, and \$5,400,000 for fiscal year 2010 and subsequent fiscal years. However, the fiscal impact statement submitted did not specify the methodology by which the fiscal impact was calculated.

Your Committee finds that the future of long-term care for Hawaii's senior and adult disabled population is one of the most critical health issues facing Hawaii in the twenty-first century. Persons sixty years of age and older presently account for nearly one-fifth of the adult population of the State. By 2020, they will account for more than one-fourth of Hawaii's adult population. The rapid growth of the elderly and disabled populations will result in extraordinary demands on the delivery of long-term care services. Most people have not financially prepared themselves for the costs of long-term care services, which can be substantial. As the testifiers noted, the average cost of institutionalized long-term care can be upwards of \$75,000 per year. This measure will assist low- and moderate-income taxpayers to purchase long-term care insurance by providing a tax credit for a portion of the long-term care premiums.

It is the Committee's intent to encourage the provision of long-term care coverage for Hawaii residents.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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 Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 128 Human Services and Public Housing on S.B. No. 704

The purpose of this measure is to exempt amounts received by trusts, the sole beneficiaries of which are blind, deaf, or disabled, from up to \$2,000 in income and to limit the general excise tax collected from the trusts to one-half per cent.

Two individuals submitted testimony in support of this measure. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, if passed, would result in a revenue loss to the State of approximately \$150,000 per year. However, the fiscal impact statement submitted did not specify the methodology by which the fiscal impact was calculated.

Your Committee finds that this measure will include a trust, the sole beneficiary of which is blind, deaf, or disabled within the current general excise tax relief. According to the testimony, currently, the general excise tax rate on the business income of individuals who are blind, deaf, or totally disabled, and corporations owned by individuals who are blind, deaf, or totally disabled is one-half per cent. The first \$2,000 of business income received by these individuals is also exempt from general excise taxation.

It is the Committee's intent to extend the same general excise tax treatment to trusts the sole beneficiaries of which are blind, deaf, or disabled.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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 Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 129 Human Services and Public Housing on S.B. No. 901

The purpose of this measure is to establish exemptions from the income tax and general excise tax for certified adult foster homes.

The Hawaii Coalition of Care Home Administrators and two hundred and thirty-five individuals submitted testimony in support of this measure. The Hawaii Centers for Independent Living submitted testimony in opposition. The Department of Taxation and the Department of Health submitted comments.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, if passed, would result in a revenue loss to the State of approximately \$11,200,000 per year. However, the fiscal impact statement submitted did not specify the methodology by which the fiscal impact was calculated.

Your Committee finds that certified adult foster homes play an important role in the care of developmentally disabled and mentally retarded individuals, and enable developmentally disabled and mentally retarded individuals to stay in the community. Certified adult foster homes provide low-cost health care and other services that alleviate the expense to the State and the federal government of more costly care alternatives. However, reimbursement for the services that certified adult foster homes provide is low and as a result, certified adult foster homes experience operational and financial hardship. As the voluminous testimony reveals, community care foster family homes are in the same situation.

It is the Committee's intent to exempt certified adult foster homes and community care foster family homes from the income tax and general excise tax. Upon further consideration, your Committee has amended this measure by:

- (1) Exempting community care foster family homes from the income tax and general excise tax, as well; and

- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 901, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 901, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 130 Human Services and Public Housing on S.B. No. 1182

The purpose of this measure is to establish a needs allowance for residents of care homes and long-term care facilities.

The Department of Human Services submitted testimony in support of the intent of this measure. The State Long Term Care Ombudsman, the Mayor of Hawaii County, the National Association of Social Workers, the Hawaii Disability Rights Center, the Healthcare Association of Hawaii, the National Alliance on Mental Illness Oahu, Opportunities for the Retarded Inc., and over thirteen hundred individuals submitted testimony in support of this measure. The Hawaii Coalition of Care Home Administrators submitted testimony in opposition. The Department of Taxation submitted comments.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, if passed, would result in a revenue loss to the State of approximately \$512,000 for fiscal year 2008. However, the fiscal impact statement submitted did not specify the methodology by which the fiscal impact was calculated.

Your Committee finds that a personal needs allowance is intended to pay for the clothing, toiletries, bus fare, personal postage, snacks, and other incidental expenses of day-to-day living of Social Security recipients in certain institutional care settings. The federal government raised the minimum personal needs allowance to \$30 back in 1988. Since that time, most states have raised the minimum allowance beyond \$30 to reflect rising costs. However, a few states, including Hawaii, still remain at the \$30 minimum set nearly twenty years ago.

As the multitude of testifiers indicated, the current personal needs allowance is insufficient to provide for their daily needs and does not afford them any discretion to make purchases that would enhance their quality of life, such as recreational activities or meals out. Testifiers noted the difficulty in affording co-payments and unreimbursed medical and dental expenses, such as dentures and hearing aid batteries, all of which have become more costly over the years.

It is the Committee's intent to raise the personal needs allowance. Further, your Committee notes that it is intended that the funds to increase the personal needs allowance be expended by the Department of Human Services directly to the individuals and not to the facility operators.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1182, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1182, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 131 Human Services and Public Housing on S.B. No. 1197

The purpose of this measure is to establish an income tax credit for taxpayers who make modifications to their homes to increase accessibility for individuals with disabilities.

The Disability and Communication Access Board, AARP Hawaii, and the Hawaii Aging Advocates Coalition submitted testimony in support of this measure. The Department of Taxation submitted comments.

Your Committee finds that enabling elderly individuals to age-in-place, in their own or their families' homes, will allow them to live happier, healthier lives. However, caring for an elderly individual in the home often necessitates that accommodations or modifications be made to increase accessibility and facilitate caregiving responsibilities. For instance, ramps may be necessary for wheelchair accessibility or grab-bars may be necessary in a bathtub. These types of home modifications can be costly. However, it would be more costly to move an elderly or disabled individual to a facility, and facility accommodations are limited.

It is the Committee's intent to avoid enabling a taxpayer to deduct the cost of retrofitting a home as a medical expense for both Hawaii and federal income tax purposes. So, upon further consideration, your Committee has amended this measure by:

- (1) Providing that if a taxpayer claims a similar tax credit or deduction for state or federal income tax purposes, no tax credit can be claimed under this measure; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

The Department of Taxation testified that it was unable to determine the fiscal impact of the measure since the amount of the tax credit is unspecified.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1197, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1197, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 132 Human Services and Public Housing on S.B. No. 1199

The purpose of this measure is to provide a tax credit to caregivers who care for qualified care recipients.

The Hawaii Aging Advocates Coalition provided testimony in support of the intent of this measure. The Policy Advisory Board for Elder Affairs and the International Longshore and Warehouse Union Local 142 submitted testimony in support of this measure. The Department of Taxation provided comments.

As one testifier noted, home and community-based care is increasingly the preferred method of providing long-term care to care recipients, as it avoids institutionalization and enables care recipients to remain in their homes and communities. However, caregivers are often family members who must forego employment and experience other financial sacrifices to care for their loved ones. Your Committee finds that a tax credit to caregivers who care for qualified care recipients will help defray some of the cost of providing this invaluable service.

It is the Committee's intent to help ease the financial burden on caregivers who care for qualified care recipients.

Upon further consideration, your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

The Department of Taxation testified that, since the tax credit base has been left unspecified in the measure, it was unable to determine the fiscal impact of the tax credit.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1199, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1199, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 133 Human Services and Public Housing on S.B. No. 1919

The purpose of this measure is to provide a comprehensive set of asset building opportunities for Hawaii's low- and moderate-income families by:

- (1) Establishing a self-sufficiency standard that will determine the assistance of allowance;
- (2) Establishing a refundable state earned income tax credit;
- (3) Providing financial education to Temporary Assistance for Needy Families applicants and recipients;
- (4) Expanding the provision of individual development accounts; and
- (5) Appropriating funds for these purposes.

Hawaii Women Work, the National Association of Social Workers, the Hawaii Alliance for Community-Based Economic Development, 3Point, Asset Building Initiative of Hawaii, Aloha United Way, and one individual submitted testimony in support of this measure. The Department of Taxation submitted testimony in opposition. The Department of Human Services submitted comments.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, if passed, would result in a revenue loss to the State of approximately \$24,000,000. No methodology for the calculation was provided.

Your Committee finds that economic stability does not arise solely from income. Financial assets, such as cash savings, stocks, bonds, and home and business equity, are a critical component of economic security. Financial assets offer individuals a viable and hopeful future, stimulate development of human and other capital, and enhance the welfare of children. Income-based policies should be complemented with asset-based policies because, while income-based policies ensure that consumption needs, such as food, clothing, child care, and health care, are met, asset-based policies provide the means to achieve greater independence and economic well-being.

It is your Committee's intent to help provide asset building opportunities for Hawaii's low- and moderate-income families.

Your Committee has amended this measure by:

- (1) Adding language to the amendment to section 201-3(a)(6), Hawaii Revised Statutes, in part II of the measure, that states that the self-sufficiency standard shall be based on existing established models that fully incorporate the items essential to attain economic self-sufficiency;
- (2) Requiring the Department of Business, Economic Development, and Tourism to:
 - (A) Establish the first annual self-sufficiency standard pursuant to section 2 by December 1, 2007; and
 - (B) Report to the Legislature and the Department of Human Services on the self-sufficiency standard no later than twenty days prior to the convening of the Regular Session of 2008, and thereafter at annual intervals;
- (3) Requiring the Department of Human Services to:
 - (A) Submit a budget request to the Legislature identifying the amount of general and federal funds required to implement the self-sufficiency standard no later than twenty days prior to the convening of the Regular Session of 2009; and
 - (B) Report to the Legislature with information on the number of persons exiting public assistance, food stamp, and medical assistance programs for work, utilizing the annually adjusted self-sufficiency standard, no later than twenty days prior to the convening of the Regular Session of 2010, and thereafter at annual intervals;
- (4) Making section 5 effective on July 1, 2009; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

Also, your Committee urges the Committee on Ways and Means to consider increasing the current Temporary Assistance For Needy Families cap on work support programs by \$500,000 to enable the Department of Human Services to access the funds to provide financial education to applicants for and recipients of Temporary Assistance For Needy Families in lieu of an appropriation.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1919, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1919, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 134 Human Services and Public Housing on S.B. No. 926

The purpose of this measure is to establish a Task Force on the Department of Aging to determine programs and services that will be under the jurisdiction of a new Department of Aging.

The Policy Advisory Board for Elder Affairs, Hawaii Pacific Health, and Hawaii Centers for Independent Living submitted testimony in support of this measure. The Department of Health submitted testimony in opposition.

Your Committee finds that in 2000, there were over two hundred seven thousand adults age sixty years and older in Hawaii, comprising seventeen per cent of Hawaii's population. This group is expected to comprise one third of Hawaii's population by the year 2020. Currently, the array of publicly funded programs and services for elders in such areas as Medicaid, Medicare, long-term care, and insurance are distributed across many state agencies and can be challenging for individuals to navigate. This measure would establish a task force to investigate whether it is more effective to focus state resources and services for Hawaii's older population under one department.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 926 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, 1 (Sakamoto).

SCRep. 135 (Joint) Human Services and Public Housing and Health on S.B. No. 812

The purpose of this measure is to appropriate the funds necessary, in addition to the Department of Health's biennium budget request, for the continued maintenance and operation of developmental disabilities domiciliary homes and developmental disabilities apartment complexes.

The State Council on Developmental Disabilities, Disability and Communication Access Board, the Arc in Hawaii, the Arc of Kona, Opportunities for the Retarded Inc., Responsive Caregivers of Hawaii, and Family Voices of Hawaii submitted testimony in support of this measure. The Department of Health submitted comments.

Your Committees find that developmental disabilities residential services providers perform a vital service to the State. Current reimbursement rates for residential services have not kept pace with the cost of providing quality services and operating in a fiscally efficient manner. Numerous developmental disabilities domiciliary homes have closed over the past several years as a result of operational deficits. The developmental disabilities population is in great need as they cannot live independently and need the services that an assisted living environment provides. In addition, many of the residents of developmental disabilities domiciliary homes and developmental disabilities apartment complexes are aging and require more costly care and services. Additional funding will maintain their community-based placement and avoid premature institutionalization.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 812 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, 1 (Ihara).

SCRep. 136 (Joint) Human Services and Public Housing and Health on S.B. No. 979

The purpose of this measure is to preserve and protect the lives of Hawaii's children and young adults by establishing a Youth Suicide Early Intervention and Prevention Program.

The Department of Education submitted testimony in support of the intent of this measure. The Suicide Prevention Steering Committee and Task Force; Mental Health America of Hawaii; the National Alliance on Mental Illness, Oahu; the Hawaii Suicide Prevention, Education, Awareness, Research Foundation; and four individuals submitted testimony in support of this measure. The Department of Health submitted comments.

Your Committees find that suicide is a serious public health tragedy that affects many young people in Hawaii. Data indicates that children and teenagers between the ages of ten and nineteen years experience the highest death rates in Hawaii, making suicide the second leading cause of death for this age group. Information, education, and training are essential components to preventing suicide.

It is the Committees' intent to appropriate funds for the establishment of a Youth Suicide Early Intervention and Prevention Program.

Your Committees have amended this measure by:

- (1) Providing that the Department of Health shall develop and submit proposals, where appropriate, for funding from federal agencies and private organizations; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

Your Committees note that while the appropriation amount has been left unspecified, in light of the testimony provided, they recommend \$100,000.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 979, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 979, 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 (Ihara).

SCRep. 137 Human Services and Public Housing on S.B. No. 1184

The purpose of this measure is to amend the Adult Protective Services Law by:

- (1) Deleting the definition of "dependent adult";

- (2) Extending protections to persons between eighteen and seventy-four years of age if they meet the definition of a "vulnerable adult";
- (3) Adding a definition of "elder" to extend protections to persons seventy-five years or older;
- (4) Enabling the Department of Human Services to investigate and the court to have jurisdiction when reason exists to believe that an elder or a vulnerable adult has been abused or is threatened with imminent abuse; and
- (5) Making conforming amendments for clarity, consistency, and style.

The Policy Advisory Board for Elder Affairs, Healthcare Association of Hawaii, Child and Family Service, the National Association of Social Workers, Catholic Charities Hawai'i, Kokua Council, Hawaii Centers for Independent Living, and six individuals submitted testimony in support of this measure. The Department of Human Services and the American Civil Liberties Union of Hawaii submitted testimony in opposition.

Your Committee received a fiscal impact statement from the Department of Human Services that this measure, if passed, would cost the State approximately \$4,942,207 for the first year and \$4,316,282 per year thereafter. The Department of Human Services also estimated an additional cost per year of \$724,532 for contracted services and other direct services to alleviate crisis situations.

Your Committee finds that citizens of Hawaii who are elder or are mentally or physically disabled constitute a significant and identifiable segment of the population and are particularly subject to risks of abuse, neglect, and exploitation. Hawaii's elders are the fastest growing segment in the State. There are just over 84,000 elders that are seventy-five years or older. National estimates of the frequency of abuse towards this population range from five to ten per cent. This suggests that there may be 4,000 or more cases of abuse in Hawaii each year. However, the Department of Human Services indicates that in 2006 it investigated 514 cases. This suggests a large gap between those receiving services and those possibly experiencing abuse.

Under the current law, unless abuse has already occurred and a dependent person is threatened with imminent abuse, Adult Protective Services is unable to offer protective services to the victim. While providing an age component to the law would ensure that certain elders would automatically be included by virtue of their age, some testifiers objected to the possibility of unwarranted government intrusion or intervention.

It is the Committee's intent to extend the protections while placing the fewest possible restrictions on personal liberty. Your Committee has amended this measure by:

- (1) Deleting the definition of "elder";
- (2) Appropriating an unspecified sum of general funds for the Department of Human Services to hire staff and contract services to implement this measure;
- (3) Making the measure effective on July 1, 2008; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1184, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1184, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 138 Education on S.B. No. 95

The purpose of this measure is to repeal the section of the law that provides for the reallocation of vacant positions in the Department of Education; provided that the reallocations are made to redirect resources from the state and district offices to the individual schools and learning support centers.

Testimony in support of this measure was submitted by the Department of Education (DOE). Comments on the measure were submitted by the Hawaii Government Employees Association (HGEA).

Your Committee finds that pursuant to Act 51, Session Laws of Hawaii 2004, as amended (Act 51), the DOE was established as a separate jurisdiction of the State and was also thereby granted the authority to transfer positions within the DOE, obviating the need for section 302A-1115, Hawaii Revised Statutes. In addition, with the advent of the weighted student formula, the schools are now allowed to determine the number and type of positions required by the schools. However, your Committee is mindful of the concerns expressed by the HGEA regarding the repeal of the reporting requirement by the DOE to the Department of Budget and Finance on personnel reallocations. Your Committee understands that there is a continuing need for the DOE to be accountable for its personnel actions; however, your Committee determines that the DOE is already required to report such actions to the Department of Budget and Finance under Act 51.

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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 95, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 95, 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 (Hee).

SCRep. 139 (Joint) Health and Intergovernmental and Military Affairs on S.B. No. 246

The purpose of this measure is to ensure the health and safety of individuals in an emergency situation with the fastest emergency response time possible.

The measure accomplishes this purpose by authorizing the respective counties, with the approval of the Department of Health, to enact ordinances to permit the use of motorcycles operated by emergency rescue workers to respond to emergency rescue calls. The measure also authorizes the counties to identify and use other appropriate response vehicles.

Your Committees received testimony in support of this measure from Street Bikers United Hawaii and three individuals.

Your Committees find that emergency response time is often inhibited in rescue operations by intervening factors such as traffic congestion and rescue locations that are inaccessible to automobiles and ambulances. Your Committees intend to accomplish the purpose of this measure by enabling counties to permit the use of motorcycles, and other appropriate vehicles permitted by the counties, operated by emergency rescue workers to respond to emergency rescue calls.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 246 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, 1 (Menor).

SCRep. 140 Intergovernmental and Military Affairs on S.B. No. 1968

The purpose of this measure is to allow active duty National Guard personnel stationed in Hawaii to deposit their paychecks by electronic transfer to their personal banking accounts.

Testimony in support of this measure was submitted by the Department of Defense, the Hawaii Army National Guard, the National Guard Association of Hawaii Insurance Trust, Hawaii National Guard Association, the Hawaii National Guard Enlisted Association, the Chamber of Commerce of Hawaii, and one individual.

Your Committee finds that allowing service members to deposit their paychecks by electronic transfer is more efficient and reduces the workload of manually processing and distributing paychecks to military personnel. It also reduces the possibility of paychecks becoming lost and allows service members to receive their paychecks more quickly without processing delays, and boosts the overall morale of our service members and their families.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1968 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, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 141 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1540

The purpose of this measure is to ensure the representation on the Board of Land and Natural Resources by a member selected by the Office of Hawaiian Affairs by requiring the Governor to appoint one member from a list of three nominees submitted by the Office of Hawaiian Affairs.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, the Native Hawaiian Legal Corporation, Oahu Council of the Association of Hawaiian Civic Clubs, and two private individuals. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources, and the Department of the Attorney General.

Your Committee heard testimony presented from the Department of Land and Natural Resources and the Department of the Attorney General that essentially objected to allowing the Office of Hawaiian Affairs to designate a member of the Board of Land and Natural Resources. Your Committee is not entirely persuaded by the reasons given for their objections; however, your Committee believes that in lieu of a designated member, that the Board of Land and Natural Resources should be required to have one or more members with knowledge, experience, or expertise in Native Hawaiian rights that are customarily and traditionally exercised for subsistence, cultural, and religious purposes as expressed in Article XII, Section 7, of the State Constitution. The Board of Land and Natural Resources, with its responsibilities over land use, coastal zone management, ocean usage, and the management and use of all other natural resources of the State, should seriously take into consideration in its decisions and deliberations, the protection of Native Hawaiian rights that are customarily and traditionally exercised for subsistence and cultural purposes.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that requires the Governor to appoint one member of the Board of Natural Land and Resources from a list of three nominees submitted by the Office of Hawaiian Affairs, and replacing it with specific language that requires at least one member on the Board of Land and Natural Resources have substantial experience and expertise in traditional Native Hawaiian land, coastal, and ocean management techniques, usage, and practices; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee believes that the amended measure fulfills the intent of the measure to provide and ensure the observation and consideration of Native Hawaiian traditional and cultural land, coastal, and ocean management techniques, uses, and practices on the Board of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1540, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1540, 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 (Slom).

SCRep. 142 Ways and Means on S.B. No. 25

The purpose of this measure is to appropriate funds to provide for the expenses of the Legislature and its service agencies.

More specifically, this measure provides for the expenses of the Legislature, the Office of the Auditor, the Legislative Reference Bureau, the Office of the Ombudsman, the State Ethics Commission, the Legislative Information System, and the Legislative Broadcast System.

Testimony in support of the measure was submitted by the Office of the Auditor, the Legislative Reference Bureau, the Office of the Ombudsman, the State Ethics Commission.

Your Committee notes that S.B. No. 638, S.D. 1, was passed by the Legislature earlier this session. That measure also contained an appropriation to cover the expenses of the Legislature, the Office of the Auditor, the Legislative Reference Bureau, the Office of the Ombudsman, the State Ethics Commission, the Legislative Information System, and the Legislative Broadcast System. Unfortunately, the constitutionally-mandated declaration that the general fund expenditure ceiling for the 2006-2007 fiscal year had been exceeded was inadvertently omitted from that measure. Your Committee has included such a declaration in this measure to reflect that the appropriations out of the current fiscal year that are contained in this measure will exceed the general fund expenditure ceiling for fiscal year 2006-2007 by an additional \$21,339,523, or an additional 0.40 per cent. In all other aspects regarding content, this measure is identical to S.B. No. 638, 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 is in accord with the intent and purpose of S.B. No. 25, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 25, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Menor).

SCRep. 143 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1032

The purpose of this measure is to ensure continued access by sea to Hana by authorizing the issuance of general obligation bonds to appropriate funds for the completion of improvements to the Hana boat ramp.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources.

During and following severe weather, the Hana community can become severed from the rest of the island of Maui due to road closures and the suspension of airline service. It is during these times that sea access is critical for the residents of Hana to obtain any necessary emergency supplies and assistance. The Department of Land and Natural Resources is currently in the design phase to renovate existing infrastructure and install a new loading dock. Your Committee finds that authorizing the issuance of general obligation bonds to appropriate funds for the completion of the improvements to the Hana boat ramp fulfills the intent of this measure, which is to ensure continued access by sea to Hana.

Your Committee has amended this measure by deleting the dollar amount and leaving 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, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1032, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1032, 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 (Hee).

SCRep. 144 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1242

The purpose of this measure is to promote the maritime industry in Hawaii by appropriating funds for Honolulu Marine, Inc., to relocate the Kewalo Shipyard from Kewalo Basin to a proposed site at Keehi Lagoon.

Testimony in support of this measure was submitted by Honolulu Marine, Inc., the Hawaii Boaters Political Action Association, and one individual. The Department of Land and Natural Resources, the Department of Transportation, and the Hawaii Community Development Authority submitted comments.

The Kewalo Shipyard has been a fixture for the State's maritime industry for many years. During its early years, the Shipyard supported the local commercial fishing fleet and then expanded into government contract work. While the Shipyard still provides services for the commercial fishing fleet, Honolulu Marine, Inc., which obtained the lease for the facility in 1984, has aggressively pursued other commercial and government contracts. Honolulu Marine, Inc., employs a shipyard staff of up to seventy personnel who are involved in the maintenance and repairs of various sized vessels. The Shipyard averages \$1,500,000 to \$3,000,000 per year in new construction orders with a projected forecast of \$3,000,000 to \$4,000,000 in new construction orders for 2008. Due to development plans at its present location at Kewalo, the Shipyard needs to relocate its facilities. Your Committee finds that the Shipyard's proposed site at Keehi Lagoon is an unimproved and vacant lot, which will need additional funds to install port security infrastructure, grade and level the property, and construct a finger pier, sea retaining walls, and bulkheads.

Your Committee has amended this measure by deleting the dollar amount and left it unspecified for determination by the Committee on Ways and Means, and made technical amendments for accuracy.

Furthermore, your Committee notes that in the comments submitted by the Department of Land and Natural Resources, the Department of Transportation, and the Hawaii Community Development Authority, these agencies all deferred to another agency as the expending agency for the appropriation. Your Committee believes that this matter merits further discussion by the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1242, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1242, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (Hee).

SCRep. 145 Economic Development and Taxation on S.B. No. 323

The purpose of this short form bill is to amend the law relating to high technology.

Your Committee has amended this bill by inserting provisions related to the High Technology Development Corporation to:

- (1) Amend section 206M-15.5, Hawaii Revised Statutes, to provide that the High Technology Special Fund shall not be used to fund general administrative and fiscal positions, which shall be funded through the general revenues of the State; and to delete the \$3,000,000 cap in the special fund;
- (2) Amend section 206M-53, Hawaii Revised Statutes, to clarify that the High Technology Innovation Corporation is authorized to operate bank accounts that are necessary for the conduct of its business in addition to its out-of-state offices, at both in-state and out-of-state bank locations; and

- (3) Continue current funding levels for the Hawaii Small Business Innovation Research Grant Program and the Hawaii Small Business Technology Transfer Program.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 323, S.D. 1, and be recommitted to the Committee on Economic Development and Taxation, for further consideration.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (English, Espero).

SCRep. 146 Economic Development and Taxation on S.B. No. 773

The purpose of this measure is to establish the Hawaii Ingenuity Corporation Charter, a private, for profit, non-stock, membership, corporation.

Testimony in support of this measure was received from the Professional Inventors Alliance, Vivalog Technologies, and three individuals. The Department of Budget and Finance submitted testimony in opposition.

Your Committee has heard that the establishment of a Hawaii Ingenuity Corporation would greatly assist innovation companies that create intellectual property on an ongoing basis, but would like to have increased opportunities to develop intellectual property and protect it from infringement. Such a corporation would contribute to the diversification of Hawaii's economy and the enhancement of the business climate for emerging technology industries.

Your Committee understands the concerns raised regarding the respective roles of the private and public sector in the proposed language, and believes that continuing discussion of the concept should be encouraged.

It is the intent of your Committee to forward this measure in order to continue dialog on the concepts of a Hawaii Ingenuity Corporation.

Your Committee has amended the measure accordingly, by:

- (1) Inserting an effective date of July 1, 2050; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 773, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 773, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 147 (Majority) Economic Development and Taxation on S.B. No. 675

The purpose of this measure is to propose a constitutional amendment to require the Tax Review Commission to meet every ten years instead of five years.

Testimony in support of this measure was received from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and one individual. The Department of Taxation opposed this measure. The League of Women Voters submitted comments.

Your Committee finds both proponents and opponents of this measure have raised interesting points regarding the merits of appointing a Tax Review Commission every ten years instead of every five years, and believes further discussion is warranted.

Your Committee also finds that many of the comments by the League of Women Voters, which call for wider dissemination of the commission's findings to the public, have considerable merit.

Under Article VII, Section 3, of the State Constitution, the commission is charged with "...an evaluation of the State's tax structure..." and to "recommend revenue and tax policy..." These are issues of considerable importance to Hawaii residents, yet it is unlikely that many of Hawaii's citizens have reviewed the commission's evaluations and recommendations, or are even aware of the commission's role in state tax policies.

The League of Women Voters suggests annual or biennial reports, public educational sessions, television programs, a speakers' bureau, and other creative means of telling the public about tax law - and what it really means for each of us. While this is not the purview of the Tax Review Commission, or of this measure with its restrictive title, these are recommendations your Committee urges the Director of Taxation to consider as part of the department's role in educating the public about its tax obligations and how these obligations in turn benefit the taxpayer.

In addition, it is the intent of your Committee to continue the legislative discussion on the merits of the proposed constitutional amendment contained in this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 675 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, 1 (Slom). Excused, none.

SCRep. 148 (Joint) Economic Development and Taxation and Intergovernmental and Military Affairs on S.B. No. 1342

The purpose of this measure is to clarify that an appeal by a taxpayer to the Tax Appeal Court from a Board of Review decision, or the decision of an equivalent county administrative body, must be served on the Director of Taxation or County Clerk within thirty days of the date of the final assessment to properly confer jurisdiction over the appeal.

Testimony in support of this measure was received from the Department of the Attorney General, the Department of Taxation, and the City and County of Honolulu Department of Budget and Fiscal Services. The Tax Foundation of Hawaii submitted comments.

Your Committees find that the proposed language in this measure would clarify provisions that have been interpreted in a conflicting manner by Hawaii's legal community. In addition to the proposed amendments, your Committees have heard requests from the Attorney General and the City and County of Honolulu for additional changes and conforming amendments.

It is the intent of your Committees to support these additional recommendations, which have been agreed to by both the state and county.

Specifically, your Committees have amended this measure by:

- (1) Making comparable amendments to section 232-16, Hawaii Revised Statutes, which relates to an appeal to the Tax Appeal Court;
- (2) Further clarifying that in the case of a county, the relevant agency is the real property assessment division of the county involved;
- (3) Adding references to the Director of Taxation, where appropriate; and
- (4) Making technical amendments to conform the measure to the preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1342, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1342, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Noes, none. Excused, 1 (Hemmings).

SCRep. 149 Transportation and International Affairs on S.B. No. 1273

The purpose of this measure is to require all motor vehicles having an alarm system to have a device to electronically notify the owner that the alarm has been activated for more than three consecutive minutes.

Your Committee received testimony in support of this measure from Waikiki Area Residents Association, Citizens Against Noise, and one individual. Testimony in opposition was received from the Alliance for Automobile Manufacturers, Hawaii Automobile Dealers Association, Hawaii Motorcycle Dealers Association, and one individual.

Your Committee finds that motor vehicle alarm systems are of limited utility if the owner does not know that the alarm system has been activated. A passerby may take notice, but alarms may go off without any actual theft taking place. Your Committee believes that car alarm systems have a legitimate purpose in warning of auto thefts, but the continuous sounding of an alarm does not seem to deter theft.

This measure is intended to reduce the incidents of annoying car alarm systems that go off and stay on continuously. The problem is particularly acute in the Waikiki area, with its dense population of high rise residences. Waikiki residents and hotel guests are subject to a constant bombardment of emergency vehicle noise, noisy trucks and buses, back-up beepers, and car alarms.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1273 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 2 (Inouye, Taniguchi).

SCRep. 150 Transportation and International Affairs on S.B. No. 782

The purpose of this measure is to require all moped drivers to wear safety helmets while operating a moped.

Your Committee received testimony in support of this measure from the Department of Transportation, Department of Health (DOH), and State Farm Mutual Automobile Insurance Company. Testimony in opposition was received from Street Bikers United Hawaii.

Your Committee finds that helmet use while driving a moped significantly reduces the likelihood of serious or fatal injuries. Drivers of mopeds are particularly vulnerable to head injuries in accidents. Head injuries commonly result in permanent injury or death or in profound and disabling physical and mental effects which can be costly. Unhelmeted moped riders of all ages are at risk for head injury, a leading cause of death and disability in moped crashes. According to the DOH, an average of five moped riders are killed each year in Hawaii, and another 266 are involved in major crashes. From 2001 to 2005, twenty-four riders who did not wear helmets were killed and nearly two-thirds of the 250 other injuries sustained a traumatic brain injury. Of the moped drivers admitted to Queen's Medical Center, traumatic brain injury was nearly twice as likely among those not wearing helmets compared to those wearing helmets.

The intent of this measure is to protect the health and safety of a population susceptible to avoidable crippling injuries. Act 63, Session Laws of Hawaii 2006, required drivers of mopeds who are less than eighteen years of age to wear a safety helmet while driving. Your Committee believes that all persons, not just those who are under the age of eighteen, should be required to wear a safety helmet when operating a moped.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 782 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Inouye, Taniguchi, Gabbard).

SCRep. 151 Human Services and Public Housing on S.B. No. 1495

The purpose of this measure is to:

- (1) Provide an additional personal exemption for any dependent age eighteen and younger for households with \$200,000 or less in federal adjusted gross income;
- (2) Increase the dependent care employment-related expense credit expenditure ceiling to \$5,000 per dependent; and
- (3) Make several amendments to section 235-55.6, Hawaii Revised Statutes, to conform to the Internal Revenue Code.

The Governor and the Department of Taxation submitted testimony in support of this measure.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, if passed, would result in a revenue loss to the State of approximately \$25,900,000 each year. However, the fiscal impact statement submitted did not specify the methodology by which the fiscal impact was calculated.

Your Committee finds that many families in Hawaii face the dual challenge of raising children while taking care of aging parents. This measure will provide individuals with tax relief to help defray the financial cost of dependent care.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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 Second Reading in the form attached hereto as S.B. No. 1495, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, none.

SCRep. 152 Human Services and Public Housing on S.B. No. 1496

The purpose of this measure is to exempt the sale of food qualifying under the Women, Infants, and Children Program administered by the federal Food and Nutrition Service of the United States Department of Agriculture from the general excise tax.

The Governor and the Department of Taxation submitted testimony in support of this measure.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, if passed, would result in a revenue loss to the State of approximately \$15,000,000 for the first year and \$40,000,000 per year thereafter. However, the fiscal impact statement submitted did not specify the methodology by which the fiscal impact was calculated.

Your Committee finds that undertaking the exemption of foods from any tax is a daunting task because of the indeterminate definition of the term "food." However, as one testifier noted, the United States Department of Agriculture already requires grocery stores that participate in the Women, Infants, and Children Program to exempt the eleven food groups that it identified as essential foods from local and state taxes. Therefore, most, if not all, grocery stores are prepared to accommodate the exemption of the foods on the list. The types of groceries that will be exempt from the food tax include milk, eggs, cheese, canned salmon and tuna, carrots, peanut butter, juices, cereals, beans, peas and lentils, as well as infant formula and infant cereal.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1496, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1496, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, none.

SCRep. 153 (Joint) Transportation and International Affairs and Energy and Environment on S.B. No. 1285

The purpose of this measure is to exempt liquid fuels from the general excise tax, and to raise the fuel tax.

Your Committees received comments on this measure from the Department of Taxation (DOTAX).

Your Committees find that the general excise tax of four per cent is imposed on gasoline in addition to the fuel tax. Although crude oil prices are momentarily declining, the price of gas in Hawaii remains well above mainland retail prices. While most motorists have learned that Hawaii has one of the highest fuel tax rates in the nation, when the state and local fuel tax rates are combined, and that the general excise tax is imposed on gasoline, most do not know that the fuel oil purchased by Hawaii's electric companies is also subject to the general excise tax, and at the full retail rate of four per cent.

Given that energy use is so much a part of daily life, the rising cost of fuel oil along with the attendant general excise tax will make living and doing business in Hawaii all that more expensive. While the State cannot control the cost of fuel oil, it can control the taxes paid on the purchase of that fuel oil.

The intent of this measure to keep energy costs at a reasonable level is crucial to the economic future of Hawaii as businesses factor in all of the costs of doing business when making a decision to locate or continue to do business in Hawaii. If soaring energy costs make Hawaii goods and services uncompetitive on the world market, it is unlikely that those businesses and the jobs they create will remain in Hawaii.

The DOTAX estimates the fiscal impact will reduce general excise tax revenues by \$0.1 million annually and increase revenues to the State Highway Fund by about \$9.2 million annually. No methodology was furnished to indicate how these figures were developed.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1285 and recommend that it pass Second Reading and be referred to the Committee on Economic Development and Taxation.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Ayes with Reservations, 1 (Trimble). Noes, none. Excused, 5 (Ihara, Inouye, Kokubun, Taniguchi, Tsutsui).

SCRep. 154 Economic Development and Taxation on S.B. No. 709

The purpose of this measure is to require the Department of Business, Economic Development, and Tourism (Department) to investigate, collect, analyze, and publish research and data to track economic progress and aid in the development and economic health of emerging growth industries.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism and 3Point. The Hawaii Science and Technology Council submitted comments.

Your Committee finds that new and revised economic data, such as outlined in this measure, is needed if Hawaii is to accurately assess its success in expanding and diversifying economic opportunities.

Your Committee has heard that the proposed requirements may be too specific, given rapid changes in emerging industries, and that the Department already has a broad mandate to collect and assess economic data. Members of your Committee are concerned, however, that despite that mandate, the collection and analysis of critical economic data is not always available in a timely manner. This is particularly true for emerging industries, which may require new or revised data in order to assess growth rates in comparison to traditional industries.

Your Committee acknowledges the vacancies and workforce reductions that have hampered the Department's efforts, but believes this data collection is vitally important in determining how best to provide support, financial or otherwise, to new industries.

It is the intent of your Committee to support both the concepts in this measure and to provide needed financial resources.

Your Committee has amended this measure accordingly, to:

- (1) Refine and focus the language throughout; and
- (2) Appropriate an unspecified amount for fiscal years 2007-2008 and 2008-2009.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 709, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 709, 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. 155 Economic Development and Taxation on S.B. No. 896

The purpose of this measure is to:

- (1) Authorize the High Technology Development Corporation, with assistance from the Department of Business, Economic Development, and Tourism, to negotiate with the developers, on terms acceptable and satisfactory to the corporation's board of directors and the Director of Finance, a lease agreement and lease guaranty for a period of ten years for approximately ninety-nine thousand square feet of laboratory and office space in the Asia Pacific International Research Center in Kakaako; and
- (2) Appropriate \$150,000 for fiscal year 2007-2008 for the purposes of this Act.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Hawaii Community Development Authority; University of Hawaii John A Burns School of Medicine; Hawaii Science and Technology Council; Pacific Resource Partnership; Kamehameha Schools; KUD International and Phase 3 Properties; Hawaii Crop Improvement Association; Cardax Pharmaceuticals, Inc.; Hawaii Biotech, Inc.; Honolulu Seawater Air Conditioning, LLC; PanThera Biopharma LLC; and OceanTek Inc.

Your Committee has heard widespread support for the state-of-the-art facilities that would be provided in the Asia Pacific International Research Center in Kakaako. Members are well aware of the shortage of incubator and specialized laboratory space, particularly near the medical school.

Your Committee members are concerned, however, about potential costs to the State related to the ten-year lease guaranty. Your Committee heard that should lease projections not be met for specialized laboratory space, the space could be leased for office or other general facilities use. If alternative lease options do not generate the same level of income, however, the State would likely face ongoing requests for additional operational and other funds. This is an issue of a potentially large-scale commitment that the lead agency may not be able to fulfill financially.

It is the intent of your Committee to continue legislative discussions on this bill, should further information be available regarding potential long-term costs and contingency plans developed to respond to short-falls in lease projections.

Accordingly, your Committee has amended this measure by:

- (1) Replacing all references to the named developers of the complex with the generic term "developers";
- (2) Replacing all references to the "Asia Pacific International Research Center" with "life sciences research complex" and clarifying that the State's portion would be for a "high technology incubator and innovation center" in Kakaako;
- (3) Replacing the \$150,000 appropriation for fiscal year 2007-2008 with a blank appropriation for both years of the biennium;
- (4) Changing the effective date to 2050; and
- (5) Making technical amendments for clarity and to conform to the preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 896, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 896, 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. 156 Economic Development and Taxation on S.B. No. 1365

The purpose of this measure is to expand economic diversification opportunities and promote innovation across the State's economy.

Specifically, this measure:

- (1) Establishes the Hawaii Innovation Investment Fund, a professionally managed fund of funds, and allows the Employees' Retirement System to invest up to \$100,000,000 in Hawaii venture capital;
- (2) Improves the State's ability to collect and assess data on new economic initiatives;

- (3) Supports the operations and programs of the Asia Pacific International Research Center in Kakaako through a ten-year lease guaranty by the High Technology Development Corporation for technology incubator and innovation center space located in the Center;
- (4) Establishes a local incubator facility for digital media infrastructure for film and TV productions and interactive game development;
- (5) Establishes a music and enterprise learning experience (MELE) program at Honolulu Community College, in conjunction with Belmont University in Nashville, Tennessee;
- (6) Enhances the ability of the University of Hawaii's (UH) Office of Technology Transfer and Economic Development to enter into a partnership with a private sector entity to increase commercialization of UH discoveries; and
- (7) Appropriates funds for the above purposes.

Testimony in support of this measure was received from the Governor; Department of Business, Economic Development, and Tourism; Hawaii Strategic Development Corporation; National Defense Center of Excellence for Research in Ocean Sciences; University of Hawaii'i System and Community Colleges; Hawaii Venture Capital Association; Hawaii Science and Technology Council; Kamehameha Schools; KUD International; 3Point; PacifiCap Group; IMS, Inc.; and ten individuals. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO expressed concerns. The Employees' Retirement System has not yet taken a position on this measure.

Your Committee finds that this measure would support a broad range of programs to enhance Hawaii's economic opportunities, particularly those in emerging industries. Many of these concepts have been debated by previous legislatures and members of your Committee welcome the opportunity for further discussions.

Your Committee also notes that the Board of the Employees' Retirement System (ERS) will review this bill at its next meeting on February 12, 2007. Their comments and recommendations will be critical to the final outcome of the proposed ERS language, and it is the intent of this Committee to consider fully the Board's comments and any other relevant information in determining the final form of the bill.

Your Committee recognizes the importance of Hawaii's emerging, innovative industries for the enormous potential they hold. For that reason, it is the intent of your Committee to delete certain provisions and incorporate those provisions in other measures. While the proposals contained in this bill are all related in some manner to an "innovation economy", your Committee believes that the programs would be most effectively considered under separate measures involving additional committees. In that way, the merits of each may be reviewed in context with other comparable bills.

Your Committee has amended this measure accordingly, to:

- (1) In Part I, amend the findings to reflect subsequent changes;
- (2) In Part II, delete the two new sections proposed for Chapter 211F, Hawaii Revised Statutes, related to the Hawaii Innovation Fund, and streamline the amendments to section 88-119, Hawaii Revised Statutes;
- (3) Delete the language in Part III, relating to the collection and assessment of economic data, and incorporate these concepts in S.B. No. 709, S.D. 1;
- (4) Delete the language in Part IV, relating to the Asia Pacific International Research Center and the High Technology Development Corporation's ten-year lease guaranty, and incorporate these concepts in S.B. No. 896, S.D. 1;
- (5) Delete the language in Part V, relating to the digital media incubator facility, and incorporate these concepts in S.B. No. 1922, S.D. 1;
- (6) Delete the language in Part VI, relating to the music and learning experience program (MELE), and incorporate these concepts in S.B. No. 1922, S.D. 1;
- (7) In Part VII, delete the relevant appropriations and change those remaining appropriations to unspecified amounts;
- (8) Insert a deferred effective date to promote further discussion; and
- (9) Make technical amendments for the purposes of clarity and to conform to the preferred drafting style.

As amended, this measure focuses on the core issue of funding an innovation economy through enhanced venture capital and increased commercialization opportunities. Your Committee strongly supports expanded venture capital and commercialization initiatives; and believes further work on these initiatives will be time well spent.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1365, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1365, 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. 157 Economic Development and Taxation on S.B. No. 1499

The purpose of this measure is to bring Hawaii tax law into conformance with federal tax law relating to tax administration and criminal tax enforcement.

Specifically, the bill imposes civil penalties on:

- (1) Any tax return preparer that makes understatements of liability based on unrealistic positions;
- (2) Any person who promotes an abusive tax shelter; and
- (3) Any person required to collect, account for, or pay over taxes who wilfully fails to do so.

Testimony in support of this measure was received from the Department of Taxation. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that this measure would strengthen state and county compliance tools by establishing penalty provisions that mirror federal statutes. In its comments, however, the Tax Foundation of Hawaii also expressed a concern that the definition of "tax return preparer" was very broad in the understatement of taxpayer's liability language. Your Committee agrees with this concern and the Department of Taxation has recommended further changes to address this.

It is the intent of your Committee to pass this measure with the revised definition.

Your Committee has amended this measure accordingly, to:

- (1) Amend the definition of "tax return preparer" to mean a professional who prepares, employs, or supervises one or more persons who prepare a tax return or a claim for a tax refund, for payment; and to clarify that a professional includes an enrolled agent, certified public accountant, attorney, or other person paid for preparation of a tax return or claim for tax refund; and
- (2) Make technical, nonsubstantive amendments to conform to the preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation 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, 5. Noes, none. Excused, none.

SCRep. 158 Economic Development and Taxation on S.B. No. 1688

The purpose of this measure is to establish a supplemental grant program of \$10,000,000, for follow-on research and development project funding for Hawaii-based small businesses that received federal funding in fiscal year 2007 through the Hawaii Technology Development Venture or the National Defense Center of Excellence for Research in Ocean Sciences.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; National Defense Center of Excellence for Research in Ocean Sciences; University of Hawaii Office of Technology Transfer and Economic Development; Hawaii Science and Technology Council; Hawaii Venture Capital Association; Ambient Micro; Applied Marine Solutions; Archinoetics, LLC; Cellular Bioengineering, Inc.; Concurrent Analytical, Inc.; HR Biopetroleum, Inc.; Kuehnle AgroSystems Company, LLC; Kona Labs Inc.; BDI Maritime; Navatek, Ltd.; NovaSol; Oceanit; Pacific LightNet; Pipeline Communications and Technology, Inc.; Referentia Systems Incorporated; SEE/RESCUE Corporation; Technical Research Associates, Inc.; and Williams Aerospace, Inc.

Your Committee has heard that both the Hawaii Technology Development Venture (HTDV) and the National Defense Center of Excellence for Research in Ocean Sciences (CEROS) support technology-based companies in Hawaii, providing both funding and business services that fledgling businesses need to succeed. Both are rigorous programs that solicit, evaluate, and select for funding ten to twenty projects annually from scores of ideas submitted for consideration. Competition is intense, but the rigorous selection process assures quality results and real growth of technical capacity.

Your Committee has also heard from many of the companies funded through HTDV and CEROS, and about their struggles to move from research and development into the commercialization stage. This middle stage is often the most critical in determining long-term success, but it is also the phase with very limited sources of outside funding.

Your Committee finds that the program proposed in this measure would contribute significantly to Hawaii's emerging technology-related industries, and at the same time, leverage federal funding and private investments in Hawaii companies.

Your Committee notes that the issues raised during the hearing, such as ensuring companies stay in Hawaii, are addressed in the amended language of the bill. It is the intent of your Committee to support this measure and to encourage continued discussion.

Your Committee has amended this measure accordingly, by:

- (1) Adding language in the findings and purpose section regarding federal funding of Hawaii companies;
- (2) Deleting the \$10,000,000 appropriation throughout or changing it to an unspecified amount;
- (3) Changing the expending agency from the Department of Business, Economic Development, and Tourism to the Hawaii Strategic Development Corporation;
- (4) Deleting the requirement that a project that received funding through HTDV or CEROS shall have received funding in 2007;
- (5) Changing "grant" to "award" throughout and clarifying that the purpose of the awards shall be for technology development, transition, and commercialization;
- (6) Requiring HTDV and CEROS to subcontract with selected companies and provide program oversight;
- (7) Requiring a company receiving an award to perform a substantial portion of the funded work in Hawaii;
- (8) Deleting the cost-plus-fee budget requirements and specifying that the budgets shall be submitted under parameters set forth by HTDV and CEROS;
- (9) Requiring agreements with companies to be in accordance with existing HTDV and CEROS contracting requirements;
- (10) Clarifying that from the unspecified appropriations in each fiscal year:
 - (A) HTDV shall expend \$500,000, for project oversight of its awardees, and for technical and business support for awardees of HTDV and CEROS; and
 - (B) CEROS shall expend \$200,000, for project oversight of its awardees; and
- (11) Requiring HTDV and CEROS to submit reports to the Hawaii Strategic Development Corporation, which shall in turn submit them to the Legislature, beginning in 2008, and annually thereafter until all moneys are expended.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1688, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1688, 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. 159 Judiciary and Labor on S.B. No. 677

The purpose of this measure is to increase the daily fees for all witnesses and the per diem paid to the witnesses who travel from out of state or inter island to attend court proceedings.

The current witness fee of \$20 per day is inadequate to make our criminal justice system work. This bill will increase the witness fees to \$55 per day. For witnesses traveling from out of state, the daily fee would increase from \$110 per twenty four hour day to \$160 for each day's attendance. This increase will also cover witnesses traveling from any island and required to stay overnight.

Your Committee heard testimony in support of this bill from the Department of the Prosecuting Attorney of the City and County of Honolulu and from the Public Defender's Office. Your Committee also received testimony from the Department of Budget and Finance commenting that the financial impact would be \$670,000 per year.

Your Committee amended the bill to include an appropriation provision to allow the expenditure of funds from the Department of Budget and Finance.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 677, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 677, 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. 160 Transportation and International Affairs on S.B. No. 251

The purpose of this measure is to require all authorized insurers to implement a rate reduction of not less than ten per cent for any policyholder who has satisfactorily completed an accident prevention course or a refresher course provided under the Department of Transportation's accident prevention program.

Your Committee received testimony in support of this measure from AARP Hawaii and Hawaii Transportation Association. Testimony in opposition was received from the Hawaii Insurers Council, State Farm Insurance Companies, and Property Casualty Insurers Association of America. Comments were received from the State Insurance Commissioner.

Your Committee finds that thirty-five other states and the District of Columbia currently provide premium discounts for eligible graduates of approved driver safety programs. The AARP testified that its driver safety program, in a 2005 survey, produced positive results in the behavior of drivers who took its course.

Your Committee has amended this measure by deleting its contents and inserting provisions of S.B. No. 1183, a similar measure applicable to persons at least fifty-five years of age. This measure, as amended, is a version of S.B. No. 1183, that, as recommended by the State Insurance Commissioner, has been revised to:

- (1) Be permissive rather than mandatory; and
- (2) Apply to all drivers, regardless of age.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 251, as amended, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 251, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Inouye, Taniguchi, Gabbard).

SCRep. 161 Transportation and International Affairs on S.B. No. 827

The purpose of this measure is to cover motorcycles under the State's motor vehicle express warranty enforcement law (lemon law).

Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs (DCCA). Testimony in opposition was received from the Hawaii Motorcycle Dealers Association and Motorcycle Industry Council.

According to testimony of the DCCA, motorcycles are covered in lemon laws in approximately eight states. The approximate annual number of lemon law cases involving motorcycles in these states range from three in Connecticut to thirteen in Texas. In Hawaii, there have been only about three to four inquiries within the last several years involving lemon law coverage of motorcycles.

However, your Committee believes that in Hawaii there could well be a significant number of lemon law type complaints involving motorcycles that have gone unreported because motorcycles are not covered. Your Committee recalls the oral testimony of an individual who stated that he had to bring his new motorcycle back to the dealership at least four times over a several month period for repair of a defect that would have been covered by the lemon law.

Testimony of the DCCA indicated that motorcycles can be easily accommodated into the lemon law without much more administrative burden.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 827 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Inouye, Taniguchi, Gabbard).

SCRep. 162 (Joint) Transportation and International Affairs and Intergovernmental and Military Affairs on S.B. No. 830

The purpose of this measure is to establish a photo red light imaging detector program.

This measure also:

- (1) Allows counties to implement the photo red light imaging detector systems program;
- (2) Authorizes fines collected under county programs to be deposited into a general fund account; and
- (3) Authorizes counties to expend funds from this general fund account for the establishment, operation, management, and maintenance of the photo red light imaging detector systems program.

Your Committees received testimony in support of this measure from the Department of Transportation (DOT), Honolulu Prosecuting Attorney, Honolulu Department of Transportation Services (DTS), Mothers Against Drunk Driving Hawaii, State Farm Mutual Automobile Insurance Company, Hawaii Insurers Council, and one individual. Testimony in opposition was received from the Public Defender and two individuals. Comments were received from the Judiciary.

Your Committees find that the prevalence of drivers violating Hawaii's traffic laws, especially on the island of Oahu, has become intolerable, particularly drivers who run red lights. These violations endanger the lives of motorists and pedestrians and compound the already hazardous conditions on Hawaii's roads and highways. It has become increasingly common to hear reports of hit-and-run drivers who have run over children or the elderly. Disregarding traffic signals has also been the common denominator in many recent, highly-publicized motor vehicle crashes that have claimed a number of lives. Testimony indicated that the Insurance Institute for Highway Safety reports that red light cameras reduce red light running by about forty per cent.

Your Committees have amended this measure by:

- (1) Making the program a pilot program for three years for any county with a population in excess of 500,000;
- (2) Clarifying upon the recommendation of the Prosecuting Attorney of the City and County of Honolulu, the measure to mitigate legal challenges by:
 - (A) Changing the term "operator" to "registered owner";
 - (B) Changing the time period to answer the summons from forty-eight hours to seventy-two hours;
 - (C) Prohibiting unauthorized disclosure of information obtained from the program; and
 - (D) Allowing the registered owner an opportunity in court to rebut the identification by the cameras;
- (3) Make an appropriation to the county for implementation and operation of the pilot program; and
- (4) Changing the effective date to July 1, 2050.

Your Committees note the concerns of the Chair of the Committee on Transportation and International Affairs to the effect that the Chair has great reservations about this measure and would prefer that more planning be done to facilitate the adoption of a photo red light imaging detector program. Specifically, there are issues involving changes to statutes, ordinances, and rules, as well as whether federal funding would be available. The DOT and DTS should have undertaken appropriate plans and studies prior to the enactment of any measure in order to estimate the effects of any legislation, including assessment of similar systems in other jurisdictions.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 830, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 830, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Ayes with Reservations, 3 (English, Hooser, Tsutsui). Noes, none. Excused, 1 (Taniguchi).

SCRep. 163 (Joint/Majority) Transportation and International Affairs and Intergovernmental and Military Affairs on S.B. No. 1041

The purpose of this measure is to provide for the transfer of all state highway functions to the counties, make each county responsible for highways that are located in that county, and transfer funding for state highways to the counties.

Your Committees received testimony in support of this measure from the Honolulu Councilmember of District IV and one individual. Testimony in opposition was received from the Department of Transportation, Honolulu Department of Transportation Services, and Hawaii Highway Users Alliance. Comments were received from the Legislative Reference Bureau and the Hawaii State Association of Counties.

Your Committees find that jurisdiction over highways are basically a county function. The intent of this measure is to transfer jurisdiction over highways on Oahu and in the County of Maui as soon as possible, while highways in the other counties would be transferred over a five-year phase-in period.

Your Committees have amended this measure by:

- (1) Including all counties in the transfer over a five-year period; and
- (2) Changing the effective date to July 1, 2050.

Your Committees note the concerns of the Chair of the Committee on Intergovernmental and Military Affairs to the effect that the Chair has great reservations about this measure and would prefer that more planning be done to facilitate the transfer. Specifically, there are issues involving changes to statutes, ordinances, and rules, as well as federal funding concerns.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1041, as amended herein,

and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1041, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Ayes with Reservations, 1 (Inouye). Noes, 1 (Gabbard). Excused, 1 (Taniguchi).

SCRep. 164 Public Safety on S.B. No. 1485

The purpose of this measure is to exempt inmates participating in work, education, and vocational training programs from statutorily-mandated employee benefits.

Specifically, this measure adds “services performed by an inmate or any person committed to a penal institution” to the list of services excluded from the definition of “Employment” in the Hawaii Revised Statutes provided in section 383-7, the State’s Unemployment Insurance Law.

Testimony in support of this measure was submitted by the Department of Public Safety.

Your Committee finds that employment and training programs are important to an incarcerated person’s rehabilitation. However, these programs were not intended to give the incarcerated person a basis for claiming unemployment benefits once completing the programs. In fact, the increase in unemployment insurance costs that would result if incarcerated persons were included could make these programs cost prohibitive.

Your Committee finds the amendments proposed in this measure are wise and would comport with the provisions of the Federal Unemployment Tax Act. Your Committee further finds that in keeping with the gender neutral nature of the Hawaii Revised Statutes, it is appropriate to amend section 383-7(5), relating to services excluded from the definition of “employment” by substituting the terms “child” for “son, daughter” and “parent” for “father or mother”.

Technical, nonsubstantive amendments were made to add missing statutory language, reflect recommended drafting conventions, and to make the gender neutral changes discussed above.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1485, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 165 Public Safety on S.B. No. 672

The purpose of this measure is to expand reintegration programs for offenders exiting state correctional facilities and reduce the rate of recidivism.

Specifically, this measure appropriates funds for a grant to the Maui Economic Opportunity, Inc., for the development and maintenance of community-based reintegration programs.

The Department of Public Safety, Office of Hawaiian Affairs, a Maui County Council member, Community Alliance on Prisons, Hawaii Substance Abuse Coalition, Maui Economic Opportunity, Inc., TJ Mahoney & Associates Ka Hale Ho’ala Hou No Na Wahine, and eleven individuals submitted testimony in support of this measure.

Your Committee finds that the Maui Economic Opportunity, Inc., BEST (Being Empowered and Safe Together) is a nationally recognized project that has dramatically and effectively reduced the recidivism rate of the offenders who successfully complete the program. While the statewide recidivism rate is around eighty per cent, the recidivism rate for BEST Program participants was only fifteen per cent over the last two years. The BEST program involves the offenders’ families, community, and the cultural values of Native Hawaiians in providing a seamless continuum of care, training, and treatment. The incorporation of Native Hawaiian cultural components has proved effective in healing and building the self-esteem of offenders, which has significantly contributed to the offender’s successful reentry into the community.

Your Committee further finds that additional benefits to successful reintegration programs are reduced costs of incarceration and a general increase in public safety.

Your Committee further finds that an appropriation for a grant to fund the continuation and expansion of the Maui Economic Opportunity, Inc., BEST Program is a wise investment of state resources.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 672 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, 1 (Sakamoto).

SCRep. 166 Public Safety on S.B. No. 910

The purpose of this measure is to better prepare incarcerated persons for reentry into the community and reduce overcrowding in state correctional facilities.

Specifically, this measure appropriates an unspecified amount of general funds in each year of the 2007-2009 fiscal biennium to establish a pilot project for a day reporting center. The center will be under the Department of Public Safety and will be available to serve two-hundred offenders with six months to one year left on their sentences. Offenders assigned to the day reporting center shall live at home, but be required to report to the center for training, supervision, counseling, and other skills development programs as deemed necessary. This measure also requires a written report on the pilot program from the Director of Public Safety no later than twenty days prior to the start of the 2009 Regular Session.

Testimony in support of this measure was submitted by the Department of Public Safety and the Hawaii Substance Abuse Coalition.

Your Committee finds that recidivism can be greatly diminished if offenders exiting our correctional facilities are provided with transitional counseling and skills. Federal agencies, including the Substance Abuse Mental Health Services Administration, suggest transitional programs as best practices in addressing criminality. Inadequate transition planning, on the other hand, can result in the placement of the offender in the same

situation that brought about the criminal behavior, increasing the odds of relapse, rearrest and a further compromise of public safety. Given the high percentage of offenders with substance abuse problems and mental illness, these transitional programs should include substance abuse treatment, family counseling and mental health counseling as well as the typical vocational and job skills training.

Your Committee further finds that a secondary benefit of the day reporting center would be a reduction in the overcrowding problems at our state correctional facilities. By allowing qualified offenders to live at home during their last six months to one year of their sentence, up to two hundred beds will be freed up for offenders who pose a risk to public safety and require more restrictive environments.

Your Committee also finds that past attempts at day reporting centers in Hawaii have been unsuccessful due to lack of funding and space. Therefore, it is appropriate to make an appropriation sufficient to carry out the functions of the proposed day center pilot program.

Your Committee has amended this measure to extend the pilot program from a one-year to a two-year program and to correct typographical errors.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 910, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 910, 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, 1 (Sakamoto).

SCRep. 167 Public Safety on S.B. No. 911

The purpose of this measure is to remedy the overcrowding problem at Hawaii's minimum security prisons, Waiawa Correctional Facility and Kulani Correctional Facility.

Specifically, this measure requires the Department of Public Safety to undertake a feasibility study for three locations for additional minimum security prisons. This study is to be completed by December 15, 2007, and a report to the Legislature is due no later than January 1, 2008.

Testimony in support of this measure was submitted by the Department of Public Safety, the Hawaii Substance Abuse Coalition, and one individual. The Community Alliance on Prisons submitted concerns.

Your Committee finds that low-risk, non-violent offenders are over crowding our prisons, taking up space needed for high-risk offenders. Minimum security environments are quite different from high-risk facility environments and are more conducive to rehabilitation needs of low-risk offenders. Furthermore, it is important to keep the low-risk offenders separated from the high-risk offenders to prevent negative influences and an increased likelihood of recidivism.

Your Committee further finds that Hawaii has outgrown its minimum security facility capacity and is in great need of additional minimum security space. This need has been confirmed by the Department of Public Safety's 2004 Annual Report which found forty-one per cent of male and forty-four per cent of female inmates fall into the minimum security of community custody level of security needs.

Your Committee further finds that a study of the feasibility of locating three additional minimum security facilities is greatly needed and should be able to be completed within the time allotted by this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 911 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, 1 (Sakamoto).

SCRep. 168 Public Safety on S.B. No. 913

The purpose of this measure is to promote the effective reintegration of incarcerated persons into society upon their release.

Specifically, the measure allows the Hawaii Paroling Authority to parole incarcerated persons to counties in the State where they have the most community and familial support, even if that county does not meet the minimum population requirement and was not the county of the incarcerated person's permanent residence or occupation or employment prior to incarceration.

Testimony in support of this measure was submitted by the Hawaii Paroling Authority, Office of Hawaiian Affairs, Community Alliance on Prisons, Maui Economic Opportunity, Inc., and an individual.

Your Committee finds that allowing an incarcerated person to be paroled in the county where that person has the most familial and community support is important to the incarcerated person's successful reintegration into society, reducing the likelihood of relapsing into criminal activity, and reducing the likelihood of reincarceration. Under existing law, the committed person is limited to parole in the county where that person had a permanent residence or occupation or employment prior to incarceration, unless the committed person will reside in a county with a population exceeding 800,000, or will immediately leave the State. This prevents many inmates from rejoining their families and other supporters and from being able to participate in valuable reentry programs located outside of Honolulu, including the Being Empowered and Safe Together Program on Maui.

Your Committee further finds that in relocating the qualified incarcerated person to their county of most support, the incarcerated person's rehabilitation and training programs, such as work furlough, should not be interrupted. These programs are important to the incarcerated person's successful reintegration into society and the prevention of reincarceration.

Your Committee further finds that the expense of the relocation of the incarcerated person to the alternate county should be at the expense of the incarcerated person. This would be in line with current policy of relocation of a formerly incarcerated person once that person is finished with parole and ready to go back to their county of choice.

This measure was amended to provide the Department of Public Safety and the Hawaii Paroling Authority with notice and opportunity to review the incarcerated person's request, make any required adjustments to the incarcerated person's sequential phasing process, and provide that the incarcerated person be responsible for relocation expenses.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 913, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 913, 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, 1 (Sakamoto).

SCRep. 169 Public Safety on S.B. No. 916

The purpose of this measure is to study the feasibility of selling the Oahu Community Correctional Center and using the proceeds gained from such a sale to construct a new facility in order to accommodate and manage the continued growth of the Hawaii inmate population.

Testimony in support of the measure was submitted by one individual. The Department of Public Safety submitted testimony supporting the intent of the measure.

Your Committee finds that the Oahu Community Correctional Center was originally designed and constructed to have a much smaller inmate population. Due to this fact and Hawaii's growing incarcerated population, the facility has a history of overcrowding. Your Committee believes that it is appropriate to review options to finance and construct a larger facility with proceeds derived from other uses of the Oahu Community Correctional Center.

Your Committee has amended this measure to include consideration of leasing the Oahu Community Correctional Center rather than selling it in consideration of concerns regarding the sale of state land. Amendments also provide that the proceeds from any sale or lease of the facility are to be used to finance the construction of new facilities, or to pay off bonds made to finance such construction. Technical, nonsubstantive amendments have been made for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 916, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 916, 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, 1 (Sakamoto).

SCRep. 170 Public Safety on S.B. No. 917

The purpose of this measure is to return female Hawaii prisoners incarcerated on the mainland to Hawaii for the remainder of their incarceration.

Specifically, this measure would appropriate funds to the Department of Public Safety to develop a plan by January 1, 2008, and to return all female Hawaii prisoners incarcerated in mainland facilities back to Hawaii by July 1, 2009.

The Department of Public Safety; Office of Hawaiian Affairs; Community Alliance on Prisons; Government Efficiency Teams, Inc.; Hawaii Substance Abuse Coalition; Hawaii Youth Services Network; TJ Mahoney & Associates' Ka Hale Ho'ala Hou No Na Wahine; and three individuals submitted testimony in support of this measure.

Your Committee finds that sending incarcerated offenders to the mainland creates a wider rift in the family than incarcerating the offender in-state, since the cost of phone calls and video conferencing can be prohibitive. With regard to women prisoners who are mothers, this separation creates another victim, their children. There is a growing amount of evidence that children whose parents are incarcerated are more likely to have socialization problems and exhibit deviant behavior.

Your Committee further finds that separating mothers from their children compounds the problems that brought the offender to the correctional facility in the first place. The federal Substance Abuse and Mental Health Services Administration has noted that the different rehabilitation needs of women requires emphasizing relationship issues, such as engaging in family therapy in which children are present with their offender mothers. Additionally, children are a great motivating factor in the rehabilitation of their offender mothers as evidenced by the fact that incarcerated women who are involved with their children have fewer write ups and are more engaged in their rehabilitation programs.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 917 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. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, 1 (Sakamoto).

SCRep. 171 Public Safety on S.B. No. 1484

The purpose of this measure is to expand financial responsibility of an incarcerated person for results of that person's actions.

Specifically, this measure expands the sources of moneys that can be garnished from an inmate to include moneys received through a judgment or settlement. This measure also expands the purposes for which an incarcerated person's moneys can be garnished to include court ordered crime victim compensation fees.

The Crime Victim Compensation Commission and the Department of the Prosecuting Attorney submitted testimony in support of this measure. The Office of the Public Defender submitted testimony in opposition of this measure.

Your Committee finds that many victims of crime depend on financial assistance from the Crime Victim Compensation Fund and that financial recovery also has an effect on their emotional and psychological recovery. The Crime Victim Compensation Fund is financed by mandatory crime victim compensation fees required to be imposed against the offender by the court under existing state law. However, there is no authority for garnishing inmate wages or other earnings to comply with the court order.

Your Committee finds that should an offender benefit financially from a money judgment or settlement, that money should be available for garnishment to pay the court ordered victim compensation fee and other financial obligations required by law. Therefore, expanding garnishment sources to include money judgments and settlements, and expanding garnishment purposes to include a court ordered victim compensation fee is a fair and reasonable amendment of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Public Safety 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 referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 172 Public Safety on S.B. No. 1489

The purpose of this measure is to increase the resources of the Hawaii Paroling Authority.

Specifically, this measure converts the two part-time board members of the Hawaii Paroling Authority to full-time and provides the Governor with the authority to set the salary of the Chair and board members with the guidance of the most current report of the Executive Salary Commission available. This measure also makes an appropriation to cover the increase in salaries and any equipment and supplies needed as a result of the increase in work hours.

Testimony in support of this measure was submitted by the Department of Human Resources Development and the Hawaii Paroling Authority.

Your Committee finds that the Hawaii Paroling Authority has not had an increase in membership since it was created in 1976 with one full-time and two part-time members. Meanwhile, the parole population of the State of Hawaii has grown from 437 to 2,340 individuals over the last twenty-six years. In fiscal year 2006 alone, there were approximately 5,594 parole hearings. The magnitude of the increase in the parole population and the number of parole hearings merits the increase proposed in this measure. Furthermore, increasing the part-time members to full-time is appropriate, since they have in reality been working full-time on part-time compensation in order to get the work put before them done.

Your Committee further finds that the Governor should have some discretion in determining the salaries of the chairperson and members of the Hawaii Paroling Authority in order to recruit and retain qualified people to carry out the important public interest role the Authority provides.

Technical, nonsubstantive changes have been made for the purposes of grammatical accuracy, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety 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, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 173 Public Safety on S.B. No. 1491

The purpose of this measure is to provide a revenue source to fund investigations and the operation of an independent forensic drug laboratory for narcotics enforcement.

Specifically, this measure expands the permitted use of funds from the Controlled Substance Registration Revolving Fund to include offsetting the cost of investigation of violations and funding the Department of Public Safety Narcotics Enforcement Division's forensic drug laboratory facility.

Testimony in support of this measure was submitted by the Department of Public Safety and the Honolulu Police Department.

Your Committee finds that an independent forensic drug laboratory is necessary to maintain the integrity of investigations and keep up with the ever-expanding role of the Narcotics Enforcement Division in investigations involving controlled substances and the associated requirements of subsequent forensic drug analysis.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1491 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, 1 (Sakamoto).

SCRep. 174 Education on S.B. No. 100

The purpose of this measure is to provide flexibility in the teacher licensing process to ensure that the infusion of qualified teachers into Hawaii schools is not disrupted.

This measure accomplishes this objective by authorizing the Hawaii Teacher Standards Board to temporarily suspend rules when extenuating circumstances exist and to amend or set licensing-related and other fees and charges related to the performance of its duties.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii, the Hawaii Teacher Standards Board, and the Hawaii Association of Independent Schools. Testimony in opposition to this measure was submitted by one individual.

Your Committee finds that, based on the recommendations of the Hawaii Policy Group of the National Commission on Teaching and America's Future, the Legislature, in 2001, transferred the authority to issue licenses and renewals to teachers to the Hawaii Teacher Standards Board. Since that time, the Hawaii Teacher Standards Board has been responsible for licensing and regulating those wishing to teach in schools within the State. Your Committee further finds that the Hawaii Teacher Standards Board has experienced at least one circumstance when the need to suspend its rules arose, yet it was unable to do so because the law did not specifically authorize such suspension. The Hawaii Teacher Standards Board seeks expanded authority under the law to help expedite the ability to perform its duties. This measure also provides for the authority to set and amend fees and charges related to the Hawaii Teacher Standards Board's duties and function.

Your Committee understands the Hawaii Teacher Standards Board's desire to more efficiently and effectively carry out its duties through the expansion of its authority under the law. However, your Committee is concerned with the difficulties the Hawaii Teacher Standards Board currently exhibits in attempting to perform its existing duties and is unclear as to whether the expanded authority will be beneficial or detrimental to the board's operations. Therefore, your Committee believes that the expansion of authority should be permitted for a period of two years to assess the value of providing the Hawaii Teacher Standards Board with increased authority.

Accordingly, your Committee has amended this measure by:

- (1) Changing the effective date the Act to July 1, 2050, to facilitate further discussion on the measure;
- (2) Repealing the authority of the Hawaii Teacher Standards Board to suspend its rules and amend its fees on July 1, 2009; and
- (3) Making technical, nonsubstantive changes for purposes of clarity and to reflect preferred drafting 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. 100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 100, 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 (Nishihara, Taniguchi).

SCRep. 175 (Joint/Majority) Education and Commerce, Consumer Protection and Affordable Housing on S.B. No. 614

The purpose of this measure is to provide affordable housing to public school teachers through the establishment of an affordable housing program and a Second Mortgage Revolving Trust Fund and to appropriate funds for that purpose.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, and one individual. Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Your Committees find that the ability to recruit and retain qualified teachers for our public school system is a challenging endeavor, particular during times of teacher shortages. The high cost of living in Hawaii, including the high cost of housing and the lack of available housing especially in geographically isolated areas, all conspire to exacerbate the teacher shortage problem. Your Committees are committed to growing and investing in a qualified teacher workforce and believe that innovative ideas must be entertained to recruit and retain qualified teachers. The provision of assistance to public school teachers to obtain affordable housing provides a highly desirable incentive that would demonstrate the State's commitment to providing qualified teachers for our schools.

This measure provides deferred-interest second mortgages to qualified teachers for the purchase of a home in an amount not to exceed \$125,000. Eligible teachers are required to be actively employed as full-time teachers in the public school system, who purchase property as their primary permanent residence, and who do not own any other real property. A revolving trust fund is also established to provide for these mortgages.

Your Committees understand that the responsibility for existing teacher housing will be transferred to the Department of Education on July 1, 2008, and that repair and maintenance for such housing must also be executed thereon. This measure also provides funding for the assessment on and repair and renovation of existing teacher housing. Additionally, in light of the impending transfer of existing teacher housing in 2008, your Committees believe that delayed commencement of the program established under this Act may be appropriate to allow the Department of Education to be prepared to fully assume all responsibilities associated with its teacher housing programs.

Accordingly, your Committees have amended this measure by:

- (1) Changing the effective date of the Act to July 1, 2008; and
- (2) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 614, as amended herein, and recommend 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 Chairs on behalf of the Committees. Ayes, 6. Noes, 1 (Slom). Excused, 4 (Chun Oakland, Hee, Ige, Ihara).

SCRep. 176 Education on S.B. No. 686

The purpose of this measure is to appropriate funds for an educational assistants' career ladder program within the Department of Education.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association and one individual.

Your Committee finds that a career ladder program for educational assistants was contemplated prior to the transfer of education positions and employees, including educational assistants, from the jurisdiction of the Department of Human Resources Development to the Department of Education (DOE) pursuant to Act 253, Session Laws of Hawaii 2000. However, to date, the DOE has not established a career ladder program, which would provide a salary structure for educational assistants based on specific job requirements such as training, job performance, and years of experience. Your Committee believes in the merits of establishing a career ladder program for educational assistants; however, it is concerned with the lack of information currently being provided. The DOE has indicated that implementation of a career ladder program will require funding of \$22,000,000. In the past, significantly lower amounts were anticipated, thus making the true costs unknown. With fiscal prudence in mind, your Committee is apprehensive about appropriating funds in that magnitude when it is unclear as to the true cost impact.

Therefore, your Committee believes that the DOE should report to the Legislature on a career ladder program to be established for educational assistants, including relevant information on the employees affected, and the true costs of implementing a program. Your Committee notes that it will continue to move this measure forward, including a blank appropriation and not the \$22,000,000 requested by the DOE. However, should further information be provided during the session, your Committee believes that the Legislature should consider appropriating an appropriate amount of funds to implement a career ladder program.

Accordingly, your Committee has amended this measure by requiring the DOE to submit a report to the Legislature on a career ladder program for educational assistants that includes:

- (1) Class levels under a career ladder program and other career ladder enhancements;
- (2) The number of affected employees under a career ladder program; and
- (3) The cost impact of implementing a career ladder program for educational assistants.

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. 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, 6. Noes, none. Excused, 1 (Taniguchi).

SCRep. 177 Education on S.B. No. 690

The purpose of this measure is to determine the cost effectiveness of closing or consolidating public schools.

Specifically, the measure requires the Department of Education to conduct a cost-benefit analysis to determine the expected cost savings associated with school closures or consolidation.

Testimony in opposition to this measure was submitted by the Department of Education (DOE). Comments on the measure were submitted by the Hawaii Government Employees Association and the Land Use Research Foundation of Hawaii.

Upon review of the measure and the testimony submitted, your Committee has amended the purpose of this measure to establish a task force on school closures or consolidation to conduct a cost-benefit analysis to determine the cost savings, compensation, and a process for school closures or consolidation and to appropriate funds for that purpose.

Your Committee finds that school closures or consolidation are of great concern to the students, families, and communities affected. Due consideration must be given to economic and non-economic costs and benefits of school closures or consolidation to ensure that any action taken is not only cost-effective and efficient, but also that such action is beneficial to the stakeholders, particularly the students. Your Committee believes that some type of compensation or assurances should be provided to the affected students of school closures or consolidations; however, testimony provided indicated concern over the provision in the measure that provided fifty per cent of the fiscal savings realized through a school closure or consolidation would be retained by the new configuration of affected schools. Your Committee has addressed these concerns by establishing a task force to conduct a study on the costs and benefits of school closures or consolidation and to make recommendations on how to appropriately compensate affected students and schools and establish a permanent process for school closures or consolidation in the future.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the new section requiring the DOE to conduct a cost-benefit analysis to determine the expected cost savings of a school closure or consolidation and requiring fifty per cent of the fiscal savings realized through a school closure or consolidation to be retained by the new configuration of affected schools;
- (2) Establishing a task force on school closures or consolidation that is tasked with:
 - (A) Conducting a cost-benefit analysis to determine the cost savings of each school closure or consolidation, taking into account both economic and non-economic costs and benefits;
 - (B) Recommending provisions to ensure affected students are appropriately compensated, including through receiving access to additional programs or services as a result of a school closure or consolidation; and
 - (C) Making recommendations for a permanent process for evaluating and determining which schools are appropriate for closure or consolidation, including criteria for, timelines for, and who should conduct the evaluations; and
- (3) Making an appropriation to support the operations of the school closure or consolidation 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 is in accord with the intent and purpose of S.B. No. 690, as amended herein, and recommends 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 Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Nishihara, Taniguchi).

SCRep. 178 Education on S.B. No. 693

The purpose of this measure is to provide support for transition services for students at military-impacted schools.

The measure accomplishes this purpose by appropriating an unspecified amount in each fiscal year of the 2007-2009 biennium to expand the transition services program for military dependent students initially established at Radford High School to all military-impacted schools.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, and the Chamber of Commerce of Hawaii.

Your Committee finds that students from military families, as well as others from different countries and cultures, experience unique academic and social challenges when transiting into schools in the State. Beginning in the 2002-2003 school year, Radford High School initiated the development of a transition assistance program to create a system for integrating new students into the school community. This program has enjoyed great success in aiding the transition of military students into public schools in Hawaii and serves as a model for other schools seeking to implement similar programs. Your Committee believes the transitioning of military and other new students into our school communities is important to the creation of positive learning environments that allow all students to achieve academic success.

Your Committee also believes that all schools, not only military-impacted schools, can benefit greatly from transition programs and has extended this measure to provide funding for all schools. Additionally, in order to ensure that funding for transition programs does not adversely impact funds allocated under the weighted student formula, your Committee believes that funding should be accomplished outside of the weighted student formula allocation. Your Committee understands that an estimated 14,744 students could benefit from transition services in schools throughout the State, which have been estimated to cost approximately \$200 per student. Your Committee believes that an appropriation based on these figures is appropriate.

Accordingly, your Committee has amended this measure by:

- (1) Including an appropriation in the amount of \$3,000,000 for each fiscal year of the 2007-2009 biennium;

- (2) Extending the funding to support transition programs in all schools in the State; and
- (3) Specifying that funding to support transition programs shall be treated as follows:
 - (A) The determination of costs associated with providing transition programs for students shall be calculated under the weighted student formula on a per student basis; and
 - (B) Funding for the provision of transition programs for students shall be funded outside of the allocation provided according to the weighted student formula.

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. 693, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 693, 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, Nishihara, Taniguchi).

SCRep. 179 Education on S.B. No. 886

The purpose of this measure is to appropriate funds for the establishment of business managers for each school complex area within the Department of Education.

Testimony in support of this measure was submitted by the Department of Education (DOE), the Hawaii State Teachers Association, and the Hawaii Government Employees Association.

Your Committee finds that schools, complexes, and complex areas are becoming increasingly responsible for added financial responsibilities that require specialized knowledge in finance and business management. The fulfillment of these duties often detracts the focus from the conventional concerns of a school, including the curriculum and the promotion of student achievement. According to the DOE, the business and district fiscal officer positions that may have been helpful in assisting the schools, complexes, and complex areas in addressing financial issues no longer exist. Your Committee further finds that with the advent of the weighted student formula, and the increased control provided to school administrators, the assistance of highly qualified individuals with business backgrounds will empower the schools, complexes, and complex areas to more efficiently and effectively manage their finances and operations.

Your Committee determines that the duties of the complex area business managers should remain within the purview of the DOE and should reflect those duties that are specified in the purpose section of the measure.

Accordingly, your Committee has amended this measure by:

- (1) Deleting references in the law to district and business fiscal officer positions within the DOE, as the positions no longer exist;
- (2) Specifying that the powers and duties of the complex area business managers shall be as prescribed by the DOE; and
- (3) Making technical, nonsubstantive changes for 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. 886, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 886, 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. 180 (Joint/Majority) Education and Commerce, Consumer Protection and Affordable Housing on S.B. No. 1150

The purpose of this measure is to provide affordable housing to public school teachers.

Specifically, the measure establishes an affordable housing program that allows an eligible teacher to purchase an interest in residential real property to be used as the teacher's primary residence.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii Public Housing Authority, the Hawaii State Teachers Association, and one individual.

Your Committees find that the ability to recruit and retain qualified teachers for our public school system is a challenging endeavor, particular during times of teacher shortages. The high cost of living in Hawaii, including the high cost of housing and the lack of available housing, especially in geographically isolated areas, all conspire to exacerbate the teacher shortage problem. Your Committees are committed to growing and investing in a qualified teacher workforce and believe that innovative ideas must be entertained to recruit and retain qualified teachers. Providing assistance to public school teachers to obtain affordable housing is a highly desirable incentive that would demonstrate the State's commitment to staffing public schools with qualified teachers.

This measure allows an eligible teacher to purchase an interest in residential real property at a fraction of the property's fair market value. Eligible teachers are required to be actively employed as full-time teachers in the public school system, who purchase property as their primary permanent residence, and who do not own any other real property. Upon termination from employment with the public school system, the property will be sold back to the State and the teacher will receive twenty per cent of the fair market value of the property, based on the price at the time of purchase or at the time of sale, depending upon the duration of the teacher's time in service.

Your Committees understand that the responsibility for existing teacher housing will be transferred to the Department of Education on July 1, 2008. In light of the impending transfer, your Committees believe that delayed commencement of the program established under this Act may be appropriate to allow the Department of Education to be prepared to fully assume all responsibilities associated with its teacher housing programs.

Accordingly, your Committees have amended this measure by:

- (1) Changing the effective date of the Act to July 1, 2008; and
- (2) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1150, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1150, 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, 1 (Slom). Excused, 4 (Chun Oakland, Hee, Ige, Ihara).

SCRep. 181 Human Services and Public Housing on S.B. No. 1691

The purpose of this measure is to amend the definition of “caregiver” under section 28-94, Hawaii Revised Statutes, to include compensated or uncompensated family members or other relatives.

Child and Family Service submitted testimony in support of this measure.

Your Committee finds that many of our elders who are aging-in-place are often assisted by family members or other relatives. However, this measure recognizes that elder abuse can occur in any setting and ensures that elder abuse in any setting is penalized.

It is the Committee’s intent to encourage further discussion of this issue. Therefore, your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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 Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, none.

SCRep. 182 Human Services and Public Housing on S.B. No. 1205

The purpose of this measure is to appropriate funds for the Executive Office on Aging to develop and implement a volunteer-hours exchange pilot program in two communities.

The Department of Health, the Policy Advisory Board for Elder Affairs, the International Longshore and Warehouse Union Local 142, and two individuals submitted testimony in support of this measure.

Your Committee finds that over two hundred forty thousand Hawaii residents are age sixty or older. Family caregivers provide care for a large percentage of these older adults, who overwhelmingly prefer to live and receive care in their homes. However, there are also many older adults who need care, but do not have family living in Hawaii who can assist them.

Many Hawaii residents volunteer their time for the benefit of others, and a structured program that offers credit to them for their volunteered caregiving hours could substantially increase the level of caregiving services available to older adults. Volunteers receive a credit for each volunteer hour provided. Accumulated volunteer-hours can then be used by the caregiver for services that the caregiver needs or donated by the caregiver to another person. Programs that encourage volunteer reciprocity among residents have been successful at over two hundred fifty time banks in the United States.

It is the Committee’s intent to encourage and support family caregivers by requiring the Executive Office on Aging to develop and implement a volunteer-hours exchange pilot program in Hawaii.

Your Committee has amended this measure by:

- (1) Adding additional language regarding volunteer-hours exchange programs to the purpose section; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1205, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1205, 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, none.

SCRep. 183 (Joint/Majority) Human Services and Public Housing and Education on S.B. No. 1185

The purpose of this measure is to establish five additional faculty positions at the Center on Aging Research and Education to assist in the fulfillment of its mission.

The University of Hawaii System, the Policy Advisory Board for Elder Affairs, the Hawaii Aging Advocates Coalition, Kokua Council, Hawaii Centers for Independent Living, and five individual submitted testimony in support of this measure.

Your Committees find that the mission of the Center on Aging Research and Education is to assure the well-being of the State’s older population by stimulating and coordinating gerontological and aging instruction, research, and community services. There is currently an urgent need to actively engage in gerontological research given the rapidly aging population in Hawaii. Given proper staffing levels, the Center on Aging Research and Education can become a viable research and training center and support the development of relevant social and economic policies pertaining to Hawaii’s elder population.

It is the Committees’ intent to support the proper staffing of the Center on Aging Research and Education.

Your Committees have amended this measure by adding additional language to the purpose section to better articulate the importance of the Center on Aging Research and Education and the broad impact it can have on preparing this State to meet the challenges of its rapidly aging population.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1185, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1185, 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 (Hemmings). Excused, 3 (Hee, Nishihara, Taniguchi).

SCRep. 184 (Joint/Majority) Human Services and Public Housing and Education on S.B. No. 1193

The purpose of this measure is to appropriate funds to Kapiolani Community College to fund its Long-Term Care Resource Program to train a workforce to care for the State's elder population.

The University of Hawaii System, the Policy Advisory Board for Elder Affairs, the Occupational Therapy Association of Hawaii, and the International Longshore and Warehouse Union Local 142 submitted testimony in support of this measure.

Your Committees find that family caregivers have a complex responsibility and often report that they are not prepared for their caregiving role. A family caregiver's need for information changes throughout the course of the care recipient's illness or condition. Family caregivers need appropriate, timely, and ongoing education and training in order to successfully meet their caregiving responsibilities. In addition, family caregivers and their loved ones need an affordable, well-qualified, and sustainable caregiving workforce. Kapiolani Community College's Long-Term Care Resource Program provides training and education to caregivers.

Your Committees note that, according to the testimony, last year the Legislature authorized 2.5 positions and appropriated \$206,913 to establish the Long Term Care Resource Program at Kapiolani Community College. The appropriation provided funds for nine months of salary for the new positions. The Executive Biennium Budget for fiscal years 2007-2008 and 2008-2009, for the University of Hawaii includes a budget item for an additional \$32,012, to fully fund the positions appropriated last year.

Your Committees urge the Committee on Ways and Means to keep the item in the budget for an additional \$32,012, to fully fund the Long-Term Care Resource Program positions at Kapiolani Community College.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1193 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, 1 (Hemmings). Excused, 3 (Hee, Nishihara, Taniguchi).

SCRep. 185 (Joint) Human Services and Public Housing and Intergovernmental and Military Affairs on S.B. No. 1198

The purpose of this measure is to appropriate funds to each county to design a family caregiver grant program in each county to provide grants to non-paid caregivers who are caring for persons who are aged, infirm, or disabled.

The City and County of Honolulu Department of Community Services, the Maui County Office on Aging, the Hawaii Aging Advocates Coalition, and the Policy Advisory Board for Elder Affairs submitted testimony in support of this measure.

Your Committees find as the testifiers noted, family caregivers often experience financial strains due to the cost of caring for loved ones, as well as the loss of income due to caregiving's impact on a family caregiver's employment. Many family caregivers must reduce their work hours or forgo work completely to care for loved ones. This measure would provide grants to each county to design a family caregiver grant program that would help defray some of the financial sacrifices that family caregivers make to care for their loved ones in the home.

It is the Committees' intent to help support family caregivers.

Upon further consideration, your Committees have amended this measure by:

- (1) Clarifying that eligibility requirements for grant recipients include non-paid caregivers;
- (2) Adding a definition for the term "family caregiver"; and
- (3) Making technical, nonsubstantive changes 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 Public Housing and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1198, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1198, 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, none. Excused, 1 (Sakamoto).

SCRep. 186 (Joint) Human Services and Public Housing and Intergovernmental and Military Affairs on S.B. No. 1204

The purpose of this measure is to appropriate funds to the counties to financially assist caregiving programs that receive federal funding cuts.

The City and County of Honolulu Department of Community Services, the Hawaii Aging Advocates Coalition, and the Policy Advisory Board for Elder Affairs submitted testimony in support of this measure.

Your Committees find that due to a shortage of care providers in Hawaii, family caregiving has become a critical component to the provision of long-term care in Hawaii. Federal funds for programs that provide services to family caregivers were reduced in the latest reauthorization of the Older Americans Act. The counties in Hawaii have been the recipient of these funds and have developed important and necessary programs for family caregivers, including support groups, conferences, and training. This measure will ensure that these programs continue despite the reduction in federal support.

Your Committees received a statement from the City and County of Honolulu Department of Community Services that their caregiving programs would experience a shortfall of approximately \$164,023.

Your Committees note that the remaining counties are expected to provide the Committee on Ways and Means with similar shortfall information stemming from the cuts in federal funding to programs that provide services to caregivers in those counties.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1204 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, 1 (Sakamoto).

SCRep. 187 (Joint) Human Services and Public Housing and Judiciary and Labor on S.B. No. 245

The purpose of this measure is to appropriate funds to provide treatment services for child victims of sexual abuse, including psychological treatment and case management services for child victims and their families.

The Judiciary submitted testimony in support of the intent of this measure. The Attorney General, the Department of Human Services, the City and County of Honolulu Police Department, Child & Family Service, The Sex Abuse Treatment Center, Friends of the Children's Justice Center of Maui, Catholic Charities Hawaii, and six individuals submitted testimony in support of this measure.

Your Committees find that child sexual abuse cases are often the most difficult cases to manage and the victims often have the most difficult time accessing services and treatment. Victims and supportive family members who receive appropriate support are better able to cooperate with the criminal justice system, which enables the system to prosecute these cases more effectively and efficiently. In addition, child sexual abuse is a crime that frequently results in serious long-term mental health problems for victims and their families. Providing treatment services for the victims and their families is crucial to ameliorating the mental health problems.

Your Committees understand that the Judiciary has a balance of unspent funds in the amount of approximately \$4,000,000 for the 2006-2007 fiscal year, and that as this savings is attributed to a large amount of vacant positions, it is likely that this savings will be realized in the 2007-2008 fiscal year, as well.

Therefore, your Committees urge the Committee on Ways and Means, by budget proviso, to utilize \$416,000 of existing Judiciary budget funds to support the appropriation request of \$208,000 for fiscal year 2007-2008, and the same sum for fiscal year 2008-2009.

It is the Committees' intent that the provisoed funds be used to provide treatment services for child victims of intrafamilial sexual abuse and sexually reactive children who are not covered under the child protective services system of the Department of Human Services, including psychological treatment and case management services.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 245 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, 1 (Sakamoto).

SCRep. 188 Education on S.B. No. 650

The purpose of this measure is to allow public school teachers to receive credit towards an incremental or longevity step salary increase for any degree or coursework completed, regardless of the relevance of the degree or coursework to teaching.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association and one individual. Testimony in opposition to this measure was submitted by the Department of Education (DOE) and one individual.

Your Committee finds that, according to testimony provided, in years past, the DOE provided credit to teachers upon hiring for credits in addition to their bachelor's or master's degrees, as appropriate. However, in recent years, the DOE has abandoned this practice and only provides salary enhancements based upon coursework or degrees earned during employment as an incentive to ensure teachers continue to pursue professional development. Your Committee further finds that it is unclear as to the number of and the extent to which newly hired teachers are being adversely impacted under the DOE's current policy. Furthermore, it is unclear whether this policy serves its intended purpose or if it fails to provide adequate incentives to recruit qualified teachers and appropriately compensate them based upon their training and experience.

Therefore, your Committee believes that further information is required to ascertain the extent of the problem and determine how to best serve the interests of the DOE, in saving money and encouraging its current teachers to continue to pursue professional development, and the new teachers, in enticing them to teach in our public schools by appropriately compensating them based on their academic achievements and training.

Accordingly, your Committee has amended this measure by:

- (1) Removing the provision requiring the DOE to allow teachers to receive credit for any degree or coursework completed, regardless of the relevance of the degree or coursework to teaching; and
- (2) Requiring the DOE to conduct a study and report to the Legislature on:
 - (A) The number of newly hired teachers with a start date of August 1, 2007, or later, who possess either bachelor's or master's degrees and credits in excess of those degrees for which they will not receive credit from the DOE in determining their salary or position classification;
 - (B) Information on the types of credits earned;
 - (C) The number of credits in excess of degrees earned;
 - (D) The subject matter areas of the credits earned;
 - (E) The relevance of the credits earned to teaching; and
 - (F) The cost impact of providing compensation to those teachers with excess credits.

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. 650, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 650, 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 (Nishihara, Taniguchi).

SCRep. 189 Judiciary and Labor on S.B. No. 1956

The purpose of this measure is to add a new chapter to the Hawaii Revised Statutes to enact an interstate compact, the Agreement among the States to Elect the President by National Popular Vote, to enable the winner of the presidential election to be determined by national popular vote.

The compact would take effect only upon adoption by states collectively possessing a sufficient number of electoral votes to elect the president. Each member state would conduct a general election in which votes are cast for slates of candidates for president and vice president of the United States. The chief election officer of each member state would report to each other member state the number of votes cast for each presidential slate. The "national popular vote total" for each presidential slate would be tallied. All of each member state's electoral votes would be awarded to the slate with the highest national popular vote total.

Your Committee received testimony in support of this measure from FairVote, National Popular Vote, and a concerned individual.

Your Committee finds that a national popular vote system addresses a deep concern among many of Hawaii's citizens about an electoral college system that can, and has, let our nation's leader be someone other than the individual most voters selected.

Your Committee is mindful that all states must adopt this interstate compact in substantially identical form. Accordingly, your Committee is passing this measure unamended, with the understanding that as this measure moves through the legislative process, it may be appropriate to include additional language to enact the compact into law, and to amend section 14-24, Hawaii Revised Statutes, to require the chief election officer's compliance with election procedures in the compact.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1956 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. 190 Public Safety on S.B. No. 1486

The purpose of this measure is to provide corrections with more options in obtaining uniforms.

Specifically, this measure authorizes the Administrator of the Department of Public Safety's Correctional Industries to sell uniforms and uniform accessories to state-employed adult corrections officers.

Testimony in support of this measure was submitted by the Department of Public Safety.

Your Committee finds that this measure will allow adult correctional officers to purchase uniforms at their own expense to make necessary replacements or for the officers' convenience. Under existing law, officers are not able to purchase additional uniforms and are only issued an initial four uniforms upon commencement of employment with the Department of Public Safety and one replacement uniform in each year of employment thereafter.

Your Committee also finds that a correctional officer may need to replace more than one uniform in a year's time, or may want additional uniforms for convenience. This measure will allow officers to purchase additional uniforms at the officers' expense. A secondary, positive result of this measure is the potential for additional work opportunities for incarcerated persons through the vocational rehabilitative program, Correctional Industries, which is the sole manufacturer and provider of these uniforms.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1486 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, none. Excused, 1 (Sakamoto).

SCRep. 191 (Joint) Transportation and International Affairs and Intergovernmental and Military Affairs on S.B. No. 776

The purpose of this measure is to clarify that county fire chiefs are not responsible for conducting fire inspections at state-owned airport facilities.

Your Committees received testimony in support of this measure from the Department of Transportation and Department of Labor and Industrial Relations.

Your Committees find that the state airports have their own fire fighting units that should be responsible for fire inspections of state airport facilities. Existing law in section 132-6(b), Hawaii Revised Statutes, gives the State the responsibility to conduct fire and safety inspections at all state-owned airport facilities at least once a year. However, the county fire chiefs have been doing the inspections under its purview authority over all fires and fire hazards within the counties.

Your Committees note that existing law in section 132-6(b), Hawaii Revised Statutes, requires the State to conduct fire and safety inspections at all state-owned airport facilities at least once a year. Your Committees have been informed that the state airport fire unit at Honolulu International Airport and the Fire Department of the City and County of Honolulu, have worked well together to coordinate and assist in their efforts to inspect the airport, which is the most critical in terms of size of all state airports. Your Committees recommend that this amicable cooperation continue in the interest of public safety, notwithstanding this measure.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 776 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, 2 (Hooser, Taniguchi).

SCRep. 192 Transportation and International Affairs on S.B. No. 1513

The purpose of this measure is to change the minimum headlamp height requirement from twenty-four to twenty-two inches, and to delete the requirement that a license plate be attached at no lower than twelve inches above the ground.

Your Committee received testimony in support of this measure from the Department of Transportation.

Your Committee finds that some new vehicles are manufactured with headlamps that are less than twenty-four inches but not less than twenty-two inches above the road surface. Lowering the height requirement will legalize the operation of these new vehicles without compromising the required visibility at night. Your Committee further finds that the height requirement for license plates is not necessary as long as the plates are clearly visible and reasonably clean as required by current law.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1513 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 (Inouye, Taniguchi).

SCRep. 193 (Joint) Public Safety and Human Services and Public Housing on S.B. No. 1112

The purpose of this measure is to expand gender-responsive community-based programs for female offenders.

Specifically, this measure appropriates \$750,000, to the Department of Public Safety and \$100,000, to the Office of Youth Services in fiscal year 2007-2008, for the expansion of gender-responsive community-based programs for women and girls in state correctional facilities.

Testimony in support of this measure was submitted by the Department of Public Safety, Office of Youth Services, Hawaii State Commission on the Status of Women, American Civil Liberties Union of Hawai'i, Community Alliance on Prisons, the Drug Policy Forum of Hawaii, Hawaii Women Work!, O'ahu County Committee of the Democratic Party of Hawai'i, Planned Parenthood of Hawai'i's Action Network, TJ Mahoney & Associates' Ka Hale Ho`āla Hou No Nā Wāhine, and three individuals.

Your Committees find that to reduce the recidivism rate of female offenders, we must recognize that their path to criminality and their rehabilitation needs are different from those of their male counterparts. This has been confirmed by numerous studies, including the 2003 report, "Gender Responsive Strategies: Research, Practice, and Guiding Principles for Women Offenders," prepared for the National Institute of Corrections. The fact that rehabilitation programs designed for male offenders does not work is apparent in the dramatic increase in females in our state correctional facilities, the majority of whom are low-level offenders and are incarcerated for parole or probation revocation or violation.

Your Committees further find that programs that have been successful for women offenders are those that deal with issues of victimization, substance abuse, reestablishing relationships with children and family, and reintegration into the community. These programs take into account the fact that the majority of our female offenders have been victims of abuse and the majority of our adult female offenders are mothers.

Your Committees find that given the fact that community-based programs are less costly than incarceration and have a ripple effect on the female offenders' families and the community as a whole, the appropriations made for gender-responsive community-based programs by this measure are a wise investment of State resources.

As affirmed by the records of votes of the members of your Committees on Public Safety and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1112 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, 1 (Nishihara).

SCRep. 194 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1279

The purpose of this measure is to protect the property rights of real property owners by requiring that government entities granted with the power of eminent domain offer to resell any real property taken by eminent domain to the original property owner if the property taken is not used for the purpose for which it was condemned.

Testimony in support of this measure was submitted by the Hawaii Association of Realtors, Kamehameha Schools, the National Federation of Independent Businesses, the Hawaii Farm Bureau Federation, and the Maui County Farm Bureau. Testimony in opposition to this measure was submitted by the Department of the Corporation Counsel, City and County of Honolulu.

There are two constitutional requirements for the exercise of eminent domain. The property taken must be for a public purpose and the property owner is entitled to receive just compensation. There are many instances where condemned property sits idle for years until plans are realized. If the purported public purpose of the condemned property is never realized, the government may sell the property to the highest bidder, which is usually not the original owner of the condemned property.

Your Committee finds that condemnation actions should occur only when necessary and when a viable plan is in place for the condemned property. Despite being entitled to just compensation, owners of condemned property still incur financial and emotional stress from losing their property rights and being forced to relocate their homes or businesses. This stress is heightened when the condemned property sits idle for years because a viable plan for the property is not available, or when the condemned property is sold to someone else who placed the highest bid. Requiring a government entity after five years to offer the right of first refusal to the owner of the condemned for resale at the current appraised value, or condemnation price plus remediation or improvement costs if the property taken is not used for the purpose for which it was condemned will prevent condemned property from sitting idle.

Your Committee has two concerns regarding the language in this measure that it believes needs further clarification. First, your Committee finds that the language referring to "condemnation resolution or other legislation or declaration authorizing the condemnation" needs further clarification as to which documents are included in this phrase. Second, your Committee believes that the sixty-day notice requirement of the right of first refusal needs further clarification as to what actual point the notice requirement is triggered. While your Committee has these concerns, it believes that dialogue should be continued by the Committee on Judiciary and Labor, where these matters can be more appropriately addressed. Furthermore, your Committee hopes at that time, the Department of the Attorney General will also provide testimony and input regarding this measure.

The Hawaii Association of Realtors indicated to your Committee that allowing property owners to request a judicial declaratory ruling on the purported purpose prior to the condemnation action will provide an additional mechanism to ensure that properties are condemned only for public purposes. Furthermore, a declaratory ruling will also serve as a benchmark in the future, if the condemned property fails to be used or developed for a public purpose.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the suggestion made by the Hawaii Association of Realtors and including additional language to allow a property owner or an individual with an interest in the property to be condemned to request a declaratory ruling to determine if the condemnation action by a government entity is for public use; and
- (2) Making technical and nonsubstantive amendments for the purposes of style and consistency.

Your Committee believes that the amended measure will assist in leveling the playing field for real property owners and protect their real property interests, which fulfills the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1279, as amended herein, and recommends 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 Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hee).

SCRep. 195 Public Safety on S.B. No. 932

The purpose of this measure is to establish an offender reentry system to assist adult and juvenile offenders in preparing for release and reintegration back to the community under the Department of Public Safety.

This measure also establishes an interagency committee and appropriates funds for demonstration projects.

Testimony in support of this measure was submitted by the Department of Public Safety, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, The Drug Policy Forum of Hawaii, Hawaii Substance Abuse Coalition, Maui Economic Opportunity, Inc., The Salvation Army, TJ Mahoney & Associates, and eight individuals. The Department of the Attorney General, Office of Youth Service, and the Department of Labor and Industrial Relations submitted testimony with concerns. The Department of Taxation submitted testimony in opposition. The Hawaii Paroling Authority submitted comments.

Your Committee finds that preparing incarcerated persons for reentry into the community is essential in their successful rehabilitation and for the prevention of recidivism. A system that ensures offenders exiting our prisons have acquired the skills and treatment necessary to reenter the community will enhance public safety. Limiting reentry preparation to educational programs is insufficient. Life skills development workshops, including budgeting, nutrition, exercise, substance abuse treatment, and parenting and job skills are also necessary. Such a reentry program will be cost-effective since the cost of incarceration greatly outweighs the cost of preparing incarcerated offenders for becoming productive members of society. Furthermore, research has shown that the continuing treatment and membership this measure provides for through the reentry program is essential to ensure the released offenders have the support they need to be successful.

Your Committee further finds that the special needs of juvenile offenders makes the inclusion of a juvenile reentry program under the Department of Public Safety inappropriate. A mere duplication of an adult reentry program is not sufficient for preparing our youth to transition back into society. Juvenile needs would be best assessed and served through the Departments of Education and Health.

Your Committee disagrees with the testimony of the Department of Public Safety concerning its abilities to interpret the "best interest of the family" weighed with public safety and security considerations when determining the placement of parent inmates in correctional facilities as required in section 5(b)(1) of the proposed Comprehensive Offender Reentry System. Your Committee believes that accessibility to family members for visitation is important for many reasons and that the Department of Public Safety is capable of taking family needs into account in making a determination of placement of the offender.

Your Committee further finds that the functions intended for the proposed Interagency Committee are important to ensure integration of the various training, skills, and assistance necessary, but may be better served through a stakeholders committee. The stakeholders committee should bring together the Departments of the Attorney General, Public Safety, Health, Labor and Industrial Relations, and Education with the Hawaii Paroling Authority, service providers, and stakeholders relevant to the committee's work. The stakeholders committee should meet on a minimum of a quarterly basis, be responsible for monitoring and reviewing reentry programs, and make recommendations to the Department of Public Service and to the Legislature.

Your Committee further finds that given the creation of the stakeholders committee, there is no need for a separate, duplicative reentry task force.

This measure was amended to exclude juvenile offenders from the proposed Offender Reentry Programs and Services under the Department of Public Safety and to omit the proposed reentry task force. The requirement for proposing tax incentives to employers who hire formerly incarcerated individuals was changed from the Department of Taxation to the Department of Public Safety with the assistance of the Department of Taxation and the Department of Labor and Industrial Relations. Technical, nonsubstantive changes have been made for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 932, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 932, 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, 1 (Sakamoto).

SCRep. 196 Economic Development and Taxation on S.B. No. 907

The purpose of this measure is to:

- (1) Amend Chapter 201, Part V, Hawaii Revised Statutes, to change the name of the Office of Space Industry to the Office of Aerospace Development and to clarify the duties of the office; and
- (2) Appropriate sums for various activities of the Office of Aerospace Development.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism (DBEconomic Development and Taxation), the Chancellor and three members of the faculty and staff of the University of Hawaii at Hilo, Enterprise Honolulu, Hawaii Island Economic Development Board, Japan-United States Science, Technology, and Space Applications Program, Rocketplane Kistler Inc., Japan Manned Space Systems, a former Governor of the State of Hawaii, the Senator representing Hawaii's twelfth senatorial district; a faculty member of the Center for Space Resources Colorado School of Mines, the Director of the Space Research Institute of Auburn University, the Director of Space Portal NASA Ames Research Center, and one additional individual.

Your Committee finds that DBEconomic Development and Taxation maintained an Office of Space Industry from 1988 through 1995, but for the past twelve years has operated in an "ad hoc" manner to identify and promote aerospace related opportunities in Hawaii. The changes proposed in this measure would formalize and strengthen these activities and expand the Office's role in serving as a catalyst in the further development of aerospace opportunities for Hawaii.

Your Committee is supportive of the overall concept of this measure and particularly the promise of the Pacific International Space Center for Exploration Systems. However, many of the details may be more appropriately added at a later time in the restructuring of the agency and its duties. Your Committee also has concerns regarding the establishment of a commercial spaceport, which has generated considerable community opposition in the past.

Your Committee believes that one of the most important outcomes of this measure should be enhanced workforce development opportunities and support for Hawaii's emerging industries. Hawaii has many fine educational programs, from the middle school and high school level multidisciplinary Project EAST to the cutting edge work being done at the University of Hawaii. Creating jobs to keep Hawaii students in Hawaii is critical to the successful diversification of the State's economic opportunities.

It is the intent of your Committee to support the broader concepts of an Office of Aerospace Development by streamlining the language in this measure.

Specifically, your Committee has amended this measure to:

- (1) Add language in the findings and purpose section on the recent successes of a University of Hawaii small satellite development program;
- (2) Delete all references to a commercial space launch, international spaceport, and the appropriation for a spaceport;
- (3) Consolidate the proposed language for the powers and duties under section 201-73, Hawaii Revised Statutes;
- (4) Change the expending agency from the Office of Aerospace Development to DBEDT; and
- (5) Make technical amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 907, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 907, 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, Ige).

SCRep. 197 Economic Development and Taxation on S.B. No. 707

The purpose of this measure is to create a new markets tax credit equal to an applicable percentage of the amount paid to a qualified community development entity for a qualified equity investment.

Testimony in support of this measure was received from the Chamber of Commerce of Hawaii; Hawaii Science and Technology Council; Chun, Kerr, Dodd, Beaman and Wong; KUD International; and Phase 3 Properties. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that this measure would provide for conformity with the federal new markets tax credit, which is designed to attract private-sector capital investment to low-income areas in order to finance community development projects, stimulate growth, and create jobs.

Your Committee further finds that the federal tax credit was adopted in 2000, as part of the Community Renewal Tax Relief Act, and that it is equal to thirty-nine per cent of the qualified equity investment and can be claimed over seven years. Administered by the United States Treasury Department, credits are allocated on a competitive basis.

Your Committee supports this measure as a means of attracting investments in Hawaii's low-income areas, and contributing to the diversification of the State's economic opportunities.

Your Committee has amended this bill by:

- (1) In the new section being added to chapter 235, Hawaii Revised Statutes (HRS);
 - (A) Clarifying that the new markets tax credit shall be one hundred per cent of the applicable percentage of the amount paid to a qualified community development entity located in Hawaii, for a qualified investment in Hawaii, and specifying that a qualified community development entity shall be as defined in section 45D(c) of the Internal Revenue Code, relating to federal new markets tax credits;
 - (B) Requiring the taxpayer to have received an allowance of credit under section 45D of the Internal Revenue Code;
 - (C) Deleting the provision that the allocation of the credits shall be made on a first-come, first-served basis; and
 - (D) Adding annual reporting requirements for the Director of Taxation;

- (2) Adding a new section in chapter 241, HRS, that the new markets income tax credits shall be operative under this chapter;
- (3) Adding a new section in chapter 431:7, HRS, that new markets income tax credits shall be operative under this chapter and may be claimed against the tax imposed under section 431:7-202; and
- (4) Amending section 235-2.45, HRS, to add allocations of new markets tax credits among partners.

Your Committee notes that the Department of Taxation stated the revenue impact of this measure is indeterminate at this time because of the unspecified maximum tax credit allowed in the original bill.

Your Committee believes that requiring the taxpayer to have received an allowance of credit under section 45D of the Internal Revenue Code will lessen the potential revenue impact.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 707, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 707, 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. 198 Judiciary and Labor on S.B. No. 625

The purpose of this measure is to require the Judiciary to implement a certification program and to appoint and use certified court interpreters in legal proceedings.

Presently, federal law requires states to provide language interpretation services to court users with limited English proficiency. However, Hawaii is one of three states that have yet to implement court interpreter certification in any language. As a result, anyone can become a registered interpreter with the Judiciary merely by obtaining a general excise tax license and submitting a court interpreter application form, regardless of language ability and interpreting skills. Such a situation invites an applicant pool of untrained and untested interpreters which can compromise the judicial process and creates inefficiency. More importantly, it jeopardizes the constitutional and civil rights of non-English speaking individuals.

Your Committee received testimonies from 23 individuals, mostly court interpreters in support of the bill. Your Committee also received one testimony from a representative of the Judiciary in opposition to the bill. He testified that the Judiciary has been working to implement a certification program and updated the Committee with the progress of the Judiciary program.

Your Committee concurred that there is a need for a certification program and that the Judiciary proceed with their plans in establishing the program. Your Committee amended the bill with the language submitted by the Judiciary which would allow for the certification program to be implemented in accordance with court rules created by the Judiciary.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 625, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 625, 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. 199 Judiciary and Labor on S.B. No. 891

The purpose of this measure is to appropriate funds to pay for collective bargaining cost items relating to contributions to the Hawaii employer-union health benefits trust fund for state employees in units 2, 3, 4, 6, 8, 9, and 13, and for officers and employees excluded from collective bargaining.

Your Committee received testimony from HGEA and the State Department of Human Resources Development in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 891 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. 200 Judiciary and Labor on S.B. No. 892

The purpose of this measure is to appropriate funds to pay for salary increases and collective bargaining cost items for employees in units 2, 3, 4, 6, 8, 9, and 13, and for officers and employees excluded from collective bargaining.

Your Committee received testimony from HGEA and the State Department of Human Resources Development in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 892 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. 201 Judiciary and Labor on S.B. No. 1281

The purpose of this measure is to appropriate funds for salary increases and make other cost adjustments for state officers and employees who are excluded from collective bargaining.

Your Committee received testimony from the Hawaii State Ethics Commission, HGEA, the Legislative Reference Bureau and the Office of the Ombudsman State of Hawaii in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1281 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. 202 Judiciary and Labor on S.B. No. 1381

The purpose of this measure is to authorize and appropriate funds for collective bargaining cost items for Unit 1 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2007-2009.

Your Committee received testimony in support of this bill from the State Judiciary, the State Department of Human Resources Development and HGEA.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1381 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. 203 Judiciary and Labor on S.B. No. 1382

The purpose of this measure is to authorize and appropriate funds for collective bargaining cost items for Unit 2 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2007-2009.

Your Committee received testimony in support of this bill from the State Judiciary, HGEA and the State Department of Human Resources Development.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1382 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. 204 Judiciary and Labor on S.B. No. 1383

The purpose of this measure is to authorize and appropriate funds for collective bargaining cost items for Unit 3 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2007-2009.

Your Committee received testimony in support of this bill from the State Judiciary, HGEA and the State Department of Human Resources Development.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1383 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. 205 Judiciary and Labor on S.B. No. 1384

The purpose of this measure is to authorize and appropriate funds for collective bargaining cost items for Unit 4 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2007-2009.

Your Committee received testimony in support of this bill from the State Judiciary, HGEA and the State Department of Human Resources Development.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1384 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. 206 Judiciary and Labor on S.B. No. 1385

The purpose of this measure is to authorize and appropriate funds for collective bargaining cost items for Unit 5 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2007-2009.

Your Committee received testimony in support of this bill from the State Department of Human Resources Development.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1385 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. 207 Judiciary and Labor on S.B. No. 1386

The purpose of this measure is to authorize and appropriate funds for collective bargaining cost items for Unit 6 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2007-2009.

Your Committee received testimony in support of this bill from the HGEA and the State Department of Human Resources Development.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1386 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. 208 Judiciary and Labor on S.B. No. 1387

The purpose of this measure is to authorize and appropriate funds for collective bargaining cost items for Unit 8 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2007-2009.

Your Committee received testimony in support of this bill from the HGEA and the State Department of Human Resources Development.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1387 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. 209 Judiciary and Labor on S.B. No. 1388

The purpose of this measure is to authorize and appropriate funds for collective bargaining cost items for Unit 9 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2007-2009.

Your Committee received testimony in support of this bill from the State Judiciary, HGEA and the State Department of Human Resources Development.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1388 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. 210 Judiciary and Labor on S.B. No. 1389

The purpose of this measure is to authorize and appropriate funds for collective bargaining cost items for Unit 10 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for the fiscal biennium 2007-2009.

Your Committee received testimony in support of this bill from the HGEA and the State Department of Human Resources Development.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1389 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. 211 Judiciary and Labor on S.B. No. 1390

The purpose of this measure is to authorize and appropriate funds for collective bargaining cost items for Unit 11 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2007-2009.

Your Committee received testimony in support of this bill from the Hawaii Fire Fighters Association, HGEA and the State Department of Human Resources Development.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1390 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. 212 Judiciary and Labor on S.B. No. 1391

The purpose of this measure is to authorize and appropriate funds for collective bargaining cost items for Unit 13 and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium.

Your Committee received testimony in support of this bill from the State Judiciary, HGEA and the State Department of Human Resources Development.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1391 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. 213 Intergovernmental and Military Affairs on S.B. No. 1425

The purpose of this measure is to help ensure that there is an adequate supply of licensed contractors available to perform the necessary repairs and reconstruction work during a state of emergency or disaster.

Testimony was submitted in support of this measure by the Department of Defense, State Farm Insurance Companies, the Contractors License Board, and the Subcontractors Association of Hawaii.

Your Committee finds that if a natural disaster should strike, the demand for contractors may exceed the supply of Hawaii licensed contractors and workers available to perform the necessary repair and reconstruction work and this would be exacerbated with the current tight labor market. To protect consumers from unscrupulous and inexperienced individuals seeking to profit from the urgent need of repairs that would follow a disaster like hurricanes Iniki and Katrina, your Committee believes that complete exemption from the contractor licensing requirements is inappropriate and may lead to additional harm and heartache. Allowing out-of-state contractors licensed in other jurisdictions to perform work in Hawaii under an emergency license represents a reasonable balance between the need for more contractors and the need to protect consumers.

To that end, your Committee amended the measure by clarifying language that the emergency contractor must show proof of liability and property damage insurance and requiring emergency contractors to pay the state general excise tax.

It is the intent of your Committee to ensure that there is an adequate supply of licensed contractors available to perform the necessary repairs and reconstruction work during a state of emergency or disaster and putting requirements in place to ensure public and consumer safety.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1425, as amended herein, and recommends 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 Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 214 Intergovernmental and Military Affairs on S.B. No. 1332

The purpose of this measure is to add the offense of theft of copper, add special requirements for the purchase of copper by scrap dealers, and hold scrap dealers accountable for violations of section 445-233, Hawaii Revised Statutes, in order to curb the recent rise in costly copper thefts.

Your Committee received testimony in support of this measure from the Department of Attorney General, the Honolulu Police Department, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of the Prosecuting Attorney of the County of Maui, and Hawaiian Electric Company, Inc. Testimony in opposition to this measure was submitted by Okuda Metal, Inc.

Your Committee finds that the price of copper has increased dramatically over the past few years and as a result, copper theft has become a serious and rapidly growing crime. This new type of theft has devastating effects on the entire community.

Your Committee notes that it received testimony from Hawaiian Electric Company, Inc. stating that the sheer volume of copper wire purchased and installed throughout their system makes it virtually impossible to accurately track wire location with the material information required. Therefore, on passing this measure out, your Committee asks that the Committee on Judiciary and Labor consider exempting public utilities from the sellers' requirements contained in this measure.

Your Committee has amended this measure to make technical, nonsubstantive changes for the purposes of clarity and style, and added an effective date of upon approval.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs 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 Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 215 (Joint) Intergovernmental and Military Affairs and Transportation and International Affairs on S.B. No. 1046

The purpose of this measure is to require the counties to deposit all fees for temporary and replacement disabled parking placards into the state general fund.

Testimony in support of the measure was received from the City and County of Honolulu, the Disability and Communication Access Board, and one individual.

Your Committees find that moneys collected by the counties for temporary and replacement placards should be returned to the state general fund. Currently, the State reimburses the counties at a rate of \$12 per placard. This measure clarifies that the moneys collected would be returned directly to the State and eliminates the paperwork required for requesting remittance, thus allowing for smoother quarterly transactions.

To this end, your Committees amended the measure by inserting the word "state" before the words "general fund" in sections 1, 2, and 3, to provide clarity and to avoid confusion between the state general fund and the general funds of the respective counties.

It is the intent of your Committees to require the counties to deposit all fees for temporary and replacement disabled parking placards into the state general fund.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1046, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1046, 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, 1 (Taniguchi).

SCRep. 216 (Joint) Intergovernmental and Military Affairs and Tourism and Government Operations on S.B. No. 795

The purpose of this measure is to require the Department of Accounting and General Services to establish and implement a statewide building code.

This measure appropriates \$500,000, for fiscal year 2007-2008, for the operations of the State Building Code Council, including technical assistance services, and training and administrative assistance as required to be expended by the Department of Accounting and General Services.

Testimony in support of this measure was submitted by the Department of Defense, the Department of Accounting and General Services, the Fire Council, the Structural Engineers Association of Hawaii, and State Farm Insurance Companies. The Council of the American Institute of Architects submitted comments on the measure.

Your Committees find that the State has traditionally allowed the individual counties to establish their own building codes. The counties have adopted various portions of the Uniform Building Code, but building codes differ from county to county. The status of the fragmented building requirements in Hawaii is of serious concern to those involved in building ownership, design, construction, and insurance. Over forty states have adopted some form of a statewide building code. The adoption of a uniform set of statewide building codes applicable to one and two family dwellings, all other residential uses, and commercial and industrial buildings, and state buildings would make it possible for building owners, designers, contractors, and code enforcers within the State to apply consistent standards. The health and safety considerations related to the codes are of statewide interest, especially relating to emergency disaster preparedness.

Your Committees amended this measure by requiring that all council members be appointed by either the Governor, Senate President, Speaker of the House, Mayor of each respective county, the Fire Chief of the respective counties, and each council member serve staggered six-year terms. Your Committees also amended this measure to include language that the State Building Code shall include the latest edition of the State Fire Code as adopted by the State Fire Council and that the State Building Code shall also include the latest edition of the Uniform Plumbing Code as copyrighted and published by the International Association of Plumbing and Mechanical Officials.

The intent of your Committees is to require the Department of Accounting and General Services to establish and implement a statewide building code to provide for the implementation of consistent standards throughout the State of Hawaii.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Tourism and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 795, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 795, 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, none.

SCRep. 217 Intergovernmental and Military Affairs on S.B. No. 31

The purpose of this measure is to require the Office of Veterans' Services to provide an alternative to current procedures regarding funerals and transportation of remains for certain Filipino veterans of World War II.

Specifically, this measure provides that upon the request of an eligible Filipino veteran's survivor or an interested party, the Office of Veterans' Services shall provide funeral and burial services and transport remains to the Philippines; provided that the amount disbursed shall not exceed \$2,500 per person.

This measure also appropriates an unspecified amount of money for burial grant funds for deceased Filipino veterans.

Your Committee received testimony in support of this measure from the United Filipino Council of Hawaii; the Filipino Coalition for Solidarity; the National Federation of Filipino American Associations Region 12; the Oahu Filipino Community Council; Nursing, Advocates and Mentors, Inc.; the Congress of Visayan Organizations; and the Asian American Network for Cancer Awareness Research and Training.

Comments were submitted by the Office of Veteran Affairs of the Department of Defense.

The measure would only apply in situations where a deceased Filipino veteran's survivor or an interested party has already paid for services rendered on behalf of the deceased veteran, or in situations where the deceased veteran may have purchased a pre-paid funeral and burial plan. During World War II, 142,000 Filipino forces joined the U.S. Armed Forces in the Far East, serving as an integral part of the U.S. Military. Since 1992, approximately, 3,000 of these World War II Filipino veterans are residents of the State of Hawaii. Approximately eighty per cent of these 3,000 World War II Filipino veterans presently reside on Oahu.

Your Committee finds that, under the program established pursuant to this measure, the Office of Veterans' Services should provide direct disbursement for funeral services and transportation of remains for eligible Filipino veterans, rather than require veterans' survivors and interested parties to pay out-of-pocket for these expenses and wait to be reimbursed.

The intent of this measure is to provide direct disbursement, up to \$2,500 per person, to eligible Filipino veterans' survivors and interested parties for the cost of funeral services and transportation of veteran's remains to the Philippines.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 31 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, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 218 Intergovernmental and Military Affairs on S.B. No. 85

The purpose of this measure is to reduce flood losses, facilitate accurate insurance ratings and promote awareness of flood insurance.

Specifically, this measure requires each county to adopt an ordinance to participate in the community rating system of the National Flood Insurance Program and appropriates an unspecified amount of funds to each county to assist in the implementation of this measure.

Testimony in support of this measure was submitted by the Department of Defense and the Hawaii Association of Realtors. Testimony in opposition of this measure was submitted by the Department of Planning and Permitting of the City and County of Honolulu.

Your Committee finds this measure will help protect property rights and secure safe and livable communities throughout our State. Participation in the National Flood Insurance Program will ensure more informed consumers and, in some cases, will provide discounts on flood insurance policy premiums to homeowners.

This measure was amended to make the appropriate changes in section 46-1.5, Hawaii Revised Statutes, needed to reflect the repeal of chapter 201G, Hawaii Revised Statutes. In addition, technical, nonsubstantive changes were made for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 85, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 85, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 219 Intergovernmental and Military Affairs on S.B. No. 621

The purpose of this measure is to make an appropriation for the Hawaii Civil Air Patrol to repair the roof hangar at the Hawaii wing headquarters.

Your Committee received testimony in support of this measure from the Department of Defense and Hawaii Civil Air Patrol.

Your Committee finds that maintenance and repair projects are a necessity for successful rescue missions and the Hawaii Civil Air Patrol depends on state funding to meet its basic needs.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 621 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, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 220 Intergovernmental and Military Affairs on S.B. No. 622

The purpose of this measure is to make an appropriation to help defray the operational expenses of the Hawaii Civil Air Patrol (Hawaii CAP).

Your Committee received testimony in support of this measure from the Department of Defense, Hawaii CAP, and two individuals.

Your Committee finds that Hawaii CAP provides necessary disaster relief, search and rescue, homeland security, and medical emergency transport services to local and national organizations. Since the early 1950s, the Hawaii CAP has provided tsunami warning services to the State. The Hawaii CAP flies more than ninety-five per cent of the nation's inland search and rescue missions. The Hawaii CAP also plays a vital role in disaster relief. Volunteer members fly disaster relief officials to remote locations and support local, state, and national disaster relief organizations with experienced pilots and personnel. The Hawaii CAP transports time-sensitive medical materials, blood products, and body tissue.

Your Committee further finds that the civil air patrol depends on state funding to defray its operational expenses, but past budget restrictions have hampered its ability to carry out necessary operations.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 622 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, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 221 Intergovernmental and Military Affairs on S.B. No. 699

The purpose of this measure is to authorize counties to waive the fees for special number license plates to veterans and directs the Office of Veteran Services to reimburse the counties for the waived fees.

This measure also appropriates moneys for fiscal year 2007-2008, and fiscal year 2008-2009, for the reimbursement of costs to the City and County of Honolulu for the issuance of special number license plates to veterans.

Testimony was submitted in support of this measure by the Advisory Board on Veterans Services, the Office of Veterans Services, the Hawaii National Guard Association, the National Guard Association of Hawaii Insurance Trust, and the Hawaii National Guard Enlisted Association. Testimony in opposition to the reimbursement of previously paid fees by the counties was submitted by the City and County of Honolulu.

Your Committee finds that the military specialty license plates program was authorized in 1992 and since that time, the counties have issued thousands of military specialty license plates to eligible applicants, processed many license plate replacements for license plates that were lost, stolen, or defaced, and transferred numerous vehicles from one eligible applicant to another eligible applicant. Your Committee further finds that this program serves as an important acknowledgement to our veterans, recognizing their sacrifice and service to our nation.

Your Committee also finds that it would be an insurmountable task to require the Office of Veteran Services to reimburse the counties for the license plate fees that have been previously paid and ensure that the reimbursement is provided to the person that originally paid the fee.

Your Committee amended this measure to remove the requirement that the Office of Veteran Services reimburse the City and County of Honolulu for the amount of the waived license plate fees previously charged and to remove the appropriation for this purpose.

It is the intent of your Committee to continue to honor our veterans by waiving the fees for special number license plates for veterans.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 699, as amended herein, and recommends 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 Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 222 Intergovernmental and Military Affairs on S.B. No. 725

The purpose of this measure is to appropriate \$102,000 for fiscal year 2007-2008, and \$50,800 for fiscal year 2008-2009, for the repair and maintenance of the Kauai Veterans Cemetery.

Testimony was received in support of this measure by the Advisory Board on Veterans Services and the Navy League of the United States, Kauai Council.

Your Committee finds that the Kauai Veterans Cemetery is in need of repair and maintenance. The State has made a commitment to honor our decedent veterans and continued maintenance and repair of the Kauai Veterans Cemetery is needed to ensure that the cemetery remains a well kept memorial to them. However, your Committee notes that the cost estimates and appropriated amounts in this measure are considered to be the minimum amounts required to adequately bring the Kauai Veterans Cemetery up to building standards and codes and to prevent further deterioration.

Your Committee amended this measure by removing the appropriation amounts. Your Committee recommends that additional cost estimates be discussed and researched in order to determine the appropriate amounts required to care for the cemetery.

It is the intent of your Committee to determine appropriate funding for fiscal year 2007-2008, and beyond, for the repair and maintenance of the Kauai Veterans Cemetery to ensure that the memorial is a well-kept tribute to our veterans.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 725, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 725, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 223 Intergovernmental and Military Affairs on S.B. No. 792

The purpose of this measure is to make an appropriation to the Department of Defense for continuous staffing at the state civil defense emergency operating center.

Your Committee received testimony in support of this measure from State Civil Defense.

Your Committee finds that funding is needed to sustain the state emergency operating center warning section. According to State Civil Defense, over the past year, personnel have been recruited and trained to perform a twenty-four hour, seven days a week threat analysis and early warning capability. This capability must be sustained with continued funding.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 792 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, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 224 Intergovernmental and Military Affairs on S.B. No. 794

The purpose of this measure is to make an appropriation to the Department of Defense for the State Civil Defense Emergency Supply Program.

Your Committee received testimony in support of this measure from State Civil Defense, Disability and Communication Access Board, and State Council on Developmental Disabilities.

Your Committee finds that the State Civil Defense needs funding to purchase equipment for emergency shelters that will be designated for individuals with special health needs, including persons with disabilities. This measure would increase the number and dispersion of community emergency shelters to provide augmented health support for individuals with ongoing enhanced special health needs requiring a heightened level of attention.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 794 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, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 225 Intergovernmental and Military Affairs on S.B. No. 796

The purpose of this measure is to appropriate funds to add urgently needed civil defense siren warning systems throughout the State.

Your Committee appropriated \$2,500,000 in each year of fiscal biennium 2007-2009, for the purpose of installing additional sirens to the state civil defense warning systems.

Testimony in support of this measure was submitted by the Department of Defense.

Your Committee finds that Hawaii is vulnerable to a tsunami or hurricane disaster and recognizes the importance of remaining vigilant in protecting its residents and guests from these disasters. In view of lessons learned from the 2004 tsunami in South East Asia and Hurricane Katrina in Florida in 2005, and because these natural disasters pose a great potential to cause vast devastation to Hawaii, the Legislature deems it vitally important to ensure that the State is adequately prepared to deal with these disasters. While the State and related private agencies have made great strides in becoming capable of handling a tsunami or hurricane disaster, more resources are needed to upgrade equipment and decrease coverage gaps in the existing warning systems.

To this end, this measure was amended by your Committee to consolidate other measures related to civil defense as follows:

- (1) Senate Bill No. 86, which allows the Governor, upon the declaration of an emergency, to release up to ten per cent of the moneys appropriated from the Emergency and Budget Reserve Fund to provide assistance to residents and businesses that have sustained damage during or immediately after a natural disaster;

- (2) Senate Bill No. 786, which appropriates \$1,000,000 in each year of the 2007-2009 fiscal biennium for the Department of Defense to stock for emergency supply caches to support disaster victims and communities that may become isolated due to natural disasters;
- (3) Senate Bill No. 788, which appropriates \$1,500,000 in each year of the 2007-2009 biennium for the Department of Defense for the State Civil Defense Major Disaster Fund;
- (4) Senate Bill No. 791, which appropriates \$150,000 in each year of the 2007-2009 biennium for the Department of Defense for continued funding of non-declared disaster activation and response; and
- (5) Senate Bill No. 1797, which appropriates a blank amount to the Ethnic Education Foundation of Hawaii to assist in disseminating information to the non-English speaking and English as a second language population in the event of a disaster or emergency to be expended by the Department of Defense.

The intent of your Committee, in consolidating these bills, is to provide necessary resources to prepare the State of Hawaii for disaster preparedness and recovery issues. Specifically, the intent is to authorize general obligation bonds to fund the installation of additional sirens to the State Civil Defense warning system; allow the Governor to order the release of up to ten per cent of moneys appropriated from interest earnings in the Emergency and Budget Reserve Fund to provide assistance after a natural disaster; appropriate moneys for emergency supply caches, to the State Civil Defense Major Disaster Fund for non-declared disaster activation and response; and appropriate moneys to the Ethnic Education Foundation of Hawaii to assist them in disseminating information in the event of a disaster.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 796, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 796, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 226 Intergovernmental and Military Affairs on S.B. No. 806

The purpose of this measure is to provide additional clerical support for the Office of Veterans Services by establishing one full-time permanent clerk typist II position within the Office of Veterans Services.

The measure appropriates \$33,230 for each fiscal year of the biennium, to fund the establishment of one permanent full-time clerk typist position.

Testimony in support of this measure was submitted by the Advisory Board on Veterans Services and the Office of Veterans Services.

Your Committee finds that the Office of Veterans Services is the principal agency in the State responsible for the development and management of policies and programs for veterans and their families. The Office also acts as a liaison between the Governor and the veterans groups and organizations and serves as an intermediary between the Department of Veterans Affairs and veterans and their family members. The continuous return of troops from the Middle East and the eventual discharge of once-active military personnel in Hawaii have caused a huge backlog of unprocessed documents that is expected to continue if not immediately addressed. An additional clerk is needed to augment the limited support staff to allow the Office of Veterans Services to handle the growing number of discharge documents requiring immediate action.

Your Committee further finds that in order for the Office of Veterans Services to better serve the neighboring islands, it is necessary to provide funding for a travel allowance shortfall for the counselor position that was created in last year's operating budget.

Your Committee amended this measure to appropriate \$8,000 for fiscal year 2007-2008, for a travel allowance shortfall for the counselor position created in last year's operational budget.

It is the intent of your Committee to continue to support the Office of Veterans Services by establishing one full-time permanent clerk typist II position within the Office of Veterans Services and provide funding for a travel allowance shortfall for the counselor position created last year.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 806, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 806, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 227 Intergovernmental and Military Affairs on S.B. No. 1427

The purpose of this measure is to adjust the Civil Defense Vice-Director's salary pay scale to align with the federal general pay tables in order to commensurately compensate the Vice-Director for responsibilities of the position.

Testimony in support of this measure was submitted by the Department of Defense, and the Department of Human Resources Development.

Your Committee finds that providing an increase in salary for the Vice-Director of Civil Defense based on a percentage of the salary of the Director of Human Resources Development is not commensurate with the duties and responsibilities that are associated with the position. Since the attack on September 11, 2001, the State Civil Defense was tasked with responsibilities to coordinate with a multitude of federal, military, state, county, and civilian organizations in order to spearhead the development and updates of contingency plans for force protection of critical infrastructures and disaster response. The State Civil Defense is the sole agent for the State to receive, manage, coordinate, disburse, and expend Homeland Security grants totaling over \$80,000,000 in federal funds. Based on these increased responsibilities and duties, the compensation for the Vice-Director within the salary range of a federal General Schedule 15 or a military Colonel is fair. Currently, the mid-range salary is approximately \$105,000 per year.

Your Committee amended this measure by adding language to further clarify that the Vice-Director's salary pay scale aligns with the federal general pay tables.

The intent of your Committee is to establish the Vice-Director's salary pay scale to align with the federal general pay tables.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1427, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1427, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 228 Intergovernmental and Military Affairs on S.B. No. 1431

The purpose of this measure is to make an emergency appropriation for emergency relief operations in the counties of Hawaii, Maui, Kauai, and the City and County of Honolulu as a result of the October 15, 2006, Kiholo Bay earthquake disaster.

Testimony in support of this measure was submitted by the Department of Defense, the Department of Education, the County of Hawaii, and the Daughters of Hawaii.

Your Committee finds that additional funding is required to continue the Department of Defense's disaster relief efforts and to cover the twenty-five per cent cost share of the Federal Emergency Management Agency's Public Assistance Programs as required by the Robert T. Stafford Disaster and Emergency Assistance Act. Without this appropriation, state agencies will be at risk of losing federal funding for the repair and restoration of damaged government facilities. The general fund recommendation included in this measure has been made in accordance with the statutorily defined appropriation ceiling for the Executive Branch pursuant to section 37-92, Hawaii Revised Statutes. Funding requested in this measure will assure continued assistance and relief for the October 15, 2006, Kiholo Bay earthquake disaster.

To this end, your Committee amended this measure to further clarify that this measure will allow the expenditure of funds for all earthquake disaster recovery projects, which would include the twenty-five per cent non-federal cost share for earthquake disaster recovery projects made eligible under the Federal Emergency Management Agency's Public Assistance Program.

It is the intent of your Committee to ensure continued assistance and relief for the State's victims of the October 15, 2006, Kiholo Bay earthquake.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1431, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1431, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 229 Intergovernmental and Military Affairs on S.B. No. 1561

The purpose of this measure is to make an appropriation for development of a non-emergency reporting system, known as 3-1-1.

Your Committee received testimony in support of this measure from the Department of Defense, Honolulu Customer Services Department, Honolulu Police Department, and American Heart Association. Comments were submitted by Cingular Wireless.

Your Committee finds that a 3-1-1 system is necessary to protect the public health, safety, and welfare, while providing better access to public services. The City and County of Honolulu proposes to develop a 3-1-1 system to better serve the residents of the State. The City and County of Honolulu, through the Mayor's office and the Customer Services Department, is currently defining requirements for a 3-1-1 system, working together with first responders and neighbor island counties. The City and County of Honolulu will create a model of 3-1-1 that can be designed to allow any county to participate and also provide support for state functions.

Initially, this system can be used to relieve the 9-1-1 system of non-emergency phone calls that number over one million calls annually. Subsequently, the services could expand to include all of the services offered by each county.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1561 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, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 230 Intergovernmental and Military Affairs on S.B. No. 781

The purpose of this measure is to appropriate \$150,000 to develop a feasibility study for a Hawaii state fire and emergency training facility.

Your Committee received testimony in support of this measure from the State Fire Council, the Honolulu Fire Department, and the Kauai Fire Department.

Your Committee finds that fire fighters and other emergency first responders must be able to fully respond to natural and manmade disasters. The development of a Hawaii state fire and emergency training facility will help ensure that fire fighters and emergency first responders are able to meet the needs of the public in the case of such disaster.

Your Committee has amended this measure to include a separate, related appropriation for a public campaign on natural disaster preparedness. The amount of the appropriation for the public campaign has been left unspecified to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 781, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 781, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 2. Ayes with Reservations, 2 (Inouye, Tsutsui). Noes, none. Excused, 1 (Hemmings).

SCRep. 231 Education on S.B. No. 684

The purpose of this measure is to require public disclosure of proposed compensation or compensation changes for administrative positions in the University of Hawaii System.

Testimony in support of this measure was submitted by the University of Hawaii Professional Assembly. Testimony in opposition to this measure was submitted by the University of Hawaii.

Your Committee finds that currently, the Board of Regents is not required to disclose to the public the proposed salary of a candidate for an administrative position or a proposed change in the salary of an administrator. Instead, disclosure is only necessary after the Board of Regents has already taken action on a salary proposal. Your Committee understands that interested parties may wish to gain knowledge of proposed salary information prior to action being taken in order to provide comments on such proposed action. However, your Committee is also mindful of the fact that the disclosure of sensitive information, such as proposed salaries, can be detrimental to the balance of power involved in negotiations during the hiring process.

Additionally, testimony provided raised questions regarding the constitutionality of requiring public disclosure of proposed actions by the Board of Regents. Your Committee believes that this issue requires further consideration and investigation into the merits of the legal issues raised.

Accordingly, your Committee has amended this measure by changing the effective date of the Act to July 1, 2050, to facilitate further discussion on the 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 S.B. No. 684, as amended herein, and recommends 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 Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

SCRep. 232 Education on S.B. No. 1268

The purpose of this measure is to increase the number of local residents attending institutions of higher education.

Specifically, this measure establishes a college savings account program that provides a sliding-scale tax credit for contributions made to college savings accounts, the maximum of which would be \$500.

Testimony in support of this measure was submitted by the Department of Taxation, the University of Hawai'i, Hawaii Association of Independent Schools, and one individual.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, if passed, would result in a revenue loss to the State of approximately \$6.3 million dollars per year, assuming the maximum tax credit of \$500. No methodology was provided by the Department of Taxation.

Your Committee finds that a college savings account tax credit will provide an additional incentive to encourage Hawaii taxpayers to take advantage of Hawaii's TuitionEDGE 529 program and, thereby, lower the cost of administering the fund and increase the participants' savings for college tuition.

Your Committee further finds that a college savings account program tax credit for Hawaii residents is an important state investment, given our high cost of living, and can contribute to an increase of college graduates in Hawaii, including those in the socioeconomic and ethnically underrepresented groups.

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. 1268 and recommends that it pass Second Reading and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 2 (Hee, Taniguchi).

SCRep. 233 (Joint) Education and Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 885

The purpose of this measure is to support and enhance the agriculture and culinary arts industries by ensuring the continued supply of qualified individuals for each industry.

Specifically, this measure establishes an agricultural and culinary education pilot program that teaches students healthy eating habits and encourages the culinary arts, farming, diversified agriculture, and related industries such as market development and science and technology, as long-term career goals. This measure also provides reporting requirements and funding to effectuate the program.

Testimony in support of this measure was submitted by the Department of Agriculture, the Hawaii State Teachers Association, the Hawaii Farm Bureau Federation, Ka'ala Farm, Inc., and the Maui County Farm Bureau. Testimony in opposition to this measure was submitted by the Department of Education.

Your Committees find that the development of a diversified agriculture industry and related industries is essential to addressing the State's long-term sustainability goals. The education of our youth is a key component in meeting these goals, and the provision of programs to foster both professional and vocational careers is also necessary to ensure economic and socioeconomic prosperity in Hawaii. Your Committees further find that in order to ensure the continued supply of qualified individuals to support and maintain the agriculture and related industries, the State must invest in growing an informed and skilled workforce to meet the needs of these industries.

This measure establishes an agricultural and culinary education pilot program that teaches students healthy eating habits and encourages the culinary arts, farming, diversified agriculture, and related industries as long-term career goals. Your Committees also heard a related measure, Senate Bill No. 90, which establishes a comprehensive vocational agriculture and landscape education program in the public schools to also address the issue of supplying qualified agricultural and landscaping workers to the agriculture and related industries in Hawaii. Your Committees believe in the value of teaching our youth the importance of food security, the agricultural sector and workforce, and sustainability efforts and believe this program will spawn a future qualified workforce for the agriculture, culinary arts, landscaping, and other related industries.

Accordingly, your Committees have amended this measure by:

- (1) Including in the measure the concept espoused in Senate Bill No. 90, to expand the vocational agriculture education program to develop a comprehensive agriculture and landscape education program in the public schools;

- (2) Including appropriations for and appropriate reporting requirements by the Department of Agriculture, in consultation with the Department of Education and the University of Hawaii, on the implementation of the comprehensive agriculture, culinary arts, and landscaping educational program; and
- (3) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 885, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 885, 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, 1 (Fukunaga).

SCRep. 234 (Joint) Education and Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 611

The purpose of this measure is to allow the Department of Education to own and control all of the lands and facilities being used for public schools in Hawaii.

Specifically, this measure transfers all public lands and facilities used for public schools to the Department of Education and empowers the Board and the Department of Education to acquire, sell, lease, transfer, hypothecate, develop, and enter into agreements for the improvement of lands and facilities under its control for the support of the public schools.

Testimony in support of this measure was submitted by the Department of Education (DOE), the City and County of Honolulu, and the Land Use Research Foundation of Hawaii. Testimony in opposition to the measure was submitted by the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Your Committees find that the DOE is tasked with ensuring the provision of quality education in appropriate facilities to students throughout the State. This task is difficult, at best, when attempting to balance the interests of teachers and students and working within budgetary constraints. As a result, the State must explore additional alternatives to increased funding to provide adequate public schools and public school facilities in Hawaii.

Your Committees further find that many western states utilize a system whereby lands provided for public schools are managed in a trust to benefit or generate revenues for the public schools. Your Committees believe that authorizing the DOE and the Board of Education (Board) to manage public school lands and facilities would allow the DOE to leverage underutilized land assets for redevelopment, joint venture, revenue production, or other related opportunities. Increased authority over public school lands and facilities will allow the DOE to better utilize its assets to provide for current and future needs, including the construction of new schools, expansion of teacher housing, or improving school facilities.

Your Committees recognize the concerns raised by the testimony provided, including the fact that the measure also encompasses ceded lands and revenues from ceded lands in contradiction of the Admission Act. In addition, the measure would allow public lands under the DOE's control to be sold or exchanged or transferred for private lands, thus diminishing the public lands that are held in trust not only for the public schools. Lands under the DOE's control should be managed, but not disposed of when such lands, including those which the DOE is not utilizing, should be returned to the public trust for other important uses.

Accordingly, your Committees have amended this measure by:

- (1) Removing the Board's authority to sell, exchange, or transfer public school lands under its control;
- (2) Requiring the Board to transfer any surplus or unused public school lands to the Department of Land and Natural Resources for inclusion in the inventory of public lands in the public land trust;
- (3) Changing the effective date of the Act to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 611, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 611, 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 (Nishihara, Taniguchi).

SCRep. 235 Education on S.B. No. 613

The purpose of this measure is to provide support and incentives to early childhood education programs in the State.

Specifically, this measure:

- (1) Establishes an early education incentive program to provide funding for professional development in early childhood care and education;
- (2) Requires the Department of Education to identify unused public school land or facilities for use by early childhood education program and appropriate funds therefor; and
- (3) Appropriates funds to provide for a student to teacher ratio in junior kindergarten programs of fifteen-to-one.

Testimony in support of this measure was submitted by the Department of Education, the Workforce Development Council, the Hawai'i Teacher Standards Board, Kamehameha Schools, the Early Learning Education Task Force, the Center on Disability Studies, the Childcare Business Coalition, and one individual. Testimony in opposition to this measure was submitted by one individual.

Your Committee finds that a critical teacher shortage problem persists in Hawaii. The need to recruit and retain qualified individuals is only surpassed by the need to grow a qualified teacher workforce. This is true at all levels of public school education, but of particular importance at the early childhood education level. The State has made great strides to improve early childhood education by developing and making available kindergarten and junior kindergarten programs. Research indicates that early childhood education is instrumental in lifelong success and your

Committee believes that the State must endeavor to promote, enhance, and support programs and initiatives that address the needs of our young children.

Your Committee further finds that the Legislature, pursuant to Act 259, Session Laws of Hawaii 2006, established the Early Learning Education Task Force to develop a five-year plan for a coherent, comprehensive, and sustainable early learning system for children from birth to age five. The task force found five key elements to increasing early educator capacity in the State. This measure addresses these key factors by establishing a program to provide incentives to early education professionals and those seeking degrees in the field. Your Committee believes that we must invest in our future teachers and assist them in achieving high academic levels and to grow a highly-qualified early education workforce.

Upon further review of the measure and the testimony provided, including the recommendations by the Early Learning Education Task Force, your Committee believes that the measure can be refined to include scholarships and wage supplementations for individuals in the early care and education workforce and those pursuing post-secondary degrees in early education. Additionally, testimony provided also highlighted the need to capture and assist younger individuals interested in pursuing early education careers, including those at the high school level. Your Committee believes that all efforts should be explored to ensure the establishment of a qualified and sustainable early educator workforce.

Your Committee also determines that additional improvements to the early education system can be accomplished through the provision of land and other facilities for early childhood education programs and by reducing the student-to-adult ratio in the classrooms to an appropriate level for optimal learning.

Accordingly, your Committee has amended this measure by:

- (1) Removing subsection (d) of the newly created section in chapter 302A, Hawaii Revised Statutes, that specified the amount of funds to be provided to each early education school and the purposes for which the funds could be used;
- (2) Including language that establishes criteria and guidelines for providing scholarship and wage supplementation incentives to:
 - (A) Residents of the State who are currently caring for or employed to care for three or more unrelated children in private, public, or not-for-profit settings while pursuing an associate's degree or bachelor's degree in early childhood education or teaching certification, including certification in special education, at a college or university within the University of Hawaii system; and
 - (B) Staff of licensed and licensed-exempt settings serving a minimum of three unrelated children;
- (3) Requiring dual credit to be given to high school students under the Running Start Program for Professional and Career Education for Early Childhood (PACE) courses offered in the University of Hawaii system;
- (4) Specifying that funds are being appropriated to junior kindergarten programs to ensure an appropriate student-to-adult ratio of ten to one;
- (5) Including an appropriation for the Department of Education to provide subsidies to private early childhood education providers who accept special education students and to hire early childhood education intervention specialists to provide direct services to the private providers;
- (6) Changing the effective date of the Act to July 1, 2050, to facilitate further discussion on the measure; and
- (7) Making technical, nonsubstantive changes for 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. 613, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 613, 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. 236 Education on S.B. No. 691

The purpose of this measure is to require the Department of Education to provide suitable transportation to and from school and for educational field trips for all children in grades kindergarten to twelve and in special education classes.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association and the Hawaii School Bus Association. Comments on the measure were also submitted by the Department of Education (DOE).

Your Committee finds that part of providing a proper education to public school students throughout the State includes the provision of safe and reliable transportation to and from school and for educational excursions. Currently, the DOE provides transportation services to students living outside of Honolulu proper, with some exceptions, and those living beyond a mile away from school. Many other students may not require transportation services because they live in areas that are serviced by the City and County of Honolulu bus system, are attending schools under a geographic exemption, or do not proceed directly home after school. Your Committee understands that to require the DOE to provide transportation services to all public school students could be a costly endeavor and a huge undertaking. Your Committee is most concerned with ensuring that the current level of transportation services provided to students is not diminished, or, if necessary, that such changes are not executed without input from interested parties, including parents. The establishment of a process to allow stakeholders to participate in changes to current policies and procedures will help to ensure that the transportation needs of the students are being met.

Accordingly, your Committee has amended this measure by:

- (1) Removing language mandating the DOE to provide transportation to and from school and for educational field trips for all children in grades kindergarten to twelve and in special education classes;
- (2) Including the requirement that the DOE establish a process for allowing stakeholder participation when contemplating changes to the DOE's current policies, procedures, and programs regarding transportation services for students;
- (3) Changing the effective date of the Act to July 1, 2008, to provide the DOE time to establish new procedures for implementation of the Act; and
- (4) Making technical, nonsubstantive changes for 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. 691, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 691, 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. 237 Education on S.B. No. 1126

The purpose of this measure is to increase the educational capital of the State.

Specifically, this measure appropriates the sum of \$150,000, for fiscal year 2007-2008, for the Center on the Family at the University of Hawaii. This measure also requires the University of Hawaii to report to the Legislature prior to the 2008 Regular Session on its actions taken pursuant to this measure.

Testimony in support of this measure was submitted by the Office of Youth Services; the University of Hawai'i; the Center on the Family; the Homeless Programs Branch of the Department of Human Services; Aloha United Way; American Lung Association of Hawaii; Assisted Living Options Hawaii; Catholic Charities Hawai'i; Hawaii Women Work!; Hawaii Youth Services Network; Health Mothers, Healthy Babies Coalition of Hawai'i; Honolulu Community Action Program; Institute for Human Services, Inc.; Ka Hale Pomaika'i; PATCH; Project Dana; Read to Me International Foundation; Save the FoodBasket, Inc.; Springs of Living Water; Windward Homeless Coalition; and nine individuals.

Your Committee finds that the Center on the Family at the University of Hawai'i is an extremely valuable resource that provides important data regarding Hawaii's children, families, and elderly. This data is made available to the public through its on-line Data Center and is used by numerous nonprofits and governmental agencies serving the less advantaged groups in our State.

Your Committee further finds that the appropriation made in this measure is a wise investment of the State's resources and will help many organizations in providing their valuable services to our less advantage populations.

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. 1126 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 (Hee).

SCRep. 238 Education on S.B. No. 1931

The purpose of this measure is to establish an Educational Workforce Working Group to address and examine workforce needs in Hawaii and how these needs are being and can be met.

This measure also requires the preparation of five-year plans by the Department of Education and the University of Hawaii to ensure optimal use of technology for administration, data collection, and data sharing related to educational and workforce needs, and to create individualized student learning plans that will have a direct link to economic and workforce needs.

Testimony in support of this measure was submitted by the Department of Education and the Department of Business, Economic Development, and Tourism. Comments on the measure were also provided by the University of Hawaii (UH) System.

Your Committee finds that current workforce needs in the State are not being adequately met and it is unclear as to whether comprehensive, focused, and concerted efforts for workforce development are being undertaken by the DOE and the UH System. Your Committee further finds that, although other entities currently exist to address workforce development issues, there is still a lack of understanding as to where the needs are, how they are being met, and what can be done to better meet the current and future workforce needs of the State. This measure establishes a working group to explore the aforementioned and other issues and to report to the Legislature so that focused efforts can be made in the future to address workforce needs. Your Committee determines that in order to cull relevant information from other existing entities involved in workforce development, the composition of the working group members should be reconsidered.

Additionally, this measure requires the DOE and the UH to develop five-year plans for optimizing technology, collecting data, and developing individualized student plans to address workforce needs. Testimony provided expressed confusion over the use of the term individualized plans, believing that this referenced individualized education programs required for special education students. However, this was not the intent of the measure; instead, the intent was that personalized plans be developed for students to address workforce needs. Testimony provided by the UH System also indicated that the development of a five-year plan by the UH would not comport with its current strategic planning requirements. Therefore, your Committee believes that the UH should provide other relevant information on the UH's efforts to address workforce development needs and its plans for improving those efforts in the future.

Your Committee also heard a related measure, Senate Bill No. 225, which appropriated funds for a workforce academy liaison in the Department of Education. The workforce academy liaison would be responsible for coordinating workforce development efforts with the academies to provide students with career exploration, awareness, and mentoring. Your Committee believes that a comprehensive approach should be taken to coordinate and expand workforce development efforts in the State to meet the current and future needs of both the public and private sectors. These efforts will require additional staff to address and facilitate workforce development that utilizes resources in and meets the needs of the public and private sectors.

Accordingly, your Committee has amended this measure by:

- (1) Changing the composition of the Education Workforce Working Group;
- (2) Replacing the reference to "individualized student learning plans" with "personalized student learning plans";
- (3) Deleting the requirement that the UH create a five-year plan on educational and workforce needs;
- (4) Requiring the UH to report to the Legislature on workforce development programs and plans for addressing current and future workforce demands, which shall include but not be limited to the following:
 - (A) Current workforce development programs of the University of Hawaii community college system, detailing how these programs are structured to meet current and future workforce needs within the State;

- (B) Efforts of the University of Hawaii community college system to target specific workforce area needs;
 - (C) Current priorities for addressing workforce shortage areas, including how priorities are determined; and
 - (D) Plans for improving workforce development efforts through the development of personalized student learning plans that will have a direct link to economic and workforce needs; and
- (5) Including an appropriation for two workforce development liaison positions and one support staff position to coordinate workforce development efforts between the Department of Education and departments, agencies, businesses, and organizations 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. 1931, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1931, 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. 239 Education on S.B. No. 1152

The purpose of this measure is to facilitate enhanced teaching environments through the policy of establishing of smaller learning communities and early childhood education learning facilities over executing school closures or consolidation.

Testimony in support of this measure was submitted by the Office of School Redesign of the University of Hawaii at Manoa, Good Beginnings Alliance, and the Hawai'i Educational Policy Center. Comments on the measure were submitted by the Department of Education and the Land Use Research Foundation of Hawaii.

Your Committee finds that the proper utilization of schools and school facilities is necessary to ensure that adequate learning environments and facilities are provided to students within the State. Given the current budgetary restraints, the Department of Education must explore innovative solutions to difficult problems, including alternatives in lieu of school closures or school consolidation. Your Committee further finds that smaller learning communities provide great benefits to teachers, students, and parents, including allowing teachers to establish more personalized relationships with students, which in turn fosters increased academic success. The establishment of smaller learning communities as an alternative to school closure or consolidation is a positive policy that can allow existing schools and school facilities to be efficiently and effectively utilized.

However, your Committee understands that concerns exist as to adopting a strict policy of establishing smaller learning environments over school closures. Therefore, your Committee determines that the institution of specific criteria for the smaller schools or schools-within-schools to satisfy for the establishment of a smaller learning community will help to assure that the smaller learning communities will provide a successful approach to high student achievement.

This measure also adopts the policy that the sale of public school land that is not being utilized should not be sold unless the land is without any potential for being used for educational purposes. This will ensure that redevelopment or alternative options will be considered and can be facilitated before public school lands are returned to the Department of Land and Natural Resources. In line with the foregoing philosophy, the measure also requires the Department of Education to identify unused public school facilities that may be used for early childhood education programs before considering school closures or consolidation.

Accordingly, your Committee has amended this measure by:

- (1) Removing from the purpose section, language relating to project-based learning;
- (2) Establishing criteria for the creation or maintenance of smaller learning communities, including requiring smaller schools or schools-within-schools to:
 - (A) Select and operate under a school specialty status, including magnet, academy, or other specialty;
 - (B) Develop personalized plans for each student; and
 - (C) Create and maintain portfolios for each student.
- (3) Requiring funds derived from shared facilities usage by smaller schools or schools-within-schools in a smaller learning community to be used to augment funds allocated according to the weighted student formula;
- (4) Clarifying that each school district is required to expand its current use of e-learning; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1152, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1152, 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 (Hee, Taniguchi).

SCRep. 240 Education on S.B. No. 767

The purpose of this measure is to appropriate funds to cover the costs of public high school students participating in high school graduation ceremonies.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association.

Your Committee finds that although high school graduation is an auspicious and momentous event for students and their families, the high costs associated with participating in not only graduation ceremonies but also other graduation-related activities can deter participation. Your Committee further finds that high school graduation signifies an important achievement and is a memorable time for many students, particularly those who do not continue to pursue post-secondary education. Your Committee believes that assistance should be provided to public high school seniors to participate in graduation ceremonies or other graduation-related activities that they would otherwise be unable to participate in due to financial issues.

Your Committee heard a related measure, Senate Bill No. 833, which provides funding for Project Graduation events throughout the State. Your Committee understands that the graduation ceremonies and other related activities planned, such as Project Graduation events, can vary significantly in degree and expense. In the interest of fairness, your Committee believes that it is appropriate to provide an equal amount of funds for each graduating high school senior that can be used for any and all graduation activities, regardless of the actual expense of the graduation activities planned for any school.

Accordingly, your Committee has amended this measure by:

- (1) Changing the language throughout the measure to provide funds to assist public high school seniors in covering costs associated with high school graduations and related activities; and
- (2) Specifying that the amounts provided to schools shall be calculated based on the total number of high school seniors estimated to be graduating that school year on a per student basis.

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. 767, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 767, 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. 241 Education on S.B. No. 692

The purpose of this measure is to appropriate funds to the University of Hawaii for distance training in public health.

Your Committee received testimony in support of this measure from the John A. Burns School of Medicine of the University of Hawaii.

Your Committee has amended this measure to clarify that the appropriation is for the public health distance training program of the Department of Public Health Sciences and Epidemiology.

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. 692, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 692, 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 (Hee).

SCRep. 242 Education on S.B. No. 1177

The purpose of this measure is to provide funds for the establishment of a Global Youth Center in Hawaii to provide youth from around the world the opportunity to discuss and be educated on major global issues.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii, Parents and Children Together, the East-West Center, the Hawaii-based All Believers Network, the United Nations Association, McCandless International, the International Student/Young Pugwash, the Pugwash Conferences on Science and World Affairs, and twelve individuals.

Your Committee finds that the world in which we live is increasingly developing into a global community. Today's issues span countries and cultures and require global thinking that addresses the needs and concerns of a multitude of diverse political, religious, economic, and socioeconomic views. Your Committee further finds that to achieve world peace, sustainability, and productivity for future generations, collaborative efforts must be made now to educate and prepare the youth of the world. In response to the Millennium Youth People's Congress, held in Hawaii in 1999, the Legislature adopted House Concurrent Resolution No. 151, H.D. 1 (2005), which recognized the need for a Global Youth Center to provide a forum for youth to be educated on and address major global issues and further recognized the role that Hawaii should play in establishing such a center.

Your Committee determines that continued support of a Global Youth Center in Hawaii will provide the framework for youth from around the world to become actively engaged in discussing issues related to and influencing the international community today, which in the long run will be of great benefit to everyone. Your Committee believes that the Global Youth Center should also endeavor to provide Hawaii students, particularly public school students, opportunities to become more involved in international dialogue and interaction.

Accordingly, your Committee has amended this measure by:

- (1) Including language that the Global Youth Center should ensure that Hawaii students, particularly public school students, are provided with opportunities to participate in programs and activities to increase awareness of global issues and to address these issues through a variety of activities including meetings and forums;
- (2) Specifying that funds appropriated should be expended by the East-West Center through 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 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. 1177, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1177, 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 (Hee, Taniguchi, Gabbard).

SCRep. 243 Education on S.B. No. 681

The purpose of this measure is to appropriate funds to programs at the University of Hawaii that provide support to individuals from underserved or disadvantaged populations in pursuit of post-secondary education.

Testimony in support of this measure was submitted by the University of Hawaii, the Asian American Network for Cancer Awareness, Research and Training, the Filipino Coalition for Solidarity, the Oahu Filipino Community Council, the United Filipino Community Council, and twenty-three individuals.

Your Committee finds that with the multitude of disciplines and degrees offered by the University of Hawaii, certain ethnic and low-income groups are often underrepresented in undergraduate, graduate, and professional degree programs. Representation is particularly low in the fields of science, technology, engineering, and mathematics. The Graduate Professional Access Program and the Health Careers Opportunity Program at the University of Hawaii provide pipelines to higher education for disadvantaged students and students from underrepresented populations and support services to ensure successful graduation and employment rates. Continued funding of these programs will support an increased number of qualified faculty and professionals in the workforce, particularly from disadvantaged and underrepresented communities in underrepresented fields.

Your Committee has amended this measure 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 Education 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 Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Hee, Taniguchi, Gabbard).

SCRep. 244 Education on S.B. No. 1156

The purpose of this measure is to provide continuing funding for the B Plus Scholarship Program to encourage Hawaii residents to pursue post-secondary education.

This measure also includes additional scholarship eligibility criteria for the B Plus Scholarship Program.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawai'i System, the Workforce Development Council, GEAR UP Hawaii, the United Filipino Community Council, the Oahu Filipino Community Council, and eight individuals.

Your Committee finds that pursuant to Act 57, Session Laws of Hawaii 2005, the Legislature appropriated funds for the establishment of the B Plus Scholarship Program to promote higher learning among low-income populations through the provision of scholarships to eligible students. In 2006, the Legislature amended Act 57 to provide additional funding and to clarify financial eligibility guidelines. The B Plus Scholarship Program has enjoyed great success; and this year the University of Hawaii has awarded two hundred fifty-two B Plus Scholarships to public high school graduates entering University of Hawaii campuses. This measure provides the necessary funding to allow the program to continue, scholarships to be renewed, and new scholarships to be granted. In order to continue to provide an attractive incentive to eligible high school students, your Committee believes the eligibility criteria should be further refined and complemented.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that eligibility for the B Plus Scholarship Program requires the completion of a rigorous high school curriculum;
- (2) Specifying that priority for scholarships shall be given to a student who has pledged, via an early intervention program, to meet the requirements of the B Plus scholarship program; and
- (3) Making technical, nonsubstantive changes for 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. 1156, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1156, 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 (Hee).

SCRep. 245 Education on S.B. No. 607

The purpose of this measure is to appropriate funds to expand experiential learning opportunities in the State.

Specifically, this measure appropriates funds for the research and development of a statewide web-based database of experiential learning opportunities and for a study to identify barriers to businesses or organizations voluntarily providing experiential learning opportunities.

Testimony in support of this measure was submitted by the Department of Education, the Department of Business, Economic Development, and Tourism, the University of Hawaii, the Workforce Development Council, and one individual.

Your Committee finds that the State is currently experiencing workforce shortages in various areas and fields. Increased efforts are necessary to not only recruit and retain qualified and skilled workers, but also to grow a highly skilled and knowledgeable workforce to meet the needs of the State. Your Committee further finds that experiential learning opportunities provide a manner by which businesses and organizations can benefit from additional assistance and workforce development and our students can benefit from the opportunities to learn and gain experience in various fields. Experiential learning consists of learning through actual experience, allowing students to test academic theories through real world applications. Your Committee believes that experiential learning will afford students with invaluable opportunities to relate their studies to real world experiences.

This measure seeks to expand experiential learning opportunities throughout the State by providing funding to develop a statewide web-based database of experiential learning opportunities. Additionally, this measure commissions a study to identify barriers to businesses and organizations providing experiential learning opportunities to students. Your Committee believes that these efforts will help to increase experiential learning opportunities for students and, in turn, strengthen the development of a skilled and knowledgeable workforce.

Your Committee has amended this measure 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 Education 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, 6. Noes, none. Excused, 1 (Hee).

SCRep. 246 Transportation and International Affairs on S.B. No. 946

The purpose of this measure is to allow a person whose driver's license has been revoked for life to reapply and be reissued a driver's license upon specified conditions and procedures.

Your Committee received testimony in support of this measure from the Office of the Public Defender, Mothers Against Drunk Driving Hawaii, the Bridge Church, Church of the Nazarene, St. Stephen's Episcopal Church, and one individual. Testimony in opposition was received from the Honolulu Police Department and the Honolulu Prosecuting Attorney. Comments were received from the Driver's License Revocation Office.

Your Committee finds that a lifetime suspension of a driver's license, though warranted when imposed, eventuates in an inequality after a driver becomes rehabilitated from substance abuse. A driver's license is an everyday necessity to commute to work and earn a living, among other ordinary daily affairs requiring transportation. After a ten-year period and if certified as not needing substance abuse treatment, a person should be deemed eligible to drive again.

Your Committee is cognizant that the Administrative Driver's License Revocation Office (ADLRO) requested funding in the current fiscal year to implement the new program under this measure. However, your Committee notes that the effective date is January 1, 2009, and suggests to the office that it seek funding in the 2008-2009 fiscal year rather than this year. In the meantime, your Committee requests that the office arrive at a figure and work with your Chair to include that amount in a 2008 measure.

The ADLRO testified that it prefers the courts to handle the restoration proceedings, but it is not adverse to handling such cases if it can be done administratively in an efficient and streamlined process. The ADLRO has concerns that its present case load would become even more overwhelming with another adjudicatory procedure. Your Committee believes that the ADLRO should handle these types of proceedings to enable eligible persons to try to regain their license without having to hire an attorney and go to court again many years later.

Accordingly, on the recommendation of ADLRO, your Committee has amended this measure to enact a new subpart in the administrative revocation process to clearly separate the two very different functions of the ADLRO, that of revocation and of restoration.

The intent of this measure is to provide fairness and equity in the driver's license revocation process. The law should account for rehabilitation under certain safeguards as contained in this measure. However, this measure should not be construed as forgiving the offending driver. The driver must still live with the consequences of the past. Your Committee recommends passage of this measure out of compassion for those who have paid the debt of their past indiscretions.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 946, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 946, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Inouye, Taniguchi, Gabbard).

SCRep. 247 (Joint) Transportation and International Affairs, Education and Energy and Environment on S.B. No. 983

The purpose of this Act is to make an appropriation for an energy efficiency transportation strategies study.

Your Committees received testimony in support of this measure from the Hawaii Energy Policy Forum (Forum) of the University of Hawaii at Manoa. Comments were received from the Department of Business, Economic Development, and Tourism.

Your Committees find transportation is responsible for an inordinate amount of fuel consumption, including fuel used in motor vehicles, busses, and jet planes. Your Committees further find that reducing the demand for fuel in transportation modalities would greatly reduce our dependence on oil.

Under this measure, the Hawaii Energy Policy Forum, a part of the Social Sciences Public Policy Center at the University of Hawaii at Manoa, proposes to conduct a study on energy efficient transportation strategies in conjunction with the Department of Business, Economic Development, and Tourism. In 2005, the Forum adopted a comprehensive "10 Point Action Plan" which serves as a framework for meeting the State's preferred energy and vision goals. However, no current energy efficient strategy is in place for the transportation sector.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Education and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 983 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, 5 (Hee, Ihara, Inouye, Kokubun, Tsutsui).

SCRep. 248 Transportation and International Affairs on S.B. No. 152

The purpose of this measure is to require the expenditure of at least two per cent of eligible federal moneys in the State Highway Fund to establish bike paths and bike lanes in the State's Master Bicycling Plan.

This measure also requires the Department of Transportation (DOT) to include the bicycling community in a public involvement process to plan bikeways, and requires an allocation of highway maintenance funds to ensure the safety of bikeways.

Your Committee received testimony in support of this measure from the City and County of Honolulu Department of Transportation Services, Hawaii Bicycling League, PATH, Sierra Club, Hawai'i Chapter, Maui Bicycle Alliance, AARP Hawaii, and fourteen individuals including the oral support of a State Representative. Testimony in opposition was received from the Department of Transportation.

Your Committee finds that bikeways are urgently needed to encourage commuters, particularly on Oahu, to take advantage of the opportunities Hawaii's ideal weather and gentle terrain provide for comfortable and healthy traveling via bicycle between home and workplace.

The intent of this measure is to increase the number of bike paths and bike lanes by ensuring a minimum allocation of funds for bicycling projects, as well as to increase the safety of bicyclers by including them in the planning stages of bikeways and increasing the maintenance of bikeways.

Your Committee has amended this measure to accommodate the desires of the Hawaii Bicycling League, Department of Transportation, and the State Representative by:

- (1) Clarifying that State Highway Fund moneys, whether state funds or federal funds, shall be expended on bikeways on new or existing highways, roads, and streets, whenever practicable, in the process of design and planning;
- (2) Requiring at least two per cent of eligible federal funds, and in addition, other state highway fund moneys as available, to be expended on establishing bike paths and to install signage and safety devices along bicycle lanes and bicycle routes, upon consultation with the bicycling community; and
- (3) Requiring that mass transit systems plans shall include safe, dedicated bikeways, bike lanes, and bike paths and may include a requirement that bicycle racks be installed and utilized on mass transportation vehicles.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 152, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 152, 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 (Inouye, Taniguchi, Gabbard).

SCRep. 249 Transportation and International Affairs on S.B. No. 774

The purpose of this measure is to create a senior vanpool Hawaii program as a two-year pilot project.

Your Committee received testimony in support of this measure from the Department of Transportation, AARP Hawaii, and two individuals.

Your Committee finds that senior citizens are most in need of ordinary daily transportation. Currently, public transportation is limited to the public bus or the handi-van service. Yet, many seniors may prefer not to ride the bus or may not otherwise qualify for the handi-van. It is this gap group of the population who would benefit from a vanpool type arrangement with volunteer drivers. Such a program would be patterned after the vanpool arrangement for commute-to-work. For example, a senior citizen could utilize a vanpool for transportation to locations within the community, including food establishments, adult day care, shopping centers, markets, and recreational centers. The proposed senior vanpool Hawaii program is similar to the City and County of Honolulu's Handi-Van service.

The intent of this measure is to increase the quality of life for senior citizens who are not handicapped and yet have difficulty commuting on their own. This is the gap group that is underserved by public transportation.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 774 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 (Inouye, Taniguchi, Gabbard).

SCRep. 250 Transportation and International Affairs on S.B. No. 1191

The purpose of this measure is to require the Department of Transportation to conduct a pilot study to identify intersections where the time to cross the intersection is insufficient for elderly pedestrians, and to appropriate funds for the implementation of the pilot study.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT), the City and County of Honolulu Department of Transportation Services (DTS), Kokua Council, Hawaii Bicycling League, and AARP Hawaii.

Your Committee finds that Hawaii's elderly pedestrians should not have to rush to cross the street. The length of a flashing indication should be sufficient for elderly pedestrians to cross the street safely. A 2004 Elderly Pedestrian Integration Report prepared by SMS Research & Marketing Services, Inc. for the DOT indicated that there are approximately five hundred sixty pedestrian injuries in Hawaii each year, and that an average of twenty-eight pedestrians die each year after being struck by a car. Elderly pedestrians, age sixty-five and older, constituted the highest number of pedestrian fatalities when compared to all other age groups in Hawaii.

The intent of this measure is to protect pedestrians of all ages while they are in a crosswalk. Adjusting the timing of crosswalk signal indicators is the first step in this direction.

Your Committee has amended this measure on the recommendation of the DOT by:

- (1) Adding to the study the impacts on current traffic volumes when pedestrian walk times are lengthened;
- (2) Allowing the DOT to involve the DTS, since city streets are quite likely to be affected;
- (3) Deleting reference to AARP Hawaii data in the interests of conducting an independent study;
- (4) Allowing the DOT to contract out the study to a consultant;
- (5) Delaying the final reporting requirement by one year and requiring that an interim report be submitted to the Legislature prior to the 2008 Regular Session; and
- (6) Inserting an appropriation of \$1,000,000 for the study.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1191, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1191, 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 (Inouye, Taniguchi, Gabbard).

SCRep. 251 Energy and Environment on S.B. No. 839

The purpose of this measure is to ensure public safety by requiring that individuals who use restricted pesticides are properly licensed.

The measure accomplishes this purpose by defining structural pest control applicator as a person who holds a license pursuant to chapter 460J, Hawaii Revised Statutes, and by making it illegal for a dealer to sell restricted use pesticides to structural pest control applicators whose license is more than one hundred twenty days delinquent.

Your Committee received testimony in support of this measure from the Hawaii Pest Control Association. The Department of Agriculture submitted comments on this measure.

Your Committee finds that formerly licensed pest control operators have continued to use restricted chemicals without proper licenses. Your Committee further finds that it is important to protect the public's health and safety, that individuals who use these often lethal chemicals are appropriately licensed to ensure the proper usage and application of these chemicals.

Your Committee amended this measure by deleting the reference to structural pesticide applicators. Your Committee has further amended the measure by clarifying that the pesticide applicator is also responsible for the unlicensed use of restricted use pesticides by requiring that a pesticide applicator be licensed pursuant to chapter 460J, Hawaii Revised Statutes, or under the supervision of persons certified in commercial pest control, unless the certified applicator or persons under their supervision are directly employed or supervised by a person licensed under chapter 460J, Hawaii Revised Statutes, and whose license is valid within one hundred twenty days of the purchase date.

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. 839, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 839, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 252 Energy and Environment on S.B. No. 1364

The purpose of this measure is to facilitate environmental cleanups.

Specifically, this measure repeals the sunset date on the Hawaii Brownfields Cleanup Revolving Loan Fund.

Testimony in support of this measure was submitted by the Office of Planning and the Department of Health.

Your Committee finds that this measure will enable the State to continue to offer low-cost loans to innocent landowners and prospective purchasers of contaminated properties to cleanup of contaminated properties. Repealing the sunset date will also ensure the continuation of federal funding for brownfield cleanup.

This measure was amended to take effect on June 29, 2007, rather than upon approval, to ensure the amendment takes place before the provisions are repealed on June 30, 2007.

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. 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 referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Kokubun).

SCRep. 253 (Majority) Energy and Environment on S.B. No. 1000

The purpose of this measure is to encourage community participation in the State's recycling program.

Specifically, this measure requires redemption centers to compute the refund value per container at the request of the redeemer for up to two hundred containers.

Testimony in opposition to this measure was submitted by the Department of Health, Reynolds Recycling, and RRR Recycling Services Hawaii.

Your Committee finds that this measure will reduce the underpayment that results when refunds are based on weight rather than by individual container unit, thereby providing a larger incentive for individuals and organizations to recycle.

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. 1000 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 (Trimble). Excused, 1 (Kokubun).

SCRep. 254 Energy and Environment on S.B. No. 1375

The purpose of this measure is to authorize the Public Utilities Commission to consider the need for increased renewable energy use in exercising its authorities and duties under chapter 269, Hawaii Revised Statutes.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism; Public Utilities Commission; Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; Hawaiian Electric Company, Inc.; Sierra Club, Hawai'i Chapter; Hawaii Solar Energy Association; Hawaii Renewable Energy Alliance; Haiku Design and Analysis; and Honolulu Seawater Air Conditioning, LLC.

Your Committee finds that intensifying worldwide competition for oil heightens the risk to the State's economy due to the continuing price volatility, and persistent likelihood of sudden, severe crude oil price spikes. Moreover, Hawaii is increasingly reliant on oil from the Middle East. From 1992 to 2004, Hawaii's crude oil imports from the Middle East averaged less than one per cent annually. In 2005, the total percentage was twenty-five per cent.

It is the intent of your Committee to support the increased development of renewable energy resources and reduce the State's reliance on imported oil by requiring, rather than permitting, the Public Utilities Commission to consider the need for increased renewable energy.

Your Committee has amended this measure to make the Public Utilities Commission consideration of the need for increased renewable energy mandatory and by making a nonsubstantive amendment for the purpose of 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. 1375, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1375, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Kokubun).

SCRep. 255 Energy and Environment on S.B. No. 1627

The purpose of this measure is to appropriate funds for grants-in-aid to the counties to eradicate and control coqui frogs.

Testimony in support of this measure was received from the Department of Agriculture; Department of Land and Natural Resources; the Chair and two members of the Maui County Council; Maui Invasive Species Committee; Maui Outdoor Circle; The Nature Conservancy; Hawaii Audubon Society; Hawaii Association of Realtors; The Ritz-Carlton, Kapalua; Hula Girl Garden and Gallery; and five individuals.

Your Committee finds that despite coordinated efforts by federal, state, and county government, as well as the private sector, there are coqui frog populations on all the main Hawaiian islands. Additional funding at the county level, as proposed in this measure, would support the comprehensive statewide effort outlined in "Hawaii's Coqui Frog Management, Research, and Education Plan", developed by key stakeholders in 2006.

It is the intent of your Committee to support the ongoing efforts to control the coqui frog population, and to keep this invasive species from spreading further throughout the islands.

Your Committee has amended this measure to appropriate \$300,000 to be expended by the County of Kauai, as specified in S.B. No. 719. Your Committee notes that the \$2,000,000 appropriation contained in this measure, and to be expended by the County of Hawaii, is identical to the appropriation in S.B. No. 1595. Your Committee has left the appropriated amounts unspecified for the County of Maui and the City and County of Honolulu, awaiting further information from the respective 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. 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, 4. Noes, none. Excused, 1 (Kokubun).

SCRep. 256 Energy and Environment on S.B. No. 1718

The purpose of this measure is to support the development of renewable and efficient energy systems in the State.

Specifically, this measure authorizes the Department of Budget and Finance to issue special purpose revenue bonds for the construction of a biodiesel refinery on Maui with primary production volumes designated as fuel for electrical generation in which BlueEarth Maui Biofuels, LLC is involved.

Testimony in support of this measure was submitted by the Department of Business, Economic Development and Tourism, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, and BlueEarth Maui Biodiesel. The Department of Budget and Finance submitted comments.

Your Committee finds this measure will help meet the goals of the State's Renewable Portfolio Standard and Alternate Fuels Standard. Your Committee further finds that by increasing the availability of locally grown biofuels, the state will not only increase its energy security and mitigate greenhouse gases, but will encourage a viable, local agricultural industry. It will also result in the reduction of imported livestock feed since the by-products of biodiesel are an excellent alternative.

Your Committee finds that the issuance of special purpose revenue bonds under this measure is 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1718 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 (Kokubun).

SCRep. 257 Energy and Environment on S.B. No. 1720

The purpose of this measure is to reduce industrial waste in our landfills.

Specifically, this measure authorizes the Department of Budget and Finance to issue up to \$100,000,000 in special purpose revenue bonds for the purpose of assisting Jacoby Development, Inc., for acquisition of lands and the planning, designing, constructing, and equipping of a plasma municipal solid waste processing system on the island of Oahu.

Testimony in support of this measure was submitted by Geoplasma LLC, a subsidiary of Jacoby Development, Inc., Nanakuli Hawaiian Homestead Community Association, Wai'anae Hawaiian Homestead Community Association, Waianae Kai Homestead Association, and two individuals.

Your Committee finds that the island of Oahu is facing critical problems regarding municipal waste disposal from industrial sources.

Your Committee further finds that, given our limited space, the State must embrace cutting edge technology that can not only address our waste problems in the future, but also improve our existing environmental issues. Authorizing special purpose revenue bonds for this purpose will allow us to do so while not incurring any expense to the State.

Your Committee further finds that the Jacoby Development, Inc. Plasma Municipal Solid Waste Processing System has the strong support of the Native Hawaiian Homestead Associations.

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. 1720 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 (Kokubun).

SCRep. 258 Energy and Environment on S.B. No. 1947

The purpose of this measure is to make an emergency appropriation for the State's Deposit Beverage Container Program.

Your Committee received testimony in support of this measure from the Department of Health.

Your Committee finds that this measure provides sufficient moneys to meet the increased expenses of the Deposit Beverage Container Program by making an emergency appropriation. Increased container numbers plus the current redemption rate of about sixty-eight per cent results in more deposits to refund and more redemption center handling fees. Refunds and handling fees may exceed \$52,000,000. There are sufficient moneys in the Deposit Beverage Container Special Fund to support the proposed appropriation increase.

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. 1947 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 (Kokubun).

SCRep. 259 (Joint) Energy and Environment and Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 890

The purpose of this measure is to reduce the State's dependency on fossil fuels.

Specifically, this measure appropriates \$450,000, for fiscal year 2007-2008, for the University of Hawaii Center for Conservation Research and Training to develop comprehensive agricultural management practices to facilitate the sustainable production of crops through the long-term enhancement of soil quality using ecologically-responsible means.

Testimony in support of this measure was submitted by the University of Hawai'i System, Garden Island Resource Conservation and Development, Inc., Hawaiian Mahogany, Inc., Joule Junction, LLC, Kauai County Farm Bureau, and two individuals.

Your Committees find that this measure provides for a critical sustainable agriculture strategies and education program that would allow Hawaii to increase both our food and energy production while reducing atmospheric carbon dioxide levels and increasing state employment. This measure will support local farmers and provide for a potential alternative crop, thereby reducing Hawaii's dependence on off island food and energy providers.

Your Committees find these are important goals for the public interest and that the appropriation made by this measure is a good use of state resources.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 890 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, 1 (Fukunaga).

SCRep. 260 Education on S.B. No. 605

The purpose of this measure is to accelerate the process by which the State may infuse qualified teachers into Hawaii's educational system.

Specifically, the measure authorizes the Hawaii Teacher Standards Board to issue Hawaii teaching licenses to teachers from other states whose licensing standards are equivalent to or higher than Hawaii's.

Testimony in support of this measure was submitted by the Department of Education. Testimony in opposition to this measure was submitted by the University of Hawaii, the Hawaii Teacher Standards Board, the Hawaii State Teachers Association, and one individual.

Your Committee finds that Hawaii's schools and their students can benefit greatly from the licensure of qualified teachers from outside of the State. The ability to license qualified teachers from outside of Hawaii is particularly important during times of teacher shortages. Under existing law, the Hawaii Teacher Standards Board is required to pursue full teacher license reciprocity with the mid-Atlantic states, as well as with California, Colorado, Illinois, Michigan, New York, Oregon, and Washington. This measure, as received by your Committee, removes the requirement to pursue reciprocity and instead requires the automatic licensure of teachers with licenses issued by the aforementioned list of seven states and any other state whose licensing standards are not lower than Hawaii's.

Your Committee recognizes the concerns presented on the difficulty the board would have in defining and implementing a standard to allow the issuance of a Hawaii teaching license to a teacher who is licensed by a state other than the seven listed states without any criteria to determine whether that state's standard is lower than Hawaii's.

Accordingly, your Committee has amended this measure by:

- (1) Adding language to clarify the need for and intent of the measure;
- (2) Removing the requirement that the Hawaii Teacher Standards Board issue a Hawaii teaching license to a teacher with a license issued by any state whose licensing standards are not lower than Hawaii's;
- (3) Requiring the Hawaii Teacher Standards Board to pursue full teacher license reciprocity with all other states; and
- (4) Making a technical, nonsubstantive amendment for 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. 605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 605, 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 (Nishihara, Taniguchi).

SCRep. 261 Judiciary and Labor on S.B. No. 155

The purpose of this bill is to expand public internet access of convicted sex offenders.

Currently, public access to registration information of sex offenders is provided through on-site public access and internet public access. The on-site public access is at the Hawaii Criminal Justice Data Center and at designated police stations in each county. The internet public access is only provided for the most serious offenses and does not disclose all registered sex offenders. This bill will provide for expanded public internet access of all registered sex offenders.

Your Committee heard testimony from several concerned citizens and the Executive Director of Hawaii Family Forum in support of expanding the list of sex offenders to be included on the internet. Your Committee heard testimony from the Attorney General and the Public Defender against the expansion of sex offender information on the internet. However your Committee found that the public interest in expanding the public access on the internet was more compelling in safeguarding public safety. It is important that the public has ready access to the sex offender registration information.

Act 230, Session Laws of Hawaii 2006, enacted two new sex offenses as class A felonies. These two felonies were not included in the registration statute. One of the new class A felony is §707-730(1)(d) which prohibits a person from knowingly subjecting to sexual penetration another person who is mentally defective. The other new class A felony is §707-730(1)(e) which prohibits a person from knowingly subjecting to sexual penetration another person who is mentally incapacitated or physically helpless as a result of the influence of a substance that the actor knowingly caused to be administered to the other person without the other person's consent. The bill was amended to include the two class A felonies in the definition of "aggravated sexual offenses" and "sexual offenses" under Chapter 846E, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 155, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 155, 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. 262 Judiciary and Labor on S.B. No. 959

The purpose of this measure is to provide that bench warrants, with the exception of grand jury bench warrants in class A and B felony cases, shall expire five years after issuance and for extension of the expiration period upon a showing of good cause.

There exist a backlog of approximately 74,000 bench warrants that have not been served. Of the total amount, approximately 51,000 warrants are traffic warrants and approximately 20,000 are misdemeanor warrants. This amounts to 71,000 or 96% of the unserved warrants.

The 2006 Legislature mandated the creation of a task force of the responsible agencies involved with the warrants. Beside a request for more money to hire more personnel, the task force identified that the agencies needed to refocus its priorities to serving the warrants if it expects to diminish the backlog. The task force also identified that there is a need to develop a centralized database system that will be more efficient and useful for the affected agencies. Most of the problems identified can be corrected administratively by the agencies. Your Committee is hopeful that this bill will prompt the agencies to respond more quickly to the backlog if it is a priority. If not, then this bill will eliminate the warrants that are not a priority for the agencies.

Your Committee received testimonies in support from the Hawaii Paroling Authority and from the Public Defender's Office. Your Committee heard testimonies from the prosecuting attorneys offices in Honolulu and Maui and from the Attorney General's Office in opposition to the bill. The Judiciary took no position on the bill.

Your Committee amended the bill to resolve the concerns articulated by the Honolulu Prosecutor's Office, the Hawaii Paroling Authority, and the Attorney General's Office. Your Committee provided for the exemption of all felony cases, domestic violence cases, and parole warrants from the expiration mandate. Your Committee further amended the bill to refer to warrants generally so that there is no semantic dispute with bench warrants, arrest warrants, and retake warrants.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor 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 Second Reading in the form attached hereto as S.B. No. 959, 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. 263 Judiciary and Labor on S.B. No. 945

The purpose of this measure is to require state justices and judges to file public financial interest disclosure statements with the Hawaii State Ethics Commission.

Currently, state justices and judges are required to file annual financial disclosure statements on a form approved by the Hawaii Supreme Court. Rule 15 of the Rules of the Supreme Court establishes financial disclosure requirements nearly identical to those established for enumerated state officials under HRS Chapter 84. Presently, public access is gained by going to the Supreme Court Clerk's office. This bill does not change that practice but merely require that financial disclosures be filed with the State Ethics Commission where the information is more accessible to the public. Simply filing a copy of the same documents at another agency will not unduly burden the justices and judges. This will ensure that the State Ethics Commission is the central repository for all state financial disclosures.

Your Committee heard testimony for Daniel Mollway of the State Ethics Commission in support of the bill. Your Committee also heard testimony from Susan Pang-Gochros, representing the Judiciary, in opposition to the bill. Your Committee finds that this bill does not violate any constitutional separation of powers since Article 14 of the Hawaii State Constitution provides that the Legislature shall adopt a code of ethics

which shall apply to appointed officers and employees of the State which, by definition, includes the justices and judges. It should also be pointed out that Congress enacted a very detailed financial disclosure law for federal judges.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 945 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. 264 Economic Development and Taxation on S.B. No. 711

The purpose of this measure is to establish a ten-year statute of limitations on tax collections, and to clarify that the three-year statute of limitations on tax assessments for the general excise tax, use tax, and other period taxes begins at the filing of each periodic return.

Testimony in support of this measure was received from The Chamber of Commerce of Hawaii; Hawaii Society of Certified Public Accountants; Volunteer Legal Services Hawai'i; Chun, Kerr, Dodd, Beaman & Wong; Horwath Kam & Company; and three individuals. The Department of Taxation (Department) opposed the measure. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that under existing law, Hawaii has no statute of limitations on the collection of delinquent taxes, unlike the federal government, which has a ten-year statute of limitations. Your Committee has heard the concerns of the Department, that the federal government is far more adequately funded and staffed to collect delinquent taxes within the ten-year period. However, members noted that the Department has also recently announced record levels of delinquent tax collections, and has requested substantially increased funding in the current budget cycle for additional staff and technological resources to be used in part for collection of past due taxes.

With regard to the three-year statute of limitations on assessment of periodic returns, your Committee finds that the existing law is confusing, and leaves law abiding taxpayers vulnerable to misinterpretation of their responsibilities in filing. Your Committee members believe clarification would be in the best interests of both taxpayers and the State in its efforts to administer Hawaii tax law in a judicious and efficient manner.

Your Committee received a revenue impact statement from the Department that the proposal could cost \$50,000,000 annually in lost tax revenues.

In its methodology, the Department states that the effect of the ten-year statute of limitations is uncertain, as it could speed up the Department of Taxation collections on accounts that are long overdue. According to the Collections Division, in the six-month period ending December 31, 2005, the Department collected about \$4,500,000 in delinquent taxes from accounts more than ten years old. However, that amount represented less than one per cent of the total tax collections of \$4,600,000,000 in fiscal 2005. According to estimates from the Department's Audit Division, the change in the statute of limitations for periodic returns for the general excise tax might have cost \$40,000,000 in lost revenues in fiscal year 2006.

Your Committee has considered the concerns of the Department, but believes that these projections are based on optimal collections of delinquent taxes, as opposed to actual collections, as stated above. In addition, your Committee notes that the revenue loss does not fall in any one year, but would be spread over a number of years.

Further, your Committee believes that the testimony by the Department is somewhat overstated. The Department's statement that the Internal Revenue Service (IRS) is better staffed and funded, fails to note that the computers used by IRS are substantially out of date compared to the Department's computer system. The Department has all the tools that the IRS has to collect before the three or ten year limitation period; those include levy, attachment, and execution. In addition, the Department states that where there are large tax liabilities, it may take decades for a taxpayer to accumulate sufficient wealth to be able to pay their tax bill. If the Department is operating correctly, the taxpayer should be on a payment plan and already paying off their tax liability. These plans generally require a down payment and only run, at the most, for a few years. Your Committee notes that the Department also keeps aging records and thus would know when the three or ten year period is about to be triggered.

After careful review, your Committee finds that the provisions in this measure will provide needed conformity with federal tax law, as well as ensure clarity for Hawaii taxpayers in meeting their tax obligations in a timely manner.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 711 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. 265 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 663

The purpose of this measure is to protect near shore and reef fisheries by authorizing the Department of Land and Natural Resources to conduct administrative inspections of bags and containers used to transport aquatic life.

Specifically, this measure amends section 187A-15, Hawaii Revised Statutes, by:

- (1) Authorizing Division of Conservation and Resources Enforcement officers to conduct administrative inspections of bags or containers that could be used to transport aquatic life;
- (2) Repealing the probable cause requirement to conduct examinations or searches of bags or containers that could be used to transport aquatic life; and
- (3) Directing the Department of Land and Natural Resources to create an administrative inspection scheme to enforce its aquatic rules.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources; the Nature Conservancy; the Ocean Law and Policy Institute of the Pacific Forum CSIS; the Sierra Club, Hawaii Chapter; the Hawaii Audubon Society; and three private individuals.

Hawaiian commercial and recreational marine life stocks are depleted, over-utilized, and in danger of irretrievable exhaustion. Although management tools have been enacted, fishery assessment depends on the voluntary cooperation of those who harvest these resources. While most

fishers are willingly cooperative, increasing stock scarcity has led to conspicuous instances of obstruction of the efforts by Division of Conservation and Resources Enforcement officers to inspect catch.

Your Committee finds that the current probable cause provision under section 187A-15, Hawaii Revised Statutes, does provide a degree of constitutional protection while at the same instance, may unduly hinder enforcement officers by preventing them from inspecting containers that may be used to transport fish and other aquatic life. Thus, this greatly weakens the effect of fisheries management measures, such as bag and size limits. While your Committee recognizes the seriousness of repealing the probable cause requirement from section 187A-15, Hawaii Revised Statutes, establishing an administrative inspection scheme will enable Division of Conservation and Resources Enforcement officers to better inspect and enforce the State's fishing laws.

Your Committee has amended this measure by:

- (1) Adopting language suggested by the Department of Land and Natural Resources and the Ocean Law and Policy Institute of the Pacific Forum CSIS by:
 - (A) Adding fishing registrations along with fishing licenses and permits to conform better with the new federal fisheries regulations that mandate the registration of recreational saltwater anglers;
 - (B) Adding that section 187A-13, Hawaii Revised Statutes, relating to petty misdemeanor penalties will not apply to violations of section 187A-15;
 - (C) Adding provisions that require owners of fishing licenses, permits, or registrations to physically possess their paperwork when engaged in fishing activities, show their paperwork and allow for an inspection when asked by a Division of Conservation and Resources Enforcement officer, and agree to comply with all terms, conditions, laws, rules, and regulations applicable to the fishing license, permit, or registration;
- (2) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committee recognizes that repealing the probable cause requirement under section 187A-15, Hawaii Revised Statutes, may pose a constitutional issue. Your Committee believes that this issue merits further discussion by the Committee on Judiciary and Labor.

Your Committee believes that this measure, as amended, will provide a valuable tool for Division of Conservation and Resources Enforcement officers who are charged with enforcing the State's natural resource laws, and fulfills the intent of this measure, which is to protect near shore and reef fisheries.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 663, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 663, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hee).

SCRep. 266 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 659

The purpose of this measure is to support efforts to achieve a more efficient means of consolidating, processing, distributing, and marketing of agricultural products from the neighbor islands by establishing a terminal market pilot program on the island of Hawaii.

Specifically, this measure:

- (1) Appropriates \$200,000 for the planning of a terminal market pilot program on the island of Hawaii;
- (2) Appropriates \$50,000 for the Department of Agriculture to hire a consultant to assist in the planning of terminal markets;
- (3) Requires the consultant to coordinate with the Department of Agriculture to form a committee relating to terminal markets; and
- (4) Authorizes \$3,000,000 in general obligation bonds to finance the construction of and equipment for a terminal market and vacuum cooling plant for the island of Hawaii.

Testimony in support of this measure was submitted by the Department of Agriculture and the Hawaii Farm Bureau Federation.

Currently, Hawaii farmers are hindered from selling their agricultural products due to their inability to consolidate, process, and ship marketable quantities of food. Inter-island shipping costs can be economically unfeasible for farmers and can inhibit them from expanding their agricultural production. Your Committee finds that establishing a terminal market pilot program will aid local agricultural producers, regardless of the size of their agricultural operations, to meet the fresh food requirements of the military sector, the public, and for export to the mainland.

Your Committee has amended this measure by 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 Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 659, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 659, 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 (Fukunaga, Tokuda).

SCRep. 267 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 662

The purpose of this measure is to establish incentives and protections for important agricultural lands pursuant to chapter 205, part III, Hawaii Revised Statutes, by authorizing the Director of Finance to guaranty loans relating to agricultural projects on important agricultural lands.

Testimony in support of this measure was submitted by the Department of Agriculture, the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, and the Hawaii Agriculture Research Center.

The Legislature enacted Act 183, Session Laws of Hawaii 2005, to establish standards, criteria, and mechanisms to identify important agricultural lands and implement the intent and purpose of Article XI, section 3, of the Hawaii State Constitution. However, incentive and protection programs must be established before the Land Use Commission can begin to designate lands as important agricultural lands.

Financing is a critical component of the long-term viability of farmers to sustain their agricultural businesses. Your Committee finds that establishing a guaranty loan program for agricultural projects on designated important agricultural lands will provide better security for agricultural producers to meet their financial requirements and sustain their businesses. Although agriculture loans are often viewed as high risk ventures, your Committee believes that authorizing the Director of Finance to guaranty agriculture loans for projects on designated important agricultural lands will provide commercial lenders the assurance that their loans will be backed by the State.

Your Committee was concerned with the absence of testimony from the Department of Budget and Finance as this measure applies to the Director of Finance. Specifically, your Committee had concerns with the risk and liability this measure may impose on the State and whether a principle amount loan ceiling may be necessary for better implementation of this measure. Thus, your Committee requested that the Hawaii Farm Bureau Federation consult with the Department of Budget and Finance for its input and any recommendations relating to this measure. The Hawaii Farm Bureau Federation was able to consult with the Department of Budget and Finance and provided your Committee with additional information.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that allows the loan guaranty to be up to one hundred per cent of the principle amount of the loan and replacing it with language that allows the loan guaranty to be up to eighty-five per cent of the principle amount of the loan to encourage private commercial lenders to be more diligent in reviewing and approving agriculture loans;
- (2) Adding language that authorizes the Director of Finance to guaranty a qualified agriculture loan with a principle amount of up to \$2,500,000; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

Your Committee believes that establishing a guaranty loan program will provide an incentive mechanism that will encourage farmers and landowners to designate their lands as important agricultural lands under chapter 205, part III, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 662, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 662, 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. 268 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 837

The purpose of this measure is to promote Hawaii's diversified agricultural industry and protect its agricultural lands for long term agricultural activities by authorizing the Agribusiness Development Corporation to purchase and lease privately owned agricultural lands in Kunia.

Specifically, this measure:

- (1) Authorizes the Agribusiness Development Corporation to issue revenue bonds to purchase privately owned agricultural lands in Kunia;
- (2) Appropriates funds to the Agribusiness Development Corporation for the purchase of agricultural lands in Kunia that are owned by private entities;
- (3) Enables the Agribusiness Development Corporation to contract with banks for lease management services; and
- (4) Allows the Agribusiness Development Corporation to lease the Kunia agricultural lands under its control for up to fifty-five years.

Testimony in support of this measure was submitted by the Agribusiness Development Corporation; the Department of Planning and Permitting, City and County of Honolulu; the Hawaii Crop Improvement Association; Hawaii Farm Bureau Federation; Maui County Farm Bureau; the Hawaii Agriculture Research Center; and one individual. Testimony in opposition to this measure was submitted by the International Longshore and Warehouse Union (ILWU) Local 142.

Protecting agricultural lands is fundamental to Hawaii's future agricultural industry and sustainable food supply. Growing food locally improves Hawaii's food security, and conserves and protects green, open spaces. The agricultural lands in Kunia are one of the best and most productive agricultural lands in the State, but it is also located in an area that has a great demand for residential and urban development.

Your Committee finds that enabling the Agribusiness Development Corporation to purchase agricultural lands in Kunia, and then lease those lands for up to fifty-five years will ensure that these lands will remain for agricultural production. Your Committee believes that the purchase of strategic parcels of agricultural lands, such as the parcels in Kunia, will ensure that these lands will remain in agriculture in perpetuity.

Your Committee has amended this measure by:

- (1) Adopting language suggested by the Hawaii Agriculture Research Center to provide that, along with purchasing, accepting, and maintaining permanent conservation easements, the Agribusiness Development Corporation may also transfer the permanent conservation easement to a qualified land trust; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to ensure that the agricultural lands in Kunia will remain for agricultural activities, and promote a viable and diversified agricultural industry in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 837, 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. 269 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 934

The purpose of this measure is to promote Hawaii's diversified agricultural industry and protect its agricultural lands for long term agricultural activities by authorizing the Agribusiness Development Corporation to issue revenue bonds to purchase land in Central Oahu from the Galbraith Trust.

Specifically, this measure:

- (1) Authorizes the Agribusiness Development Corporation to issue revenue bonds to purchase agricultural lands in Central Oahu and owned by the Galbraith Trust;
- (2) Appropriates funds to the Agribusiness Development Corporation for the purchase of agricultural lands in Central Oahu and owned by the Galbraith Trust;
- (3) Enables the Agribusiness Development Corporation to contract with banks for lease management services; and
- (4) Allows the Agribusiness Development Corporation to lease these agricultural lands under its control for up to fifty-five years.

Testimony in support of this measure was submitted by the College of Tropical Agriculture and Human Resources, University of Hawaii; the Agribusiness Development Corporation; the Department of Planning and Permitting, City and County of Honolulu; and the Hawaii Farm Bureau Federation. Testimony in opposition to this measure was submitted by Bank of Hawaii as Trustee of the Galbraith Trust. The Department of Budget and Finance submitted comments.

Protecting agricultural lands is fundamental to Hawaii's future agricultural industry and sustainable food supply. Growing food locally improves Hawaii's food security, and conserves and protects green, open spaces. The agricultural lands in Central Oahu owned by the Galbraith Trust are some of the best and most productive agricultural lands in the State, but it is also located in an area that has potential for residential and urban development. Bank of Hawaii, as Trustee of the Galbraith Trust indicated that dissolution of the Galbraith Estate has been initiated and hence, the sale of the Galbraith Estate holdings may soon be forthcoming.

However, your Committee finds that enabling the Agribusiness Development Corporation to purchase agricultural lands owned by the Galbraith Trust, and then lease those lands for up to fifty-five years will ensure that these lands will remain for agricultural production. Your Committee believes that the purchase of strategic parcels of agricultural lands, such as the parcels owned by the Galbraith Trust, will ensure that these lands will remain in agriculture in perpetuity, and should be pursued with haste.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of consistency and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, 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 referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 3. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Fukunaga, Tokuda).

SCRep. 270 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 939

The purpose of this measure is to encourage and assist Native Hawaiian homestead owners and residents to participate in the strengthening and developing the community in which they live, by establishing a Hawaiian Home Lands Community Development Fund with revenue-sharing from commercial development projects to be used for community and cultural programming in Hawaiian homestead communities.

Testimony in support of this measure was submitted by the State Council of Hawaiian Homestead Associations, the Council for Native Hawaiian Advancement, the Wai'anae Valley Homestead Community Association, the Wai'anae Kai Hawaiian Homestead Association, the Nanakuli Hawaiian Homestead Community Association, the Ahupua'a of Maui, and one individual. Testimony in opposition to this measure was submitted by the Department of Hawaiian Home Lands.

The intent of the Hawaiian Homes Commission Act of 1920, as amended, is to return lands to the Native Hawaiians and allow them to participate in building their own communities, which observe their culture and way of life. The growth of Hawaiian homestead communities leads to the development of skills and expertise, which are needed for self-governance and self-determination. Native Hawaiian homestead community organizations have a mission to improve the conditions of their communities, however, a majority of these associations lack the expertise and resources to implement programs and services that would improve the life conditions in the homestead communities.

Commercial development of Hawaiian Home Lands can be an important tool in the administration of the Hawaiian Home Lands Trust. Your Committee finds that setting aside a percentage of the revenues earned into a Hawaiian Home Lands Community Development Fund will provide funding for community development efforts and cultural programming. Your Committee believes that establishing a community development fund fulfills the intent of this measure, which is to encourage and assist Native Hawaiian homestead owners and residents to participate in the strengthening and development their homestead communities.

Your Committee has a concern that establishing the Hawaiian Home Lands Community Development Fund is creating a special fund under the Hawaiian Homes Commission Act of 1920, and believes that this concern merits further discussion by the Committee on Ways and Means.

Your Committee has amended this measure by adding language that declares any amendments made to the Hawaii Homes Commission Act of 1920 be severable.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 939, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 939, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 5. Ayes with Reservations, 1 (Slom). Noes, none. Excused, none.

SCRep. 271 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 940

The purpose of this measure is to encourage and assist Native Hawaiian homestead beneficiaries to finance the purchase or construction of homes on Hawaiian Home Lands by amending the Hawaiian Homes Commission Act of 1920, as amended, to require the Department of Hawaiian Home Lands to consult the trust beneficiaries prior to implementing any policies and agreements that will lower the allowable loan limits for mortgage products designed for Hawaiian Home Lands Trust properties.

Testimony in support of this measure was submitted by the State Council of Hawaiian Homestead Associations, the Council for Native Hawaiian Advancement, Hawaiian Community Assets, Waianae Kai Hawaiian Homestead Association, the Wai'anae Valley Homestead Community Association, the Nanakuli Hawaiian Homestead Community Association and a private individual. Testimony in opposition to this measure was submitted by the Department of Hawaiian Home Lands.

The Department of Housing and Urban Development (HUD) administers Federal Housing Administration (FHA) loan guaranty programs to promote home ownership and increase access to capital to Americans. HUD administers the FHA 247 program, which is a loan guaranty program for Native Hawaiian beneficiaries of the Hawaiian Home Lands Trust to promote home ownership on Hawaiian Home Lands properties. The FHA 247 program allows borrowers to access their equity from the value of their homes, and requires borrowers to pay mortgage insurance fees into a reserve fund, which is used by the State to cover delinquent loans. The FHA 247 program has resulted in successful home ownerships on Hawaiian Home Lands by making loans more readily available for lower and moderate income families through its mortgage insurance program. Furthermore, the program has allowed families to access their equity through refinance options.

In 2006, the State made a policy change at the administrative level to request from HUD a new FHA agreement that would lower the loan-to-value ratio from ninety-five per cent to seventy-five per cent on mortgage loans under the FHA 247 loan product program to lower the Hawaiian Home Lands Trust's loan loss risk of its FHA 247 portfolio. Your Committee finds this policy change has a direct impact on the beneficiaries of the trust and reduces the availability of capital available to the Hawaiian Home Lands residents. Requiring the Department of Hawaiian Home Lands to consult with the beneficiaries of the trust prior to agreeing to lower allowable loan amounts will allow the beneficiaries the opportunity to provide input in actions that directly impacts their ability to sustain home ownership. Your Committee believes that amending the Hawaiian Homes Commission Act of 1920, as amended, fulfills the intent of this measure, which is to encourage and assist Native Hawaiian Home Lands beneficiaries to finance the purchase or construction of homes on Hawaiian Home Lands.

Your Committee has amended this measure by:

- (1) Adding language that declares any amendments made to the Hawaiian Homes Commission Act of 1920 be severable; and
- (2) 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 Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 940, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 940, 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, none.

SCRep. 272 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1853

The purpose of this measure is to preserve and sustain Native Hawaiian indigenous resources management practices by creating an Aha Moku Council System that will provide advisory assistance to the Department of Land and Natural Resources on all matters regarding the management of the State's natural resources.

Specifically, this measure amends chapter 187A, Hawaii Revised Statutes, to add a new section that:

- (1) Establishes an Aha Moku Commission to assist in the formation of regional Aha Moku Councils, which will serve in an advisory capacity on all matters regarding the management of the State's natural resources; and
- (2) Requires the Department of Land and Natural Resources to seek advisory assistance from the Aha Moku Councils in developing a comprehensive set of best practices for natural resources management.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs; the State Council of Hawaiian Homestead Associations; the Association of Hawaiian Civic Clubs; the Oahu Council, Association of Hawaiian Civic Clubs; Ko'olaupoko Hawaiian Civic Club; Princess Ka'iulani Hawaiian Civic Club; the Nature Conservancy; the Pacific Islands Resource Management Institute; a petition with twenty-nine signatures of Maui residents; written testimony of four private individuals; and several private individuals offering oral testimony. The Department of Land and Natural Resources submitted comments.

For thousands of years, Native Hawaiians have used traditional indigenous knowledge that has been passed on for generations to protect Hawaii's environment and sustain its abundance of resources. As Western sciences overshadowed Native Hawaiian practices and traditions relating to land and ocean use, evidence of environmental deterioration began to appear, such as over-development of the coastline, alteration of fresh water streams, destruction of watersheds, decimation of coral reefs, and the decline of endemic marine and terrestrial species.

Today, many Hawaiian communities are becoming revitalized by using the knowledge of cultural practitioners that has been passed down through kupuna and experienced farmers and fishers. This knowledge has allowed communities to engage in and enhance sustainability and self-sufficiency. Furthermore, many Hawaiian communities are interested in and willing to advise government agencies, organizations, and other interested groups in integrating traditional knowledge and ahupua'a management practices.

At the Ho'ohanohano I Na Kupuna Puwalu Series, all thirty-seven moku came together for the first time. The puwalu resulted in a unanimous consensus that a proactive approach is necessary to protect Hawaii's natural resources and ecosystems, and to sustain the traditional Native Hawaiian practices. Your Committee finds that developing an Aha Moku Council System that incorporates and represents all thirty-seven moku statewide will enable the development of a comprehensive set of best practices for natural resources management, which will reflect and sustain traditional Native Hawaiian practices.

Although there was overwhelming testimony in support of establishing an Aha Moku Council System, there were concerns that the means and structure of the Council System and its administrative Aha Moku Council Commission were too broad and cumbersome to effectively achieve its objectives and carry out its purposes. Your Committee, however, recognizes that the traditional Native Hawaiian practices relating to resources management are becoming a dying art as the number of kupuna and Native Hawaiian practitioners are dwindling. Your Committee further

recognizes that the kupuna and Native Hawaiian practitioners have directly sought out the assistance of the Legislature on this matter. Thus, your Committee strongly believes that these traditional practices and methods need to be preserved and sustained, but recognizes that there needs to be additional time allotted to coordinate and examine the structure and selection of members to the Aha Moku Councils and Commission to ensure that the Council System, upon its establishment, will successfully achieve its goals and objectives.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the new section added to chapter 187A, Hawaii Revised Statutes, and replacing it with language that creates an Aha Moku Council System Advisory Committee to:
 - (A) Explore, examine, and derive best practice models for the creation of an Aha Moku Council System and Aha Moku Council Commission;
 - (B) Explore best practice models to establish an administrative structure, including member criteria and selection, for the creation of an Aha Moku Council Commission to oversee an Aha Moku Council System;
 - (C) Establish goals and objectives for an Aha Moku Council Commission and Aha Moku Councils to accomplish, including benchmarks for long-term planning;
 - (D) Establish a feasible operational budget for an Aha Moku Council Commission;
 - (E) Submit written reports of its findings and recommendations, including any legislation, to the Legislature prior to the convening of the 2008 and 2009 Regular Sessions;
- (2) Deleting the blank appropriation amount and replacing it with an appropriation of \$111,000 for each year of the 2007-2009 fiscal biennium for the administrative costs of the Aha Moku Council System Advisory Committee and for allowing each of the thirty-seven moku statewide to participate in the discussion on the creation of an Aha Moku Council System; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee believes that these amendments fulfill the intent of this measure, which is to preserve and sustain the Native Hawaiian indigenous resource management practices.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1853, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1853, 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. 273 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1925

The purpose of this measure is to support and further the efforts in achieving a sustainable future for Hawaii by developing and establishing sustainable communities in the State.

The measure proposes to establish a new chapter within Title 13, Hawaii Revised Statutes, the purpose of which is to maintain and preserve a healthy quality of life and environment for Hawaii's future generations. The measure requires the State, in a combined effort with all state departments and agencies to develop and maintain sustainable communities that will:

- (1) Generate at least fifty per cent of all of its energy requirements for the entire community under development, including but not limited to, residential homes and areas and services for and used by the entire community under development;
- (2) Implement a comprehensive recycling program that will enable the community to divert at least seventy-five per cent of its solid waste from the landfills;
- (3) Implement an extensive community wastewater recycling and treatment management system that would enable the community under development to treat and recycle all of its wastewater for landscaping water requirements onsite of the community and any agricultural water irrigation requirements offsite of the community;
- (4) Protect and preserve open space by designating at least fifty per cent of the entire tract of land for the residential community for open space; provided that:
 - (A) Open space shall not include areas designated for golf courses; and
 - (B) Open space shall include the shoreline, if the planned community abuts and includes shoreline space;
- (5) Promote and encourage visitation to any nearby cultural or historical sites, public beaches, shores, trails, and other outdoor recreational areas by not restricting public access to these areas; and
- (6) Provide affordable housing units by designating and reserving at least forty per cent of all of its residential units within the planned community for affordable housing units for residents to enable them to stay in Hawaii and provide shelter for their families.

Testimony in support of this measure was submitted by the Hawaii Association of Realtors and the Sierra Club, Hawaii Chapter. Testimony in opposition to this measure was submitted by the Department of Health and the Office of Planning. Comments were submitted by the Department of Business, Economic Development, and Tourism, Life of the Land, and the Land Use Research Foundation of Hawaii.

Hawaii is a unique and beautiful State that is largely dependent on the importation of fuel, food, and supplies to sustain its economy and communities. In 2005, the Legislature enacted Act 8, Special Session Laws of Hawaii 2005, to establish the Hawaii 2050 Sustainability Task Force. The interest in the concept of sustainability has grown through the efforts of the Task Force; state and county departments and agencies; branches of the United States military; local businesses and community groups; and community engagement programs and projects. Private industries and developers have introduced technology and concepts that can assist communities in their efforts to become more sustainable and independent with minimal detrimental effects to the environment and the economy.

Of particular note, the soldier and family housing developments at Schofield Barracks in Wahiawa has merged the concept of sustainability with community development. The residential developments that are currently being constructed are able to generate thirty per cent of its energy operation requirements, and its construction plans have incorporated leadership in energy and environment design (LEED) principles. Furthermore, the wastewater treatment system of the residential developments is designed to R1 control zone standards, and ninety-seven per cent of the materials from the demolition of the previous residential homes have been recycled.

Your Committee finds that sustainability has transformed from the conceptual stage to an actual lifestyle that can be achieved, but only through a comprehensive joint effort with the government and the community. Establishing and supporting the development of sustainable communities in the State fulfills the intent of this measure, which is to support and further the efforts in achieving a sustainable future for Hawaii.

Your Committee has amended this measure by 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 Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1925, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1925, 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. 274 Intergovernmental and Military Affairs on S.B. No. 1053

The purpose of this measure is to limit a governmental entity's authority to exercise its power of eminent domain.

Specifically, this measure prohibits a governmental entity from taking private property and transferring the property to another private entity for development purposes where the receiving private entity had earlier expressed an interest in developing the condemned property.

Testimony in support of this measure was submitted by the Hawaii Association of Realtors and the National Federation of Independent Businesses in Hawaii. Testimony in opposition to this measure was submitted by the City and County of Honolulu, Department of the Corporation Counsel; the City and County of Honolulu, Department of Planning and Permitting; and the County of Hawaii, Office of Corporation Counsel.

Your Committee finds that there has been a growing concern that the need for urban renewal or economic development may be cited as justification for allowing government to condemn private property and transfer the property to the benefit of another private person or entity. Your Committee believes that it is important to limit the power of eminent domain to take private property and transfer the property to another private entity for development purposes.

Your Committee amended this measure by amending section 2 to include an exception for the condemnation of development tracts so that the City and County of Honolulu, if needed, can use its power of eminent domain to acquire real property along its proposed mass transit route if any of the property is used by entities for non-governmental activities in connection with mass transit. In addition, your Committee has amended this measure by inserting an effective date of July 1, 2050, to ensure ongoing discussion on this issue. Your Committee further amended this measure by making technical amendments by updating chapter references in the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1053, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1053, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 275 Intergovernmental and Military Affairs on S.B. No. 1602

The purpose of this measure is to require any State agency that receives county assistance, services, or permission to use county property, to indemnify the county.

Testimony in support of this measure was submitted by the City and County of Honolulu, Department of the Corporation Counsel; the County Council, County of Maui; the County of Hawaii; the County of Hawaii, Office of the Corporation Counsel; the County of Hawaii, Department of Parks and Recreation; and one individual. Testimony in opposition to this measure was submitted by the Department of the Attorney General.

Your Committee finds that, in an effort to maximize optimum beneficial use of public facilities and recognizing that the State does not have sufficient facilities for all its activities and programs, that the counties should cooperate with the State by allowing State agencies the use of county facilities for State events, including high school graduations and athletic competitions, and that the State should indemnify and defend the counties when the State agencies use county facilities.

Your Committee further finds, however, that mandating that the State indemnify the counties raises a serious concern by potentially exposing the State to significant liability without any review by the Attorney General, approval by the Governor, or opportunity for the Comptroller to determine whether the State has sufficient insurance to cover the potential liability, or that it is not in the State's best interest to obtain such insurance coverage. Mandating such a requirement could substantially and unnecessarily interfere with interactions between the State and the counties in a number of unintended circumstances. Therefore, it is important that this measure allow, but not mandate, the State to defend or indemnify a county, but instead require the State and the respective counties to determine when it is necessary and appropriate for the State to defend or indemnify a county.

To this end, your Committee amended this measure to allow the State and the respective counties to determine when the State should defend or indemnify a county.

It is the intent of your Committee to require any State agency that receives county assistance, services, or permission to use county property, to indemnify the county, but that the State and the respective counties will determine when the State should defend or indemnify a county.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1602, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1602, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 276 Intergovernmental and Military Affairs on S.B. No. 1641

The purpose of this measure is to extend the statute of limitation for actions against a county for damage or injury from six months to two years.

The measure permits the counties to identify, by charter, the person to whom claimants should give notice of a claim for injuries or damages sustained on public property, or as a result of the negligence of a county official or employee.

Testimony in support of this measure was submitted by the Consumer Lawyers of Hawaii and by one individual. Testimony in opposition to this measure was submitted by the Department of the Attorney General and by the City and County of Honolulu, Department of the Corporation Counsel.

Your Committee finds that, until recently, claims against all levels of government have been subject to a two-year statute of limitations. In May 2004, the Hawaii Supreme Court ruled that there was a six-month limitation for claims against a county in its *Kahale* decision. The *Kahale* decision was based on a six-month notice requirement in section 46-72, Hawaii Revised Statutes. This measure amends section 46-72, Hawaii Revised Statutes, to provide for a two-year limitation consistent with federal and state law. The Hawaii Supreme Court ruled in 1973 that counties were subject to the same, two-year limitation as the state and federal governments in its *Salavea* decision. For the next thirty-one years, all levels of government operated under the same two-year limitation, until the *Kahale* decision. This measure will bring county claims in conformity with all other government and private sector claims and the reasonable expectations of the public.

It is the intent of your Committee that this measure should extend the statute of limitation for actions against a county for damage or injury from six months to two years.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs 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 Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 277 Intergovernmental and Military Affairs on S.B. No. 769

The purpose of this measure is to provide county governments with the flexibility to allow the director of finance of each county to invest county moneys involving commercial paper and bankers acceptances with an A1/P1 or equivalent rating by any national securities rating service.

Testimony in support of this measure was submitted by the Finance Department of the County of Hawaii, a member of the Maui County Council, Central Pacific Bank, and First Hawaiian Bank.

Your Committee finds that this measure will allow the counties within the State the same flexibility for its investments that are afforded the State, giving them the opportunity to maximize their investment returns while ensuring the safety of the principle invested. Therefore, your Committee finds this measure to be in the public's interest.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 769 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, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 278 Intergovernmental and Military Affairs on S.B. No. 997

The purpose of this measure is to increase public safety.

Specifically, this measure makes an appropriation of an unspecified sum for each year of the 2007-2009 fiscal biennium as a grant-in-aid to the City and County of Honolulu for a citizens' police training program to be conducted at least once a year on Oahu.

Testimony in support of this measure was submitted by the Honolulu Police Department.

Your Committee finds that volunteer training and the cooperation of local residents are important elements in a law enforcement agency's ability to succeed in reducing and preventing drug and crime problems. The Citizens Police Academy Program conducted by the Honolulu Police Department is an effective program that educates concerned community residents about firearms, police communications, report writing, vehicle operations, domestic violence, crime scene investigation, and community policing. Citizens who participate in this kind of training become active in their neighborhood, providing a valuable resource to their local police departments.

Your Committee further finds that such training programs should be made available to communities across Oahu.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 997 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, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 279 Intergovernmental and Military Affairs on S.B. No. 1044

The purpose of this measure is to authorize the issuance of general obligation bonds and to appropriate the proceeds thereof to the Department of Defense for a veterans center on the island of Molokai.

This measure appropriates \$2,746,000 in general obligation bond revenues in fiscal year 2007-2008, for the design, construction, and equipping of the Molokai Veterans Center.

This measure also appropriates \$2,965,000 in general revenues for fiscal year 2007-2008 for the Molokai Veterans Center.

Testimony in support of this measure was submitted by the Department of Defense and the Maui County Council.

Your Committee finds that there are approximately six hundred veterans currently residing on the island of Molokai. Some of these veterans have just returned from deployment where they served honorably with the 29th Infantry Brigade of the Hawaii National Guard. The existing Molokai Veterans Center is located in Kaunakakai in a small aging commercial building next to a food establishment. The Molokai Veterans Caring for Veterans leases this small space to allow its veterans to meet and discuss important issues. A permanent facility will allow Molokai veterans to receive important programs and services regarding their benefits without requiring them to travel to another island.

It is the intent of your Committee to appropriate funding for a veterans center on the island of Molokai to ensure that the veterans have access to information and services regarding their benefits.

Your Committee recommends, for the purposes of clarity and style, that the Committee on Ways and Means amend the measure by replacing the last sentence in section 3 to read as follows: "The sums appropriated in sections 1 and 2 shall be expended by the department of defense for the purposes of this Act."

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military 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 referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 280 Intergovernmental and Military Affairs on S.B. No. 1597

The purpose of this measure is to make an appropriation for the Puna District police station in Kea'au, Hawai'i.

Your Committee received testimony in support of this measure from the Office of the Mayor of the County of Hawaii and the County of Hawaii Police Department.

Your Committee finds that the district of Puna is one of the fastest growing districts in the State. The existing police station in Kea'au, Hawai'i cannot meet the needs of the growing community. The intent of this measure is to appropriate funds for the planning, design, and construction of a new facility for the Puna District police.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1597 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, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 281 Education on S.B. No. 84

The purpose of this measure is to establish salaries for members of the Board of Education and appropriate funds therefor.

Testimony in support of this measure was submitted by the Board of Education. Testimony in opposition of this measure was submitted by the Department of Budget and Finance.

Your Committee finds that the members of the Board of Education provide a valuable public service to the people of Hawaii, and, over the years, their duties and responsibilities have become more extensive, including increased jurisdiction such as responsibilities relating to the public charter schools. Your Committee further finds that the provision of appropriate compensation is a necessity for these hard-working individuals. However, your Committee determines that their positions do not necessarily require the provision of a salary, as would be warranted for a full-time employee of the State. Therefore, your Committee believes that an increase in the current compensation rate is a suitable approach to addressing the issue at this time.

Accordingly, your Committee has amended this measure by:

- (1) Removing language that provides an annual salary and related benefits to members of the Board of Education; and
- (2) Increasing the current rate of compensation for members of the Board of Education from the current \$100 per day to \$120 per day for each day's actual attendance at meetings.

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. 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 Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 1 (Hee).

SCRep. 282 (Joint) Education and Judiciary and Labor on S.B. No. 608

The purpose of this measure is to appropriate funds for the establishment of a statewide web-based interactive searchable database for the provision of workforce training information.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii, and the Workforce Development Council.

Your Committees find that the future of our State is dependent upon the growth of a knowledgeable and qualified workforce. Efforts to grow such a workforce must include comprehensive measures for providing access to information on the workforce training needs of employers and the availability of programs and courses to meet those and other training needs. This measure seeks to address the needs of employers, employees, and workforce training providers by facilitating the receipt and transmission of relevant information for the support and development of a qualified workforce in Hawaii.

Testimony provided indicated that an existing system, Hawaii Resource Exchange, a web-based system that is maintained pursuant to a collaborative effort of the Department of Education and the University of Hawaii, may already provide similar information and resources or may be able to support the type of information contemplated under the current measure. Your Committees believe that the Hawaii Resource Exchange system may be an appropriate alternative to the creation of a new system and that the diversion of funding, if necessary, may also be appropriate.

However, your Committees determine that this measure warrants further consideration and believe that as the measure proceeds through the session, the interested parties should work together to determine the appropriate system and the true funding needs to support the system.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying the language regarding the purpose of the measure to indicate that a statewide web-based interactive searchable database should be established to provide comprehensive workforce training information to employers, employees, and training providers; and
- (2) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 608, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 608, 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, none. Excused, 4 (Chun Oakland, Hee, Inouye, Taniguchi).

SCRep. 283 (Joint) Education and Judiciary and Labor on S.B. No. 887

The purpose of this measure is to support workforce development through the establishment of a pilot program within the Department of Education to provide pre-apprenticeship programs in the public high schools.

Testimony in support of this measure was submitted by Honolulu Community College, the Hawaii State Teachers Association, and the Pacific Resource Partnership. Testimony in opposition of this measure was submitted by the Department of Education.

Your Committees find that workforce development is a major issue facing our State today. Efforts to grow a highly qualified and highly skilled workforce are required to meet the workforce needs of businesses within the State. In 2006, the Legislature established the Construction Academy within the Honolulu Community College to provide pre-apprenticeship programs in an attempt to meet workforce deficiencies in the construction industry. Testimony indicates that approximately one thousand public school students are participating in Construction Academy courses in twenty-seven public high schools. Your Committees believe that the same concept can be expanded to address workforce training needs in other industries.

Your Committees note that the Department of Education raised concerns about the provisions of this measure due to the infancy of the Construction Academy program, the lack of data on that program's effectiveness, and how it can be improved. Your Committees believe that continued efforts to develop programs and training for workforce development should not be delayed. The establishment of a five-year pilot program to provide trade pre-apprenticeship programs in public high schools can benefit from the example set by the Construction Academy and should serve as a complement to the Construction Academy program and emphasize applied and experiential learning.

Accordingly, your Committees have amended this measure by:

- (1) Including language to indicate that the trade pre-apprenticeship programs established in public high schools should emphasize applied and experiential learning;
- (2) 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 887, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 887, 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, none. Excused, 4 (Chun Oakland, Hee, Inouye, Taniguchi).

SCRep. 284 (Joint) Education and Public Safety on S.B. No. 1140

The purpose of this measure is to support the successful reintegration into the community of prison inmates upon release through transition programs provided by the Department of Education.

Testimony in support of this measure was submitted by the Department of Education, the Department of Public Safety, and Kumulipo.

Your Committees find that the cost of housing a prison inmate is approximately \$70 to \$400 per day, varying based upon the level of security necessary for the incarceration. Your Committees further find that the high rate of recidivism of former prison inmates can be very costly to the State and its residents, both economically and socially in the form of increased criminal activity. The money spent on housing recidivists would be better spent on programs to educate and prepare prison inmates for positive and productive lives upon release. Your Committees believe that these efforts must be initiated while individuals are incarcerated and must also continue after release to be successful in truly combating recidivism.

Your Committees are aware that although some inmates may pursue their general education development diplomas or other education or training while incarcerated, many fail to continue with such education upon release. This may be attributed to a difficulty in assimilating into established adult education programs in the community after being incarcerated. Your Committees determine that separate programs and schools for former inmates would provide a more comfortable environment for these individuals to continue their education and training and, thus, improve the chances for successful reintegration into the community. Additionally, to ensure continuity of purpose, the Departments of Education and Public Safety should work together in formulating a comprehensive approach to beginning to educate and, most importantly, shepherding the continued education of inmates while in prison through their transition into the community to achieve the greatest success. Therefore, funding for both departments is appropriate to allow each department to integrate the components necessary to establish a system that will benefit the inmates as well as the people of this State.

Accordingly, your Committees have amended this measure by:

- (1) Including an appropriation to the Department of Public Safety for the development of portions of what will be a comprehensive approach to successful prison inmate reintegration into the community through the establishment of educational programs, including distance learning programs, and a tracking system for prison inmates and their successful outcomes;

- (2) Clarifying the responsibilities of the Department of Education in developing educational programs and schools for shepherding prison inmates in their education during incarceration through to release and developing a tracking system for prison inmates and their successful outcomes;
- (3) Including a reporting requirement for the Departments of Education and Public Safety on the programs established under the measure; and
- (4) Making a technical, nonsubstantive change for purposes of clarity and to conform to preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Education and Public Safety that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1140, as amended herein, and recommend 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 Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 3 (Chun Oakland, Nishihara, Taniguchi).

SCRep. 285 Education on S.B. No. 1146

The purpose of this measure is to establish, at the University of Hawaii, scholarship programs in honor of Senator Hiram L. Fong and Senator Oren E. Long, and appropriate funds therefor.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii, and the Hiram L. Fong Commission.

Your Committee finds that Senator Hiram L. Fong was a champion of civil rights, labor rights, and immigration reform. He was a respected legislator whose achievements are great in number and who espoused timeless philosophies. Your Committee further finds that Senator Oren E. Long was also a distinguished leader who devoted over forty years of his life to public service and worked successfully in collaboration with Senator Fong on many initiatives, including the establishment of the East-West Center. Based upon recommendations from the Hiram L. Fong Commission, established under Act 117, Session Laws of Hawaii 2005, this measure establishes the Hiram L. Fong Scholarship Program and the Oren E. Long Scholarship Program at the University of Hawaii. Your Committee believes that the establishment of these scholarships are a fitting tribute to these great leaders.

Your Committee also finds that, based on the testimony provided, the University of Hawaii Foundation is unauthorized to receive funds appropriated from the general revenues of the State. Instead, moneys must be deposited into an endowment trust from which the scholarship funds can be provided.

Accordingly, your Committee has amended this measure by:

- (1) Changing the language throughout the measure to specify that the scholarship programs shall be administered by the University of Hawaii with proceeds from endowment trusts that shall receive initial funding by appropriations out of the general revenues of the State;
- (2) Removing the appropriation from the University of Hawaii Scholarship and Assistance Special Fund; and
- (3) Making technical, nonsubstantive changes for 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. 1146, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1146, 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 (Hee).

SCRep. 286 Transportation and International Affairs on S.B. No. 1515

The purpose of this measure is to raise the fine from \$10,000 to \$27,500 for each violation of the State's harbors law (chapter 266, Hawaii Revised Statutes), any administrative rule adopted thereunder, or any lawful command of any harbor master, harbor agent, or harbor district manager.

Your Committee received testimony in support of this measure from the Department of Transportation.

Your Committee finds that the current fine of \$10,000 needs to be raised to \$27,500, the amount that federal environmental laws impose for fines by landowners for violations of its environmental regulations. As the landowner of harbor facilities and lands, the Department of Transportation may be held liable by the federal government for the violation of federal environmental laws committed by harbor users or tenants. Your Committee also finds that the measure will allow for a full recovery of fines imposed on the Department of Transportation, as the landowner, for violations of federal and state air and water pollution laws committed by harbor users and tenants.

Your Committee has amended this measure 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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1515, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1515, 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 (Hooser, Taniguchi).

SCRep. 287 Transportation and International Affairs on S.B. No. 1238

The purpose of this measure is to add motor scooters to the list of vehicles that are prohibited from having a noisy muffler.

Your Committee received testimony in support of this measure from three individuals. Testimony in opposition was received from Street Bikers United Hawaii.

Your Committee finds that loud noise generated by motorcycles, mopeds, and motor scooters are a constant annoying source of irritating noise, particularly in Waikiki. Testimony indicated that there is nothing more disturbing, jolting, and obnoxious than to hear the loud "varoom" in the middle of the night. There is no justifiable reason for the loud muffler noise.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs 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 Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 2 (Hooser, Taniguchi).

SCRep. 288 Transportation and International Affairs on S.B. No. 1522

The purpose of this measure is to require that traffic abstracts include all unadjudicated traffic allegations, unsatisfied judgments, certain judgments against the person arising from the operation of a motor vehicle, and administrative revocations of driver's license.

Your Committee received testimony in support of this measure from the Judiciary.

The intent of this measure is to limit the time period for reporting moving violations on a traffic abstract, and thereby provide an incentive for individuals to resolve outstanding cases and pay judgments.

The Judiciary proposed an amendment to this measure that would address the complications that have arisen with the use of multi-charge citations by law enforcement officers, on which your Committee would defer to the Committee on Judiciary and Labor.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1522 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 2 (Hooser, Taniguchi).

SCRep. 289 Transportation and International Affairs on S.B. No. 1528

The purpose of this measure is to clarify that all traffic offenses and violations under the statewide traffic code are treated as traffic violations, not convictions.

Your Committee received testimony in support of this measure from the Judiciary and Kauai Safety Agency.

Your Committee finds that this measure would affirm that traffic offenses are infractions, and therefore are deemed civil rather than criminal matters. According to testimony of the Judiciary, this measure is in keeping with Hawaii appellate case law.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1528 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 2 (Hooser, Taniguchi).

SCRep. 290 Transportation and International Affairs on S.B. No. 1529

The purpose of this measure is to clarify the civil adjudication of civil traffic infractions.

Specifically, this measure:

- (1) Establishes that the district court may adjudicate civil traffic infractions charged against minors;
- (2) Applies the civil standard of proof for civil traffic infraction trials;
- (3) Remedies difficulties encountered by certain district courts in complying with concurrent scheduling requirements for civil and related criminal proceedings;
- (4) Protects a defendant's privilege against self-incrimination;
- (5) Promotes consistency in processing and adjudicating moving and non-moving civil traffic infractions; and
- (6) Permits the use of electronic citations.

Your Committee received testimony in support of this measure from the Judiciary and Kauai Safety Agency. Comments were received from Catrala-Hawaii.

Your Committee finds that this measure would provide clear, unambiguous, and consistent methods of processing traffic infractions in a more expedient and less burdensome manner, while ensuring protections against self-incrimination for defendants.

Your Committee notes the concerns of Catrala-Hawaii to the effect that this measure may make car rental companies responsible for all moving and parking violations. U-drive companies would become liable for the wrongdoings of their renters who operate the vehicle at the time of the infraction. Catrala-Hawaii offered suggested amendments to this measure, on which your Committee would defer to the Committee on Judiciary and Labor.

Your Committee has made technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1529, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1529, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 2 (Hooser, Taniguchi).

SCRep. 291 Transportation and International Affairs on S.B. No. 1569

The purpose of this measure is to clarify that the penalties imposed against violations of state motor vehicle operation and equipment laws and rules include the violation of any related rules for which a penalty is not specified.

Your Committee received testimony in support of this measure from the Prosecuting Attorney and Police Department of the City and County of Honolulu.

Your Committee finds the existing law that applies monetary fines for committing traffic violations is ambiguous in that it does not expressly provide that the monetary fines contained in that section apply to other sections of law that establish a traffic violation but do not specifically include a fine.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1569 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 2 (Hooser, Taniguchi).

SCRep. 292 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1422

The purpose of this measure is to provide additional sanctions for violations by mortgage brokers and solicitors against elders.

Your Committee received testimony in support of this measure from the Regulated Industries Complaint Office of the Department of Commerce and Consumer Affairs and the Department of the Attorney General.

Your Committee finds that the Department of Commerce and Consumer Affairs has received numerous complaints against mortgage brokers for conduct harmful to elderly customers. There is concern that if left undeterred, this conduct will increase. The intent of this measure is to authorize sanctions for mortgage brokers and solicitors who violate chapter 454 or 436B, Hawaii Revised Statutes, when the violations include conduct that is directed towards, targets, or is committed against elders.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1422 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 293 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1414

The purpose of this measure is to amend the sentencing of repeat offender provisions in the penal code to include insurance fraud offenses found in chapters 386, 431, 432, and 432D, Hawaii Revised Statutes (HRS).

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs and the Department of the Attorney General (AG).

Your Committee finds that the intent of this measure is to enhance criminal penalties for persons who commit insurance fraud by including felony insurance fraud as one of the felony violations that can increase the sentence of a repeat offender. Specifically, this measure includes workers' compensation, private health insurance, motor vehicle insurance, mutual benefits societies, and health maintenance organization fraud penalty statutes among the list of felonies that triggers the enhanced sentencing of repeat offenders in section 706-606.5, HRS.

Your Committee, upon recommendation by the AG, has amended this measure so that the descriptions of the insurance felonies added to section 706-606.5, HRS, track the statutory language of their respective sections in the HRS.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1414, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1414, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 294 Commerce, Consumer Protection and Affordable Housing on S.B. No. 66

The purpose of this measure is to make tampering with for-profit entertainment games, such as for-profit coin- or dollar bill-operated entertainment machines and arcade games, an unfair and deceptive trade practice.

Your Committee received testimony in support of this measure from two individuals.

Your Committee finds that no business should profit from unfair or deceptive trade practices and the public should be protected from these types of business practices. The intent of this measure is to ensure that for-profit entertainment games, such as coin- or dollar bill-operated games and arcade games, are not tampered with to the detriment of consumers.

Your Committee has amended this measure by significantly delaying the effective date to encourage further discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 66, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 66, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 295 (Majority) Commerce, Consumer Protection and Affordable Housing on S.B. No. 1016

The purpose of this measure is enact the Uniform Athlete Agents Act and to protect student-athletes and education institutions from potential harm caused by unscrupulous athlete agents.

Your Committee received testimony in support of this measure from the University of Hawaii and the Commission to Promote Uniform Legislation. The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs (PVL) submitted testimony in opposition to this measure.

Your Committee notes that the Office of the State Auditor has conducted a sunrise analysis regarding regulating athlete agents as required by section 26H-6, Hawaii Revised Statutes, and pursuant to House Resolution No. 112, Senate Draft 1, of the 2006 Regular Session. Although the Office of the State Auditor concluded that regulation of athlete agents in Hawaii is unnecessary at this time, Hawaii is one of twelve states that does not have any type of law to regulate athlete agents and that the State should not wait until unscrupulous acts of athlete agents becomes a problem and causes significant damage to student athletes and educational institutions in the State. Your Committee further notes that the testimony of the PVL indicated that the impact of regulating athlete agents to both taxpayers and consumers would be minimal.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1016 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

SCRep. 296 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1397

The purpose of this measure is amend and update chapter 489D, Hawaii Revised Statutes (HRS), governing the licensing and regulation of money transmitters, in order to address and remedy inadvertent errors or omissions in that chapter as originally enacted during the 2006 Regular Session.

This measure also specifically adds foreign banks that are licensed under the laws of the United States or any other state to the list of financial institutions that are exempt from chapter 489D, HRS.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs. The Hawaii Financial Services Association provided comments on this measure.

Your Committee finds that this measure contains primarily housekeeping amendments that will enhance and strengthen the safe and secure operation of the money transmitter industry and protect the public interest.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1397 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 297 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1398

The purpose of this measure is to revise and update the law regarding escrow depositories.

Specifically, this measure:

- (1) Clarifies which escrow transactions are covered by the statute and which are not;
- (2) Updates the statute to adequately reflect the present day size of the transactions routinely handled by the escrow industry;
- (3) Provides for more flexibility in supervising and regulating the industry; and
- (4) Ensures adequate protection for the consumer.

The Department of Commerce and Consumer Affairs testified in support of this measure.

Your Committee finds that chapter 449, Hawaii Revised Statutes, which governs the licensing and regulation of escrow depositories, needs to be updated to reflect changes in the industry and to protect consumers.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1398 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 298 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1399

The purpose of this measure is to amend the Code of Financial Institutions (Code), chapter 412, Hawaii Revised Statutes (HRS), to reduce regulatory burden when consumers' interests are not adversely affected.

This measure also updates the Code to recognize changes in the industry and make clarifications to the existing law.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs (DCCA). Testimony in opposition to this measure was received from the Hawaii Financial Services Association and the Hawaii Bankers Association.

Your Committee finds that the intent of this measure is to reduce regulatory burdens by eliminating obsolete requirements and improving procedures of licensing and regulation of financial institutions within the State.

Your Committee has amended this measure, based upon an agreement reached between the DCCA and financial institutions representatives, to:

- (1) Delete the addition of new definitions to section 412:3-112(a), Hawaii Revised Statutes, relating to various loan products, found in section 2 of this measure;
- (2) Delete the addition of new definitions of section 412:9-100, Hawaii Revised Statutes, relating to security breaches, found in section 6 of this measure; and

(3) To 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 Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1399, as amended herein, and recommends 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 Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 299 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1424

The purpose of this measure is to make an emergency appropriation of \$250,000 to allow the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs to investigate the power outages that occurred throughout the State following the October 15, 2006, earthquakes.

Your Committee has received testimony in support of this measure from the Public Utilities Commission and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs.

Your Committee finds that, following the power outages that occurred on the islands of Oahu, Maui, and Hawaii after the earthquakes of October 15, 2006, an investigation was opened by the Division of Consumer Advocacy to examine whether the electrical utilities that experienced island-wide power outages acted in a reasonable manner prior and subsequent to the outages. This measure will provide an emergency appropriation to the Division of Consumer Advocacy for the hiring of a consultant to investigate the power outages and will assist the Division of Consumer Advocacy in meeting its mandate to represent consumers' interests.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1424 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. 300 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1402

The purpose of this measure is to release \$2,000,000 for fiscal year 2007-2008 from the Loss Mitigation Grant Fund to provide grants for wind resistive devices.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and the Hawaii Lumber Products Association. Comments were submitted by the State Department of Defense on this measure.

Your Committee finds that, based on the testimony provided, this Administration Package measure will provide grants to single and multi-family residential owners and former policyholders of the Hawaii Hurricane Relief Fund for the installation of wind resistive devices to reduce losses resulting from a wind hazard. Previous appropriations made out of the Loss Mitigation Grant Fund lapsed and it is necessary to appropriate moneys out of the fund for the 2007-2008 fiscal year to continue this important program.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1402 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 (Ige).

SCRep. 301 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1408

The purpose of this measure is to make various amendments to the existing law governing insurance licensing.

Specifically, this measure:

- (1) Re-establishes the limited line motor vehicle rental company producer's license fee at \$1,000, and the "all services" fee at \$600 per year;
- (2) Mandates that adjusters and independent bill reviewers' place of business be where the licensee principally conducts transactions under the license; and
- (3) Changes the exemption from the education and examination requirements for producers previously licensed for same lines of authority in another state by allowing receipt of resident producer license applications for the State within ninety days of cancellation of the applicant's out-of-state resident license.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that the housekeeping amendments made to certain provisions of the Insurance Code will improve the Department of Commerce and Consumer Affairs' operations.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1408 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 (Ige).

SCRep. 302 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1409

The purpose of this measure is to establish a cap of \$200,000 on the annual premium tax paid by captive insurance companies licensed by the Department of Commerce and Consumer Affairs.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and one individual. The Tax Foundation of Hawaii provided comments.

Your Committee finds, based upon the testimony provided, that the current tax structure provides for a descending rate that is applied to the amount of annual premiums written by a captive licensee. This measure, which establishes a \$200,000 cap on the premium tax, will encourage the creation of more captive insurance companies in Hawaii and will make Hawaii's captive tax structure comparable to several other jurisdictions.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1409 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 (Ige).

SCRep. 303 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1420

The purpose of this measure is to provide the Department of Commerce and Consumer Affairs' Professional and Vocational Licensing Division (PVLD) with the flexibility to offer licensing discounts in an expedited manner.

Specifically, this measure amends section 92-28, Hawaii Revised Statutes, by extending the authority of the PVLD to decrease and increase fees to thirty additional licensing laws that fall under the purview of the PVLD.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs. Testimony in opposition to this measure was submitted by the Occupational Therapy Association of Hawaii.

Your Committee finds that the intent of this Administration Package bill is to increase the types of licenses that can receive a discount from the PVLD for renewing their licenses through the PVLD's online renewal system and provide the PVLD with greater flexibility in this regard. Your Committee notes that it is not the intent to give the PVLD the authority to increase fees on the thirty additional licensing laws that are included in this bill. Your Committee finds that the bill as currently drafted does not specifically provide for that distinction.

Therefore, your Committee has amended this measure by specifying that the amendments made to section 92-28, HRS, by section 1 of this measure shall only apply to the decreasing of fees for professions and vocations under the purview of the PVLD. Your Committee has also significantly delayed the effective date of this measure in order to promote further discussion.

The intent of this measure, as amended, is to only provide the PVLD with the flexibility to authorize discounts for licensing and not to provide the PVLD with authorization to increase fees on these thirty professions and vocations.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1420, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1420, 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 (Ige, Sakamoto).

SCRep. 304 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1712

The purpose of this measure is provide for the regulation of mixed martial arts by the Department of Commerce and Consumer Affairs (DCCA). This measure also prohibits no rules combat, extreme or ultimate fighting, and similar contests.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the DCCA and the Office of the Auditor. The Regulated Industries Complaints Office of the DCCA provided comments on the measure.

Your Committee finds that mixed martial arts events are one of the fastest growing sporting events in the country. In Hawaii, the events are currently permitted under an exemption from the prohibition against no rules combat, or extreme fighting and without any type of regulations in place, there is the potential for fraudulent events which is detrimental to both participants in the sport and the general public.

During the 2006 legislative session, the Legislature passed Senate Concurrent Resolution No. 37, Senate Draft 1, to request the Office of the Auditor, pursuant to section 26H-6, Hawaii Revised Statutes, to evaluate proposals to regulate mixed martial arts events. Two options were proposed to the Office of the Auditor for regulating mixed martial arts. The first proposal was to create a Mixed Martial Arts Commission and the second proposal was to expand the jurisdiction of the Boxing Commission to include mixed martial arts.

In February 2007, the Office of the Auditor issued its report recommending a third alternative which, in part, suggested the creation of a regulatory program to be placed directly under the Director of Commerce and Consumer Affairs.

Your Committee has amended this measure by:

- (1) Providing the DCCA with statutory authority to establish an advisory committee to assist with the implementation of the new regulations;
- (2) Requiring licensing for judges;
- (3) Requiring certain fees from promoters based upon certain percentages of their gross proceeds;
- (4) Requiring promoters to submit to a background check prior to obtaining a license;
- (5) Including language that specifies that the costs of furnishing a medical report and the results of an HIV and hepatitis test are to be borne by the promoter;
- (6) Including language that specifies that the costs of determining compliance with the ban on the use of stimulants and banned substances are to be borne by the promoter;
- (7) Excluding amateur events from the DCCA's oversight;
- (8) Providing the DCCA with the option of using the existing national mixed martial arts registry rather than creating one of its own;
- (9) Including language requiring licensees to renew their licenses on a biennial basis similar to other regulated professions and vocations and requiring updated medical records and criminal background checks prior to a contest and at the time of license renewal;

- (10) Including language to promote uniformity with rulemaking provisions from other licensing chapters;
- (11) Amending language related to the Director's power to revoke and suspend licenses in order to create uniformity with other licensing chapters;
- (12) Deleting the review and enforcement fee, as the measure already provides for a licensing fee that is earmarked for enforcement;
- (13) Defecting the effective date of the measure to promote continued discussion;
- (14) Including language that will allow for the measure to sunset three years after becoming effective; and
- (15) Making technical, nonsubstantive changes for the purposes of clarity and style.

While your Committee has made numerous amendments to this measure, the intent to regulate the sport of mixed martial arts to protect both participants in the sport and the general public remains consistent.

As this measure is passed out, your Committee asks that the Senate Committee on Ways and Means consider a mechanism to allow DDCA adequate time for rule making on this matter, while providing a specific effective date to provide persons covered by the measure certainty as to when they must comply with the new regulation requirements.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1712, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1712, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 305 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1352

The purpose of this measure is to make technical and housekeeping amendments to various sections of the Hawaii Revised Statutes (HRS) and the Session Laws of Hawaii 2006, relating to the Hawaii Housing Finance and Development Corporation's programs.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation (HHFDC) and three members of the Maui County Council.

Your Committee finds that this measure is a housekeeping matter that will correct inadvertent mistakes that occurred following the repeal of chapter 201G, HRS, and the transfer of the enabling laws of the HHFDC to chapter 201H, HRS.

Upon the recommendation of the HHFDC, your Committee has amended this measure by deleting the new definition of "elder or elderly" and adding the definition for "elderly housing project," in order to comply with existing federal law. Your Committee also amended the effective date to make this measure effective upon approval, rather than, upon approval, having its provisions retroactively apply from July 1, 2006.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing 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, 2 (Ihara, Sakamoto).

SCRep. 306 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1859

The purpose of this measure is to appropriate \$700,000 for fiscal year 2007-2008 and an additional \$700,000 for fiscal year 2008-2009 to Hawaii Habitat for Humanity as a grant-in-aid to build two hundred self-help ownership homes in the State.

Your Committee received testimony in support of this measure from the Hawaii Habitat for Humanity Association and two individuals.

Your Committee finds that Hawaii Habitat for Humanity and its affiliates contribute a great public service to the community by providing zero interest affordable housing to low-income families. The service that Hawaii Habitat for Humanity and its affiliates provides helps to prevent more of Hawaii's low-income families from becoming homeless.

Your Committee has amended this measure by deleting the specific amounts appropriated to encourage further discussion.

The intent of this measure is to assist Hawaii Habitat for Humanity and its affiliates with building more affordable housing in the State.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1859, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1859, 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. 307 (Majority) Commerce, Consumer Protection and Affordable Housing on S.B. No. 1987

The purpose of this measure is to authorize the issuance of general obligation bonds in the sum of \$55,000,000 to acquire an interest in Kukui Gardens.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation and the Housing Committee of Faith Action for Community Equity.

Your Committee finds that this measure will assist in maintaining the long-term use of Kukui Gardens as affordable rentals by authorizing the issuance of general obligation bonds to allow the State to acquire an interest in Kukui Gardens. Your Committee recognizes the housing crisis that the State is currently facing and this measure will serve as one mechanism in attempting to mitigate this crisis.

Your Committee has amended this measure by including a purpose section to specify that the general obligation bonds are for the purpose of purchasing real estate, by deleting the specific amount, and by changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1987, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1987, 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 (Ihara).

SCRep. 308 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 838

The purpose of this measure is to exempt certain private property acquired through gift or exchange by the Board of Land and Natural Resources from the requirements of conservation district, land use, coastal zone management and county zoning laws, and any county subdivision regulations.

Testimony was submitted in opposition to this measure by the City and County of Honolulu, Department of Planning and Permitting. Comments were submitted by the Department of Land and Natural Resources.

Your Committee finds that there is a continued need to ensure that sufficient amounts of land are available to accommodate the outdoor recreational and education needs of Hawai'i's people. To that end, the State and counties have acquired private land in order to ensure that these needs are met. However, continued encouragement of public and private initiatives and facilitation of the conversion of private land that is adjacent to public land, is necessary to ensure that adequate amounts of land become and remain available for Hawai'i's people.

Your Committee amended this measure by making a technical amendment to the proposed subsection (f), by removing the reference to Hawaii Revised Statutes as unnecessary.

It is the intent of your Committee to exempt land acquired or gifted to the Board of Land and Natural Resources for public recreational and educational uses in conjunction with adjoining public land, from the requirements of conservation district, land use, coastal zone management and county zoning laws, and any county subdivision regulations.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 838, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 838, S.D. 1, and be referred to the Committee on Intergovernmental and Military Affairs.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Tokuda).

SCRep. 309 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1723

The purpose of this measure is to make a housekeeping amendment to section 674-18, Hawaii Revised Statutes, relating to the scope of judicial relief that may be awarded to an aggrieved Native Hawaiian trust beneficiary.

Testimony in opposition to this measure was submitted by the Department of the Attorney General.

Your Committee finds that making a technical, nonsubstantive amendment to section 674-18, Hawaii Revised Statutes, will provide clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1723 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, 1 (Slom). Excused, none.

SCRep. 310 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1891

The purpose of this measure is to make a violation of chapter 171, Hawaii Revised Statutes (HRS), relating to public lands, and rules adopted pursuant to chapter 171, HRS, a petty misdemeanor.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and twenty-one individuals.

Your Committee finds that currently, under chapter 171, HRS, persons who violate that chapter or the administrative rules adopted pursuant to that chapter are only subject to civil actions. This measure will authorize the use of criminal citations or arrest in order to prosecute an individual found to be in violation of this chapter. This measure will also allow for an increase in penalties for persons who are repeat offenders, while preserving the Department of Land and Natural Resources right to seek restitution and recover damages in a civil process.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1891 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Tokuda).

SCRep. 311 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1094

The purpose of this measure is to authorize the use of the Land Conservation Fund for the acquisition of agricultural easements and for the payment of debt service on bonds issued for acquisitions using the fund.

Your Committee received testimony in support of this measure from the Department of Agriculture, the Department of Land and Natural Resources, and the Hawaii Agriculture Research Center.

Your Committee finds that this measure broadens the type of public purpose that the Land Conservation Fund can be used for and specifies agricultural easements as an appropriate means to acquire interests or rights in agricultural land. Allowing the purchase of agricultural conservation easements is a tool that may encourage more landowners to consider this program and keep important agricultural lands in production, rather than allowing them to be converted to suburban or high density areas.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs 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, 4. Noes, none. Excused, 1 (Tokuda).

SCRep. 312 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1644

The purpose of this measure is to mitigate the adverse effects of the March 2006 mudslides on the residents of Maunaloa, Oahu.

The measure accomplishes this purpose by:

- (1) Establishing a Maunaloa Infrastructure Development Special Fund and a Maunaloa Housing Revolving Fund to assist Maunaloa residents in rebuilding their homes; and
- (2) Authorizing the Department of Land and Natural Resources to transfer leases at Maunaloa, Oahu, in the event of damage due to adverse acts of nature that occurred between January 1 and April 1, 2006.

This measure also appropriates an unspecified amount for lease transfer costs for fiscal year 2007-2008, and appropriates an unspecified amount to the Maunaloa Infrastructure Development Special Fund for fiscal year 2007-2008, and requires a report to the 2008 Legislature regarding any lease transfers made.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Maunaloa Valley Community Association, two individuals, and one individual who submitted a petition with over sixty signatures. Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Your Committee finds that in March 2006, record-breaking heavy rains on Oahu caused recurring mudslides in the Round Top-Tantalus area, eventually forcing families in one small neighborhood to evacuate after residents at the end of the cul-de-sac watched mud rush down the hill between their homes. Within a half an hour, an entire section of the hillside was gone – what was once a slope became a gorge in minutes. After the slide, mud covered the road leading up to the last three homes in Maunaloa Valley where about twenty-five people live in the three houses. Down the hill on Maunaloa Road, several other neighbors faced erosion from the rushing water, mud, and debris. While many of the immediate needs of the Maunaloa residents were met in the days and weeks following the flooding, the landslides created unstable conditions for some of the lessees, making repairs and rebuilding difficult, if not impossible.

Your Committee further finds that the lessees of Maunaloa Valley have resided there for many decades, and the leases executed under Act 225, Session Laws of Hawaii 1981, as amended by Act 40, Session Laws of Hawaii 1982, are intended to meet a moral obligation to provide long-term stability and land tenure for these families.

Your Committee amended this measure by clarifying that the Department of Land and Natural Resources shall report to the 2008 Legislature regarding any lease transfers made, and by making technical amendments for the purpose of clarity.

It is the intent of your Committee to establish two funds, the Maunaloa Infrastructure Development Special Fund, and the Maunaloa Housing Revolving Fund and to authorize the Department of Land and Natural Resource to transfer leases at Maunaloa, Oahu, to mitigate the damage caused by adverse acts of nature that occurred between January 1 and April 1, 2006.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1644, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1644, 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, 1 (Tokuda).

SCRep. 313 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1716

The purpose of this measure is to authorize the issuance of general obligation bonds to fund the building of a Hawaiian community center facility in Kapolei by the Department of Hawaiian Home Lands (DHHL).

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands and the Association of Hawaiian Civic Clubs.

Your Committee finds that this measure will provide for the planning, design, and construction of a new Hawaiian community center that will be available for use by the entire West Oahu community.

Your Committee notes the testimony of DHHL with regard to the Attorney General's concern as to whether DHHL is the appropriate expending agency for the general obligation bonds appropriated in this measure. Your Committee also notes DHHL's concerns regarding assuming debt service and management responsibilities for the community center.

Upon passing this measure out, your Committee requests that the Committee on Ways and Means work with DHHL and the Attorney General to determine whether DHHL is the proper expending agency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1716 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 (Tokuda).

SCRep. 314 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1221

The purpose of this measure is to achieve the long-term agricultural viability and use of important agricultural lands by creating an incentive for farmers to designate their lands as important agricultural lands.

Specifically, this measure establishes an agricultural business investment tax credit that:

- (1) Creates a nonrefundable tax credit that is equal to one hundred per cent of the aggregate investments made in a qualified agricultural business, including agricultural business investments made by the agricultural business itself;
- (2) Staggers the payment of the tax credit over a five-year period;
- (3) Provides a partial recapture if the investment is withdrawn or sold during that five-year period or if the business no longer qualifies as a qualified agricultural business; and
- (4) Caps the total credit to be generated in a particular tax year at \$2,500,000.

Testimony in support of this measure was submitted by the Agribusiness Development Corporation; the Hawaii Farm Bureau Federation; the Maui County Farm Bureau; the Hawaii Crop Improvement Association; the Land Use Research Foundation; Alexander and Baldwin, Inc.; Hawaiian Commercial and Sugar Company; and Kauai Coffee, Inc. The Department of Taxation submitted comments.

In 2005, the Legislature enacted Act 183, Session Laws of Hawaii 2005, to preserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency, and assure the availability of agriculturally suitable lands. Furthermore, the Legislature acknowledged that agricultural viability is a vital component of a diversified agricultural industry, and established a process to identify incentives to encourage farmers and landowners to designate their lands as important agricultural lands. Your Committee finds that establishing a tax credit incentive program for agricultural businesses on important agricultural lands will assist in enhancing the agricultural viability on important agricultural lands.

The Department of Taxation and the Agribusiness Development Corporation indicated and your Committee recognizes that the language in this measure is vague in connection with important agricultural lands. Furthermore, there were many questions raised regarding how the tax credit would be calculated, and how the capped tax credit amount would be applied to the aggregate investments. The Department of Taxation and the Agribusiness Development Corporation also requested further clarification on their roles in providing and monitoring the investment tax credit.

Of particular note, your Committee received a fiscal impact statement from the Department of Taxation that this measure, if passed, would result in a revenue loss to the State of \$50,000,000. However, the fiscal impact statement submitted did not specify the methodology by which the fiscal impact was calculated or whether the stated amount was calculated as a one-time loss or on an annual basis.

Accordingly, your Committee has amended this measure by deleting its contents and inserting language from S.B. No. 1220, which establishes an important agricultural land agricultural business tax credit that creates a nonrefundable tax credit that grants a one hundred per cent credit for qualified agricultural costs incurred in Hawaii during the taxable year. This tax credit is reduced by the amount of funds received by an agricultural business during the taxable year from the irrigation repair and maintenance special fund under section 167-24, Hawaii Revised Statutes.

With respect to S.B. No. 1220, the Department of Taxation also raised concerns in its testimony regarding the definition of "qualified agricultural costs". Furthermore, the Department of Taxation and the Agribusiness Development Corporation requested clarification on their roles in providing and monitoring the tax credit. Thus, your Committee requested that the Hawaii Farm Bureau Federation work with the Department of Taxation to address the Department's concerns and questions.

Of particular note, your Committee received a fiscal impact statement from the Department of Taxation that this measure, if passed, would result in a revenue loss to the State of \$75,000,000. However, the fiscal impact statement submitted did not specify the methodology by which the fiscal impact was calculated or whether the stated amount was calculated as a one-time loss or on an annual basis.

Accordingly, your Committee has further amended this measure by:

- (1) Clarifying the roles of the Agribusiness Development Corporation and the Department of Taxation in determining the types of information that is necessary on an annual basis to enable a quantitative and qualitative assessment of the outcomes of the tax credit;
- (2) Requiring the taxpayer to submit information to the Agribusiness Development Corporation prior to the last day of the taxable year following the close of the taxpayer's taxable year in which qualified costs were expended;
- (3) Requiring that any taxpayer failing to submit information to the Agribusiness Development Corporation will not be eligible to receive the tax credit, and any tax credit already claimed for that taxable year will be recaptured in total and added to the taxpayer's liability for the taxable year in which the recapture occurs;
- (4) Clarifying further the definition for "agricultural business" and "qualified agricultural costs";
- (5) Providing an appropriation for the Department of Taxation and the Agribusiness Development Corporation to cover the costs to administer the important agricultural land agricultural business tax credit; and
- (6) Making technical, nonsubstantive amendments for the purposes of consistency and style.

The Hawaii Farm Bureau Federation indicated and your Committee recognizes that the definition for "qualified agricultural costs" merits further discussion and believes that the dialogue should be continued by the Committee on Economic Development and Taxation and the Committee on Ways and Means.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to achieve the long-term agricultural viability and use of important agricultural lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1221, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1221, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Slom). Excused, 1 (Tokuda).

SCRep. 315 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1923

The purpose of this measure is to preserve and protect state lands by requiring legislative approval of any exchange of lands under the control of any state department or agency for private lands.

Specifically, this measure requires that a state department or agency:

- (1) Obtain approval of the Legislature by at least two-thirds majority vote of the members of each house prior to the exchange of land; and
- (2) Submit a concurrent resolution with specific information on the land and the action proposed for introduction to the Legislature for its review prior to the exchange of land.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources and the Department of Transportation. The Department of Hawaiian Home Lands submitted comments.

Various state departments and agencies are authorized to exchange land under their control for private land. Your Committee finds that although these state departments and agencies have the authority to enter into contracts for the exchange of land, seeking legislative approval prior to exchanging land will ensure that state land will be used and remain for public purposes and benefits.

Your Committee has amended this measure by:

- (1) Deleting the new section under chapter 27, Hawaii Revised Statutes, and inserting a modified version of the new section under chapter 171, Hawaii Revised Statutes, as this chapter relates to public lands; and
- (2) Clarifying the scope of public lands that are subject to the new section under chapter 171, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1923, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1923, 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 (Tokuda).

SCRep. 316 Ways and Means on H.B. No. 1073

The purpose of this measure is to exclude legislative session employees from membership in the Employees' Retirement System throughout their employment as session employees.

No testimony was submitted.

As affirmed by the record of votes of the members 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. 1073, 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, 5 (Chun Oakland, English, Hooser, Kim, Menor).

SCRep. 317 Education on S.B. No. 14

The purpose of this measure is to enact implementing legislation in compliance with the ratification of the Hawaii State Constitutional Amendment regarding the selection process for the Board of Regents of the University of Hawaii.

Specifically, this measure:

- (1) Establishes the Candidate Advisory Council to screen and propose candidates for appointment to the Board of Regents of the University of Hawaii;
- (2) Increases the membership of the Board of Regents from twelve to fifteen members, requiring a specified number of members to represent different geographic locations;
- (3) Prohibits Board of Regents members from serving more than two consecutive five-year terms;
- (4) Requires the Senate to consider the question of an incumbent member's confirmation for a second term at least one hundred twenty days prior to the conclusion of the member's first term; and
- (5) Allows a Board of Regents member to continue to serve until the member's successor has been appointed and confirmed by the Senate.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the Faculty Retirees Association University of Hawaii, and one individual. Testimony in opposition of this measure was submitted by the University of Hawaii and the Association of Governing Boards of Universities and Colleges. Comments on this measure were submitted by the Office of Information Practices.

This measure reflects the Senate's efforts to address the concerns raised by Hawaii's voters, through their approval of a constitutional amendment regarding the composition of the Board of Regents of the University of Hawaii and other related provisions of the law. Through this measure, the Senate endeavors to ensure that the law reflects the spirit of the constitutional amendment that was approved by the people of Hawaii. The public has called for change, and we must see to it that the change is real, meaningful, and productive. The University of Hawaii plays a vital role in the State, the economy, and the larger community that includes Hawaii's Pacific neighbors. Its autonomy and effectiveness deserve every protection the Legislature can offer. These are issues that rise above partisanship, political agendas, and individual interests. They are issues that go to the very heart of the community and the promises the Legislature makes to future generations. Your Committee believes that it has fallen on the Legislature to heed the call of Hawaii's people, to recognize the vital role of the University of Hawaii, and to provide leadership in supporting its autonomy and continued success.

As a result, your Committee finds that during the November 7, 2006, election, the voters ratified an amendment to Article X, Section 6, of the Hawaii State Constitution, which requires the Governor to appoint members to the Board of Regents of the University of Hawaii from pools of qualified candidates presented by the Candidate Advisory Council. This measure establishes the Candidate Advisory Council for the Board of Regents of the University of Hawaii. Your Committee further finds that it was the people's desire that the Governor not be solely responsible for the appointment of members on the Board of Regents, thus, the Governor also should not be solely responsible for appointing a separate body that qualifies and presents candidates for appointment to the Board of Regents.

Your Committee determines that the Candidate Advisory Council should present two to four candidates for each seat on the Board of Regents within a specified number of days of a vacancy occurring. The Governor will then choose one nominee from those presented for possible membership on the Board of Regents, upon advise and consent of the Senate. Members for the Candidate Advisory Council will be appointed by the Governor, the Senate President, the Speaker of the House of Representatives, as well as various other organizations representing constituencies with interests relative to the public university system.

Your Committee believes that although members of the Candidate Advisory Council shall be appointed by these groups, this does not mean that the groups must, although they may, appoint members from their own constituencies. Instead, individuals may be appointed so long as they are individuals who are widely viewed as having placed the broad public interest ahead of special interests, having achieved a high level of prominence in their respective professions, and respected members of the community. Additionally, to allay concerns of executive council or board members of certain constituencies exerting undue influence over appointments, an individual who is or has served within the last five years on the executive council or board for the University of Hawaii Alumni Association or the All Campus Council of Faculty Senate Chairs of the University of Hawaii shall not be eligible for membership on the Candidate Advisory Council. The five-year moratorium will provide necessary distance, but also ensure that an individual is not too far removed from understanding the issues and qualifications necessary for council members. These requirements support the intent behind the composition of the Candidate Advisory Council to ensure that it is comprised of knowledgeable individuals representing diverse interests and concerned parties relative to the University of Hawaii System from throughout the State.

Testimony was provided seeking further detail on the qualifications necessary for candidates to be presented to the Governor for membership on the Board of Regents, which included the following:

- (1) A record of institution building;
- (2) Knowledge of the differences between a business model institution and a service institution;
- (3) Understanding that the principal work of a university is improving the quality of higher education through teaching, research, and public service;
- (4) Understanding of the connection between academic freedom and the constitutional guarantees of the Bill of Rights;
- (5) Commitment to the provisions of the State Constitution limiting their roles to policymaking and not micromanagement; and
- (6) Experience in raising money for endowments and other nonprofit purposes.

Your Committee believes that these are important criteria for qualification for the Board of Regents and believes that the Candidate Advisory Council should consider each criterion as well as any other relevant information in determining if an individual is qualified for service on the Board.

Your Committee also determines that, to ensure adequate representation of the diverse interests from throughout the State, membership on the Board of Regents should be increased and should include a specified number of individuals from each county.

Your Committee believes that expediency is required in implementing the law, as required by the constitutional amendment. Therefore, the Candidate Advisory Council should convene and attend to its duties as expeditiously as possible, including developing selection criteria and the application process for the Board of Regents seats and presenting candidates for existing and upcoming vacancies. Your Committee also believes that provisions should be made for reasonable deadlines for members of the Candidate Advisory Council to be appointed, for the Candidate Advisory Council to convene, and for the Candidate Advisory Council to make necessary presentations of candidates for open seats and seats for members whose terms have expired or will expire in the near future. Additionally, provisions should be instituted to require staggered terms for Board of Regents members and to allow for the presentation of candidates for multiple seats to be addressed in an efficient manner.

Your Committee determines that it is necessary to clarify that it was not the intent of the Legislature in proposing the constitutional amendment that the existing Board of Regents be abolished, but instead that members continue to serve until the appropriate implementing legislation can be enacted. Therefore, current appointments that have or will soon expire will be extended until such time as the Candidate Advisory Council can convene and appointment and confirmation can be accomplished. Finally, due to the increase in membership on the Board of Regents, interim quorum requirements are necessary to allow the Board of Regents to continue to function until full membership is achieved.

Accordingly, your Committee has amended this measure by:

- (1) Including a purpose section that clarifies the intent of the Legislature that existing Board of Regents members serve their full terms of office and, upon expiration of their terms, be replaced by a member from a list of candidates presented by the Candidate Advisory Council;
- (2) Requiring the Candidate Advisory Council, within sixty days of first convening, to make its presentation of candidates for vacant seats;
- (3) Requiring the Candidate Advisory Council to submit a specified number of candidates for filling multiple seats on the Board of Regents;
- (4) Clarifying that appointments to the Candidate Advisory Council by the organizations listed in the measure shall be selected from the general public and may include members of their own constituencies, as long as the appointees satisfy the requirements for appointment provided in the measure; provided that individuals who are or have served as members of the executive councils or boards of the University of Hawaii Alumni Association and the All Campus Council of Faculty Senate Chairs of the University of Hawaii within a five-year period immediately preceding the establishment of or vacancy on the Candidate Advisory Council shall not be eligible for membership on the Candidate Advisory Council;
- (5) Providing that if a Candidate Advisory Council member has not been appointed within one hundred eighty days of the effective date of the measure, the sitting members shall make an interim appointment to fill the vacant seat until the appropriate appointing authority makes an appointment;
- (6) Requiring the Candidate Advisory Council to convene its first meeting after thirty days of the appointment of the members or upon the appointment of a majority of its members if not all of the members have been appointed within thirty days of the effective date of the measure;

- (7) Clarifying that the Candidate Advisory Council meetings shall be exempt from the Sunshine Law, part I of Chapter 92, Hawaii Revised Statutes;
- (8) Clarifying that if the Senate is not in session within one hundred twenty days of the completion of a member's first term, the member may continue to serve until the Senate next convenes in regular session or in a special session during which the Senate is authorized to consider the Board of Regents member's reconfirmation for a second term;
- (9) Increasing the number of members on the Board of Regents representing the county of Oahu from five to seven; and
- (10) Specifying that seven members shall constitute a quorum of the Board of Regents until at least fourteen of the fifteen seats are filled, at which time a majority shall constitute a quorum.

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. 14, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 14, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 7. Ayes with Reservations, 1 (Gabbard). Noes, none. Excused, none.

SCRep. 318 Economic Development and Taxation on S.B. No. 1882

The purpose of this measure is to establish a food income tax credit in an unspecified amount.

Testimony in support of this measure was received from the Department of Taxation (Department). The Tax Foundation of Hawaii submitted comments.

Your Committee finds that the food tax credit, first adopted in 1987, was cut in half in 1995, and repealed by Act 157, Session Laws of Hawaii 1998, which also established a low-income refundable tax credit.

Your Committee notes that the Department stated in testimony that the estimated revenue loss was indeterminate because the amount of the credit is not specified. However, the Department subsequently submitted an estimated revenue loss of \$30,700,000.

The Department stated that according to the 2004 tax credit data, there were a total of 1,023,724 qualified exemptions, if the credit amount was \$30 multiplied by the number of qualified exemptions, the revenue loss would be \$30,700,000. However, with adjusted gross income restrictions, and tax credits given on a sliding scale, such as the Low-Income Refundable Tax Credit, the revenue loss would be smaller. In 2004, there were a total of 289,944 qualified exemptions for the low-income tax credit, and the total amount of low-income credits claimed for 2004 was \$8,100,000.

In its methodology, the Department noted that the Low-Income Refundable Tax Credit is determined by the taxpayer's Hawaii adjusted gross income: Under \$10,000, a tax credit of \$35 per qualified exemption; \$10,000 to \$15,000, a tax credit of \$25 per qualified exemption; \$15,000 to \$20,000, a tax credit of \$10 per qualified exemption; over \$20,000, a tax credit of \$0. However, minor children, who cannot be claimed as dependents by another taxpayer; and receive more than half their support from public agencies, such as the State Department of Human Services, are eligible for the maximum \$35 tax credit amount.

It is the intent of your Committee to support further discussion of this measure as part of an overall approach to economic legislation designed to improve the sustainability of Hawaii's citizens.

Your Committee has amended this measure accordingly, by inserting an effective date of January 1, 2030, for the purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1882, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1882, 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. 319 (Joint) Intergovernmental and Military Affairs and Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1596

The purpose of this measure is to make an appropriation for a grant-in-aid to the County of Hawaii for water source development in Kona, Hawaii.

Your Committees appropriated \$6,000,000 for fiscal year 2007-2008 and the same sum for fiscal year 2008-2009.

Testimony in support of this measure was submitted by the Department of Hawaiian Home Lands; the Department of Business, Economic Development, and Tourism, Hawaii Housing Finance and Development Corporation; and the County of Hawaii.

Your Committees find that there is a need for the development of new water sources and water storage improvements in North Kona, Hawaii. This measure will help ensure that adequate water capacity exists for planned State affordable housing developments in West Hawaii.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1596 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, 3 (Fukunaga, Hee, Hemmings).

SCRep. 320 Intergovernmental and Military Affairs on S.B. No. 1598

The purpose of this measure is to appropriate funds to the County of Hawaii for the plans, design, and construction of the Puna recreational complex.

This measure appropriates \$8,000,000 for fiscal year 2007-2008, for a grant-in-aid to the County of Hawaii.

Testimony in support of this measure was submitted by the County of Hawai'i, Department of Parks and Recreation.

Your Committee finds that the Puna district has been the fastest growing district within Hawaii county, yet the level of service relative to public recreational facilities has not been able to keep pace with the increasing demand. Ever increasing home and land values in the State and Hawaii County have transformed the Puna district into one of the last and most attractive affordable real estate markets on the island. The proposed Pahoia recreational complex will include a full gym, ball fields, and numerous other amenities. The complex will be located adjacent to the county's new Pahoia police and fire stations currently under design and is envisioned to be a tremendous asset to the Puna district as a new multi-purpose park. The location of the new site will allow for easy ingress and egress directly on to the Keaau-Pahoia highway, making access to the site safe, quick, and convenient for all of the district's population.

The intent of your Committee is to appropriate funds to the County of Hawaii for the plans, design, and construction of the Puna recreational complex.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1598 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, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 321 (Joint) Intergovernmental and Military Affairs and Education on S.B. No. 1969

The purpose of this measure is to broaden the scope of the law that provides tuition assistance to members of the Hawaii National Guard who are students working toward a degree on any campus in the University of Hawaii system.

This measure appropriates funds in the amount of \$1,000,000 for fiscal year 2007-2008.

Testimony was submitted in support of this measure by the Department of Defense, the University of Hawaii, the Hawaii National Guard Enlisted Association, the National Guard Association of Hawaii Insurance Trust, and two individuals.

Your Committees find that upon returning from deployment, many National Guard members enroll in undergraduate and graduate programs at the University of Hawaii. It is important to provide tuition assistance and support to members of the Hawaii National Guard who seek to further their education at the University of Hawaii. This financial support shows support and commitment to our National Guard members for their continued sacrifice and service to our nation, while simultaneously acting as an important recruitment and retention tool.

Your Committees amended this measure by changing the fiscal year for which the funds are being appropriated and the effective date of the measure from July 1, 2007, to July 1, 2008, in order to allow the University of Hawaii and the Department of Defense adequate time to consider the federal tuition guidelines before the enactment of this measure. This measure was further amended by making technical changes for the purposes of clarity and style.

The intent of your Committees is to provide tuition assistance and support to members of the Hawaii National Guard who seek to further their education at the University of Hawaii.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1969, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1969, 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 (Hee, Hemmings).

SCRep. 322 Economic Development and Taxation on S.B. No. 216

The purpose of this measure is to amend the definition of "cost" with regard to the capital goods excise tax credit, by:

- (1) Deleting the actual invoice price of the tangible personal property from the definition; and
- (2) Clarifying that the basis for the depreciation was subject to tax at the rate of four per cent under chapter 237 or 238, Hawaii Revised Statutes.

The Department of Taxation (Department) submitted comments.

Your Committee received a revenue impact statement from the Department that stated canned software would be considered capital goods. Using this as an example, the Department estimated the revenue loss on this item alone would be between \$1,000,000 and \$2,000,000. However, it is unclear whether the revenue loss was calculated on an annual basis.

Your Committee then asked the Department if installation, such as for large computer systems, would be included with the actual cost of the equipment in the capital goods credit. The Department responded that an assumption might be made that installation would be twenty-five per cent of the cost, raising the total revenue impact to \$1,250,000 to \$2,500,000, but providing no further information.

Your Committee believes that installation costs may be included under federal law, and finds this warrants further discussion as additional information is received.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 216 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. 323 Economic Development and Taxation on S.B. No. 1493

The purpose of this measure is to raise the Hawaii standard deduction to seventy-five per cent of the 2005 federal standard deduction.

Testimony in support of this measure was received from the Office of the Governor and the Department of Taxation. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that in 2006, the Hawaii standard deduction was raised from approximately twenty per cent of the federal standard deduction to forty per cent, the first increase since 1989. Your Committee further finds that each Tax Review Commission since 1985 has recommended raising the Hawaii standard deduction.

Your Committee received a revenue impact statement from the Department of Taxation that the estimated revenue loss from this measure is \$30,000,000 per fiscal year.

In its methodology, the Department stated that the estimated annual revenue loss is based on the 2004 individual returns, but did not provide any additional information.

Your Committee is in strong support of tax relief for Hawaii's citizens and it is the intent of your Committee to continue the discussion in the Legislature of how best to do so.

Your Committee has amended this measure for the purposes of further review and discussion, by:

- (1) Replacing the proposed revised standard deductions with unspecified amounts; and
- (2) Inserting an effective date of July 1, 2025.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1493, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1493, 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. 324 Education on S.B. No. 21

The purpose of this measure is to appropriate funds for the planning, design, and construction of a second access road to serve the Leeward Community College (LCC).

Your Committee received testimony in support of this measure from the University of Hawai'i System.

Your Committee finds that the LCC campus also serves as a temporary site for the University of Hawaii West Oahu campus and is presently serviced by one access road. This access road also serves a private townhouse development. Your Committee finds that this single access road limits access to the campus, causes traffic congestion, and could cause problems in the event of an emergency.

The "Second Access Road" project at LCC, is a part of the campus' long-range development plan, that was initially identified for construction in the 1966 master plan. Your Committee also finds that the project should have been completed by 1971, when the campus became fully operational. A capital improvements project appropriation was made in 2002, but the project was never completed.

Your Committee believes that the completion of the second access road for the LCC campus is necessary to provide for the transportation needs of the LCC campus and the surrounding 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 S.B. No. 21 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. 325 Education on S.B. No. 24

The purpose of this measure is to improve higher education in Hawaii by authorizing the issuance of general obligation bonds for design, construction, and equipment costs associated with providing temporary facilities for the University of Hawaii-West Oahu.

Testimony in support of this measure was submitted by the University of Hawaii and one individual.

Your Committee finds that although the planned development of the University of Hawaii, West Oahu (UHWO) campus in Kapolei is anticipated to begin in the near future, the UHWO campus must continue to serve the needs of existing and incoming students until the new campus' completion. The UHWO campus has been housed at Leeward Community College, but the facilities are inadequate to satisfy the current demands of the school. This measure will provide necessary funding for temporary facilities to meet the needs of the faculty, staff, and students until the new UHWO campus is completed.

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 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. 326 Education on S.B. No. 682

The purpose of this measure is to appropriate funds to the University of Hawaii for the establishment of a college preparatory online academy.

Testimony in support of this measure was received from the Department of Education and the University of Hawai'i at Manoa.

Your Committee finds that this measure will increase the opportunities for highly capable secondary students to take enriched, accelerated, college preparatory, or college level classes and enable them to meet the requirements of college and career entry.

Your Committee has amended this measure to specify that the University of Hawaii will work in full partnership with the Department of Education to establish a college preparatory online academy. Your Committee also amended this measure to 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 S.B. No. 682, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 682, 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. 327 Education on S.B. No. 1129

The purpose of this measure is to repeal the transfer of Public Health Nurses and School Health Aides from the Department of Health to the Department of Education.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, HGEA/AFSCME, Local 152, AFL-CIO. Testimony in opposition of this measure was submitted by the Department of Education and the Department of Health.

Your Committee finds that pursuant to Act 51, Session Laws of Hawaii 2004, as amended, the Department of Education was established as a separate jurisdiction of the State. As a result, the transfer of authority and personnel was accomplished as well. Included in the transfer under Act 51, as amended, are Public Health Nurse and School Health Aide positions from the Department of Health to the Department of Education, to be effective July 1, 2007. Your Committee understands that their transfer was intended to provide a coordinated school health services program within the Department of Education; however, concerns have arisen regarding the security of existing Public Health Nurse and School Health Aide positions within the Department of Education.

Under the weighted student formula, it is unclear as to whether existing Public Health Nurse and School Health Aide positions will survive. Your Committee finds that these employees are concerned for their livelihood and the situation does not reveal what will ultimately happen to each of these employees. However, representations have been made that the Interagency Working Group, created under Act 51, as amended, has been working toward the effective and efficient transfer of School Health Aides and Public Health Nurses to the Department of Education. Therefore, your Committee determines that this measure should continue to progress through the session, should it be necessary, as the Interagency Working Group continues to develop its plan for the smooth transition of positions from the Department of Health to the Department of Education.

Accordingly, your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1129, 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 (Hee, Tokuda).

SCRep. 328 Education on S.B. No. 616

The purpose of this measure is to make an appropriation out of the general obligation bond fund of the State for planning and construction of the University of Hawaii (UH) West Oahu campus.

This measure also requires the UH to establish a teacher education program capable of annually graduating a minimum of three hundred teachers by not later than 2014.

Your Committee received testimony in support of this measure from the UH System, D R Horton Schuler Division, and two individuals. Comments were received from the Manoa Faculty Senate and one individual.

Your Committee finds that the time has come to provide the capital improvement funding for the UH's West Oahu campus. In order to expedite the planning, design, and construction of the campus, this measure appropriates the full amount requested by the university for the new campus.

Your Committee further finds that one of the most critical needs of the State of Hawaii is the capacity to train new teachers. Therefore, this measure requires the university to not only plan and construct its new West Oahu facilities, but to also expand its teacher education capacity by setting, as a goal, the creation of a West Oahu teacher education program so that, by year 2014, West Oahu will have the facilities, faculty, and other resources to graduate a minimum of three hundred future teachers on an annual basis.

Your Committee has amended this measure by deleting the amount specified in the appropriation and adding a provision that prevents the lapsing of the appropriation until June 30, 2010.

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. 616, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 616, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 7. Ayes with Reservations, 1 (Taniguchi). Noes, none. Excused, none.

SCRep. 329 Education on S.B. No. 1168

The purpose of this measure is to require the Department of Education to adopt rules to prohibit school bullying and cyberbullying and to appropriate funds to the Department of Education to implement anti-bullying programs in the public schools.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association, Hawaii Youth Helping Youth, and one individual. The Department of Education submitted testimony in opposition to this measure.

Your Committee finds that bullying and cyberbullying is an increasing problem in our schools and can have detrimental effects on students. Your Committee also notes that the Board of Education has made representations in the past that it is going to implement a policy on bullying and cyberbullying, and therefore discussion on this issue should continue.

Your Committee has amended this measure to amend the effective date to encourage the Board of Education to take action on creating a policy for schools regarding bullying and cyberbullying, and to provide funding, if necessary. Your Committee has also amended this measure to 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 S.B. No. 1168, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1168, 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. 330 Education on S.B. No. 1256

The purpose of this measure is to authorize the issuance of general obligation bonds and to make an appropriation for a new student services building at the University of Hawaii (UH) at Hilo.

Your Committee received testimony in support of this measure from the University of Hawai'i System and University of Hawai'i at Hilo Student Association 2006-2007.

Your Committee finds that the UH at Hilo is in desperate need of a new student services building. The programs to be housed in a new student services building are critical to the academic and personal success of students, including services in counseling, academic advising, financial aid, admissions, tutoring, career services, disabled student programs, women's programs, registrar, and business office. These services are currently dispersed throughout the campus. The current student services building is overcrowded with three or four counselors and advisors sharing offices. The essential confidentiality of communications for these sensitive services is lacking.

Bringing together similar services under one building is economical and efficient. Most other institutions of higher education have all student services under one roof. The quality of the student services building could indirectly affect accreditation of the facility.

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. 1256 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. 331 Education on S.B. No. 1267

The purpose of this measure is to appropriate an unspecified amount for the purchase of mathematics textbooks and other mathematics learning materials; professional development for teachers of mathematics and mathematics coaching; and for the use of assessments to provide appropriate mathematics interventions for individual students.

The Department of Education and the Hawaii State Teachers Association submitted testimony in support of this measure.

Your Committee finds that school complexes need textbooks and instructional materials that enable students to achieve proficiency in the Hawaii Content and Performance Standards III Mathematics Benchmarks. In addition, professional development is critical in teaching teachers how instruction in a standards-based classroom is different from instruction in the traditional classroom. Through professional learning opportunities, teachers can learn to be more effective in using formative assessments and data to personalize instruction and interventions for individual students.

It is your Committee's intent to support an appropriation for mathematics coaches and their training, as well. Your Committee has amended this measure by:

- (1) Adding mathematics coaches and their training to the purposes of the unspecified appropriation; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, 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. 1267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1267, 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 (Hee, Tokuda).

SCRep. 332 Education on S.B. No. 1698

The purpose of this measure is to appropriate funds to the Department of Education to provide two portable rooms for the Manoa Public Library to accommodate the community and students for the library's two-year closure.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Public Library System, Friends of Manoa Library, and five individuals.

Your Committee finds that Manoa Public Library provides much needed resources to the community and its temporary closure may cause hardship to the neighborhood, including the students of Noelani Elementary School. The funds appropriated in this measure will compensate for the two-year closure by providing portable buildings to be used by the Manoa Public Library to continue its services.

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. 1698 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 (Hee, Tokuda).

SCRep. 333 Education on S.B. No. 1858

The purpose of this measure is to appropriate funds to establish twenty additional permanent athletic health care trainer positions in the public schools.

This measure also appropriates funds for a part-time athletic director at Anuenue School and appropriates funds for equipment, supplies, and transportation for school athletic programs.

Your Committee received testimony in support of this measure from the Department of Education, the Department of Health, the Athletic Directors and Coaches Association, the Hawaii Government Employees Association, and one individual.

Your Committee finds as the number of athletes and sports programs has grown significantly over the years, additional athletic health care trainer positions, an athletic director at Anuenue School, and funding for equipment, supplies, and transportation are warranted. This measure will assist the State in meeting the needs of the athletic programs in the public schools.

Your Committee has amended this measure by changing the request for funding for a part-time athletic director at Anuenue School to funding for a full-time athletic director.

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. 1858, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1858, 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 (Hee, Tokuda).

SCRep. 334 Education on S.B. No. 1994

The purpose of this measure is to make an appropriation for capital improvement projects for the Campus Center building at the University of Hawai'i at Manoa.

Testimony in support of this measure was submitted by the University of Hawai'i at Manoa, the Associated Students of the University of Hawaii at Mānoa, and the University of Hawaii at Manoa Campus Center Board.

Your Committee finds that as campus enrollment has increased steadily over the years, the University of Hawaii at Manoa Campus Center is in need of renovations and expansion. The plans for the Campus Center expansion have received overwhelming support and approval from the students and the University of Hawaii at Manoa.

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. 1994 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. 335 (Joint) Tourism and Government Operations and Intergovernmental and Military Affairs on S.B. No. 1249

The purpose of this measure is to create a new category of liquor license for condominium hotels.

Your Committees received testimony in support of this measure from the Hawai'i Hotel & Lodging Association, Outrigger Hotels & Resorts, and the four county liquor commissions. Comments were received from the State Attorney General.

Your Committees find that the advent of the condominium hotel ownership and operating structure is a relatively new concept that has recently been gaining in popularity in the State. While many former hotel operations have converted to a condominium hotel ownership and operating structure, this new structure has created an interpretation and application problem with respect to liquor licensing laws. Specifically, the restrictive nature of the definition of "premises" contained in the existing Class 12 hotel liquor licensing requirements would require that a licensed liquor establishment be situated and operated on the hotel portion, not the condominium portion, of the condominium hotel. Such a restrictive interpretation could lead to the inconsistent application and enforcement of liquor licensing laws when trying to fit condominium hotels into the existing liquor licensing framework for hotels.

Your Committees believe that creating a new liquor licensing category to specifically address the unique ownership and operational structure of condominium hotels would promote the consistent interpretation and application of liquor licensing laws. Your Committees also believe that the establishment of a separate category for condominium hotel liquor licenses is necessary to provide adequate guidance to county liquor commissioners to ensure that the liquor licensing laws that govern the sale of liquor on such premises are uniformly interpreted and applied throughout a respective county's jurisdiction.

Your Committees have amended this measure by making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Tourism and Government Operations and Intergovernmental and Military Affairs 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 Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 1 (Hemmings).

SCRep. 336 (Joint) Tourism and Government Operations and Economic Development and Taxation on S.B. No. 689

The purpose of this Act is to appropriate moneys to plan, design, and construct phase 2 of the Pacific Aviation Museum at Pearl Harbor's facilities.

Your Committees received testimony in support of this measure from the Pacific Aviation Museum and The Chamber of Commerce of Hawaii.

The Pacific Aviation Museum is in the process of developing a portion of Ford Island into a world class aviation museum that will honor the patriotism, valor, and sacrifice made by aviators and their ground support personnel in the defense of freedom in the Pacific. The new museum includes exhibits depicting World War II, the Korean War, the Cold War, the Vietnam Conflict, and current American air power. It will feature diorama exhibits, period and reproduction aircraft, an aviation education center, a flight simulation center, a theater, a museum store, a food service area, and a library.

The museum opened to the public on December 7, 2006, after a construction phase of approximately nine months. The museum has been widely acclaimed as an excellent addition to the USS Arizona, USS Missouri, and USS Bowfin memorials.

Your Committees find that additional state funds are necessary to provide the foundation for phase 2 of the museum to be housed in hangar 79 on Ford Island. Phase 2 development will include the planning, designing, and construction to improve and restore hangar 79, which comprises 85,000 square feet. The current cost to complete phase 2 is estimated at \$33,000,000. Phase 2 exhibits will encompass the remaining campaigns of World War II, together with an introduction to the Korean War and the Vietnam Conflict. The museum will complete its fundraising in Hawaii

over the next six months and will then launch a national campaign to fund the balance of phase 2. Your Committees find that the State's ongoing support is extremely important in demonstrating to potential mainland funding sources the State's strong backing of the expanded museum.

To date, the museum has raised \$13,200,000 in federal, state, and private funds for phase 1, and \$1,800,000 for phase 2. The 2004 Legislature appropriated a \$1,000,000 grant-in-aid for phase 1 of the museum and the 2006 Legislature appropriated \$500,000 of a requested \$2,000,000 for phase 2 of the museum. The funding was administered by the Hawaii Tourism Authority.

The intent of this measure is to preserve aviation history and honor those who fought for our freedom.

Your Committees have amended this measure by deleting the specific appropriated amount and by making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Tourism and Government Operations and Economic Development and Taxation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 689, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 689, 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, Tsutsui).

SCRep. 337 Tourism and Government Operations on S.B. No. 1929

The purpose of this measure is to allow the Chief Procurement Officer (CPO) to assess administrative fines for noncompliance with the Hawaii Public Procurement Code.

Your Committee received testimony in support of this measure from the State Procurement Office (SPO). Comments were received from the Department of Accounting and General Services (DAGS).

Your Committee finds that existing law is lacking in a provision for the assessment of administrative fines for noncompliance with procurement laws. While criminal sanctions exist that apply to providers of service and vendors of goods, such as termination of the contract, re-bid, debarment, and suspension, there are no administrative sanctions for anyone whose actions may not warrant criminal prosecution.

On the recommendation of the CPO, your Committee has amended this measure by deleting its contents and inserting an amendment to the penalties provision of the Hawaii public procurement code, and to make a conforming statutory amendment.

Your Committee notes the concerns of the DAGS to the effect that an appropriation for additional staff and consulting services is necessary to implement this measure and that public hearings are also necessary to adopt the rules required to effectuate this measure. While these concerns are noted, your Committee does not believe that any additional funding is necessary since this measure, as amended, keeps costs to a minimum. Your Committee believes that the adoption of administrative rules should not be difficult for DAGS, which has much experience in rule making. Nor does your Committee believe that revisions to other chapters of the Hawaii Revised Statutes are necessary since the violations are confined to the provisions of the procurement code.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1929, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1929, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Trimble). Noes, none. Excused, none.

SCRep. 338 Tourism and Government Operations on S.B. No. 1930

The purpose of this measure is to establish commissions to review state government operations.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association. Testimony in opposition was received from the Department of Budget and Finance. Comments were received from the Office of Information Practices.

The commissions to review state government operations are similar to those proposed in the federal Government Efficiency Act of 2006, which authorizes the establishment of federal review commissions with respect to specific aspects of federal programs and agencies. The state commissions would review state government operations to make recommendations on how to improve the operations, effectiveness, and efficiency of state programs and agencies in order to determine whether a reorganization, consolidation, abolishment, expansion, or transfer of functions of existing state programs and agencies are necessary to promote more effective management of the executive branch.

A commission could be established whenever deemed appropriate by executive order of the Governor or by concurrent resolution of the Legislature. A commission would be under the Auditor for administrative purposes, but would be independent of the Auditor, the legislative, the judiciary, and the executive branches of government. A commission would review the operations of a specified state government department, agency, or program as identified in the executive order or concurrent resolution. A commission would report findings and recommendations to the Governor and the Legislature within nine months from the issuance of an executive order or adoption of a concurrent resolution.

Your Committee finds that periodic review of a state government department, agency, or program to assess the efficiency and effectiveness of operations is warranted. Although the Auditor conducts operational and managerial reviews of departments, agencies, and programs, as requested by the Legislature, your Committee believes that a permanent mechanism should be in place to conduct the reviews on an ongoing basis to ensure that public funds are being expended properly and the public trust in government is maintained.

Your Committee has amended this measure by:

- (1) Adding a representative of a government employee organization to the membership of a commission; and
- (2) Requiring a commission to hold public meetings and public hearings pursuant to chapter 92, Hawaii Revised Statutes, relating to open meetings.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1930, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1930, 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, none.

SCRep. 339 Economic Development and Taxation on S.B. No. 1934

The purpose of this measure is to require the Department of Taxation to allow an individual taxpayer to request that the taxpayer's refund be electronically deposited into more than one account at financial institutions.

Testimony in support of this measure was received from The Hawai'i Alliance for Community Based Economic Development, 3Point, and one individual. The Department of Taxation submitted testimony in opposition. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that for many people, particularly lower income taxpayers, a tax refund is the only substantial amount of "discretionary" income they may receive in a year. Your Committee has heard of individuals who use the tax refund to pay down debt, access a mortgage assistance program, and make tuition payments – expenses that would not be "affordable" otherwise.

Your Committee has also heard that income splitting is a standard asset management tool for the wealthy, allowing a person to split assets into separate pools for spending and for saving. This measure would provide a similar opportunity for a Hawaii taxpayer – no matter what the income level – to split the financial asset that the tax refund represents. Doing so by electronic deposit into separate financial accounts ensures that the refund is more likely to be reserved for extraordinary expenses.

Your Committee notes that both the federal government and California allow an individual's tax refund to be electronically deposited in more than one financial account.

It is the intent of your Committee to provide Hawaii residents with refund splitting options comparable to that provided by the federal government, which allows the refund to be split into a maximum of three accounts.

Your Committee has amended this measure by allowing a taxpayer to designate up to three accounts at financial institutions for direct deposit of the taxpayer's refund.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1934, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1934, 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. 340 Judiciary and Labor on S.B. No. 1526

The purpose of this measure is to statutorily provide a mechanism to raise the salaries of the administrative director and the deputy administrative director of the Judiciary since these salaries are not reviewable by the Salary Commission created by the Constitutional Amendment approved by the voters of Hawai'i in November, 2006.

Your Committee heard testimony from the State Judiciary in favor of the bill which sets the salary of the Administrative Director at 89% of the Chief Justice's salary and the Deputy Administrator Director at 95% of the Administrative Director.

Your Committee amended the bill to set the Administrative Director's salary at 80% of the Chief Justice's salary.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1526, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1526, 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. 341 Judiciary and Labor on S.B. No. 1068

The purpose of this measure is to add a new comprehensive public funding program for candidates for the State House of Representatives in addition to existing partial public financing.

Your Committee received testimony in support of this measure from Hawaii Clean Elections, the League of Women Voters, Kokua Council, Life of the Land, and numerous concerned individuals. The Campaign Spending Commission (Commission) did not support the bill as drafted. The Department of Budget and Finance opposed \$2.5 million annual appropriations to the Hawaii Election Campaign Fund from the Unclaimed Property Trust Fund.

The bill as received adds to chapter 11, Hawaii Revised Statutes, a new subpart entitled Comprehensive Public Funding for Elections to the House of Representatives, and amends other sections in chapter 11 to reflect the changes.

Your Committee has concerns regarding the source of funds. The Department of Budget and Finance testified that funds in the Unclaimed Property Trust Fund belong to individual citizens and businesses, and should not be used for purposes other than paying claims to their rightful owners.

The Commission's written testimony lists the balance of the Hawaii Election Campaign Fund as of December 31, 2006 as \$5,567,712.09. In oral testimony, the Commission's Executive Director stated that if current law were amended to increase matching funds available to a state representative candidate from ten to fifty per cent, it appears the Hawaii Election Campaign Fund would have sufficient resources to provide matching funds to one state representative candidate per seat in the 2008 election. The Executive Director could not predict how many candidates would apply, but current law allows the Commission to cease paying matching funds if the payment would deplete the Hawaii Election Campaign Fund.

To keep discussion of this proposal moving forward, your Committee has amended this measure by deleting its contents and inserting sections 7 and 10 of S.B. No. 1549, a Bill for an Act Relating to Campaign Spending, pertaining to partial public funding, modified to change that bill's proposed increase in matching funds available to a candidate for state representative from fourteen to fifty percent of the expenditure limit. This bill, as amended:

- (1) Amends section 11-209(a), Hawaii Revised Statutes, to:

- (a) Reinstate language that was deleted by Act 203, Session Laws of Hawaii 2005, to allow candidates for the office of prosecuting attorney to qualify for partial public financing; and
 - (b) Increase expenditure limits for candidates who voluntarily agree to limit their campaign expenditures, including candidates for the office of prosecuting attorney; and
- (2) Amends section 11-218, Hawaii Revised Statutes, to:
- (a) Increase matching funds available to a candidate for the office of the governor, lieutenant governor, or mayor from ten percent to fourteen percent of the expenditure limit;
 - (b) Increase matching funds available to a candidate for the office of state senator, county council, or prosecuting attorney from ten percent to fourteen percent of the expenditure limit; and
 - (c) Increase matching funds available to a candidate for state representative from ten percent to fifty per cent of the expenditure limit.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor 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 Second Reading in the form attached hereto as S.B. No. 1068, 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. 342 Judiciary and Labor on S.B. No. 1518

The purpose of this measure is to increase fees for court-appointed counsel and guardian ad litem in family court cases and to require the Judiciary to provide the Department of Budget and Finance with fee related information so that the department can approve the necessary vouchers.

Your Committee received testimony from the Family Court in support of the bill. Your Committee also received testimony from the Department of Budget and Finance who took no position on the fees but opposed the transfer of payment and budget functions to Budget and Finance. The Family Court testified that they were aware of Budget and Finance's opposition to section (c) of the bill but had not been able to meet with the Department of Budget and Finance to resolve this problem. She agreed with the committee that section (c) remain in the bill.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1518 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. 343 Judiciary and Labor on S.B. No. 1231

The purpose of this measure is to appropriate funds as a grant-in-aid to continue the operations of the Weed and Seed Program in the federally designated communities of Kalihi, Waipahu, and Ewa Beach on Oahu, and authorize the Attorney General to by the expending agency through a contract with the YMCA of Honolulu.

Your Committee received testimonies from the Attorney General's Office and 15 private individuals in support of this bill. Your Committee was informed of the successful efforts made by law enforcement agencies, community members, businesses, non-profit organizations, and community groups in combating crime and drug use.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1231 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. 344 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1650

The purpose of this measure is to require the filing of a certificate of merit with any complaint filed against a design professional for the failure to meet the standard of care. This measure also requires the filing of a preliminary expert opinion affidavit.

Testimony in support of this measure was received from ECS, Inc.; the Coalition of Hawaii Engineering and Architectural Professionals; Sam O. Hirota, Inc.; Fukunaga & Associates, Inc.; Engineering Concepts, Inc.; Masa Fujioka & Associates; KAI Hawaii, Inc.; Consulting Structural Hawaii, Inc.; Gray, Hong, Nojima & Associates, Inc.; and the American Council of Engineering Companies. Testimony in opposition to this measure was submitted by the Department of Accounting and General Services and the Consumer Lawyers of Hawaii.

Your Committee finds that the intent of this measure is to reduce the number of frivolous lawsuits against design professionals by requiring a plaintiff or their attorney to hire a qualified professional to certify that the case being brought has merit and that there is evidence of errors, omissions, or negligence on the part of the defendant. Your Committee notes, based upon some of the testimony received, that several other jurisdictions have adopted similar requirements.

Your Committee has amended this measure to change the effective date from upon approval to July 1, 2050, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable 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 Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 345 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1392

The purpose of this measure is to authorize enhanced civil and administrative penalties for securities violations, when the violations are directed toward, target, or are committed against seniors who are sixty-two years of age and older.

This measure authorizes civil and administrative penalties of up to \$50,000 for each violation.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Department of the Attorney General, and AARP Hawaii. The National Association of Insurance and Financial Advisors submitted testimony in opposition to this measure.

Your Committee finds that investment fraud against seniors is a growing concern in Hawaii, as demonstrated in a recent statewide survey conducted by AARP Hawaii. This measure is directly responsive to these concerns, as it allows for greater civil and administrative penalties for violations of the State's securities laws when the violations are directed towards, target, or are committed against seniors. This measure will allow the State to be proactive in deterring investment fraud against seniors.

Your Committee has amended this measure, based upon an agreement between the Department of Commerce and Consumer Affairs and other interested parties, to provide a limited exception from the enhanced penalty provisions for registered dealers and registered broker-dealers that commit only supervisory infractions.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1392, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1392, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 346 Judiciary and Labor on S.B. No. 156

The purpose of this measure is to authorize a vote-by-mail system as the exclusive means for casting ballots for all federal, state and county elections, if authorized by the Chief Elections Officer.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii and two concerned individuals. The Office of Elections and the County Clerk of the County of Kaua'i commented on this measure.

Your Committee finds that voting by mail has the potential to enhance public participation in elections. As noted in the Office of Elections testimony, absentee mail voting provides voters "a means to 'fit' voting into their busy lifestyles" and "the opportunity to fully deliberate on the votes they will cast, and the convenience of being able to consult with information on candidates and ballot questions in familiar and comfortable settings."

Your Committee notes that operational concerns raised by elections officials may need to be addressed as this measure moves through the legislative process. Your Committee has amended this measure by:

- (1) Adding "used in an election by mail" to the definition of ballot in new section -3 to conform to the definition of "absentee ballot" in section 15-1, Hawaii Revised Statutes;
- (2) Providing that the return envelope to be mailed to registered voters is to include a statement to be subscribed to by the voter, instructions relating to the ballot's validity, and other information as required by rule, to follow existing requirements for absentee voting under section 15-6, Hawaii Revised Statutes;
- (3) Inserting language requiring the county clerk to mail ballot packages no later than an unspecified number of days prior to the election (the precise number to be determined as this measure moves through the legislative process); and
- (4) Making additional technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 156, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 156, 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. 347 Commerce, Consumer Protection and Affordable Housing on S.B. No. 990

The purpose of this measure is to appropriate \$300,000 for each year of the 2007-2009 fiscal biennium to be deposited into the Petroleum Industry Monitoring, Analysis, and Reporting Special Fund, to promote petroleum product pricing transparency.

Your Committee received testimony in support of this measure from one individual. The Public Utilities Commission and the Western States Petroleum Association submitted comments on this measure.

Your Committee finds that Act 78, Session Laws of Hawaii 2006 (Act 78), requires the Public Utilities Commission to establish the Petroleum Industry Monitoring, Analysis, and Reporting Program. In addition, Act 78 created the Industry Monitoring, Analysis, and Reporting Special Fund.

The intent of this measure is to provide consumers with true and effective transparency of the petroleum industry by appropriating funds to the Industry Monitoring, Analysis, and Reporting Special Fund.

Your Committee has amended this measure by deleting the specific amounts appropriated to promote further discussion, by changing the effective date to July 1, 2007, to conform with the fiscal calendar, and by adding a section to clarify and strengthen the Public Utilities Commission's powers with regard to the monitoring, evaluation, or investigation of the petroleum industry so that the Public Utilities Commission will have the funds and authority necessary to accomplish its statutory duties.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 990, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 990, 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. 348 Commerce, Consumer Protection and Affordable Housing on S.B. No. 823

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to build infrastructure for low- and moderate-income housing projects.

Testimony in support of this measure was received from the National Alliance on Mental Illness-O'ahu and the Hawaii Association of Realtors.

Your Committee finds that this measure is one mechanism that will assist in increasing the supply of affordable housing for low- and moderate-income families. This measure specifically adds the infrastructure of a low- and moderate-income housing projects to the types of projects for which the use of special purpose revenue bonds is allowed under part IX, chapter 39A, Hawaii Revised Statutes.

Your Committee has amended this measure to change the effective date to July 1, 2050, to encourage further discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 823, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 823, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 5. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (Ihara).

SCRep. 349 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1837

The purpose of this measure is to create a condominium commission to ensure a smooth transition into the provisions of chapter 514B, Hawaii Revised Statutes (HRS), and generally implement and enforce policies relating to condominiums in the State.

This measure also clarifies various provisions of the condominium law.

Testimony in support of this measure was submitted by the Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium & Cooperative Owners, Friends of Waikiki Banyan, and nine individuals. The Real Estate Commission, the Hawaii Chapter of the Community Associations Institute, and one individual submitted testimony in opposition to this measure.

Your Committee finds that the number of people living in condominiums in Hawaii has grown tremendously over the years and this measure seeks to address important issues facing condominium owners and to provide clarity in the current law. Specifically, this measure seeks to address these issues by creating a condominium commission, by giving the board of directors of a condominium association the authority to change or cancel management agreements, by clarifying who is considered a "unit-owner" for purposes of being a board member, by clarifying that payment for assisted living services are only charged against owners who actually receive those services, and by re-enforcing the rights of owners to participate in board meetings.

Your Committee has amended this measure by:

- (1) Removing the creation of the condominium commission, as this requires a sunrise analysis by the State Auditor;
- (2) Removing language requiring that changes made with regard to the use of condominium property regimes under section 541B, HRS, also apply to condominiums under chapter 514A, HRS;
- (3) Removing language stating that limiting member participation in board meetings based upon concerns that it will extend the time of the meeting does not constitute "good cause" for limiting member participation;
- (4) Removing the appropriation to the condominium commission; and
- (5) Changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1837, 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 (Ihara).

SCRep. 350 (Majority) Commerce, Consumer Protection and Affordable Housing on S.B. No. 1103

The purpose of this measure is to appropriate funds to allow Kukui Gardens to remain an affordable housing development.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation and the Housing Committee of Faith Action for Community Equity.

Your Committee finds that this measure will assist in maintaining the long-term use of Kukui Gardens as affordable rentals by appropriating funds to cover any financial gap the State may have in utilizing other means of preserving Kukui Gardens, such as tax credits and other sources of funding. Your Committee recognizes the housing crisis that the State is currently facing and this measure will serve as one mechanism in attempting to mitigate this crisis.

Your Committee has amended this measure by clarifying that the funds being appropriated are for the purpose of purchasing real property. Your Committee also amended this measure to change the effective date to July 1, 2050, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1103, 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 (Ihara).

SCRep. 351 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1848

The purpose of this measure is to allow the Department of Commerce and Consumer Affairs to provide additional funding to support public, educational, and governmental cable television access.

Specifically, this measure authorizes the Director of Commerce and Consumer Affairs to use funds in the Compliance Resolution Fund for the purpose of supporting public, educational, and governmental access facilities, equipment, and operations pursuant to the standards and conditions adopted in accordance with section 440G-15, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that there is strong public interest in public, educational, and governmental access television. By making public, educational, and governmental access television available, the State assists in providing a forum for free expression for the people of Hawaii.

Your Committee has amended this measure, upon the recommendation of the Department of Commerce and Consumer Affairs, to:

- (1) Earmark the additional funds for public, educational, and governmental access facilities, equipment, and operations in underserved areas; and
- (2) Clarify that the use of funds from the Compliance Resolution Fund for public, educational, and governmental access facilities, equipment, and operations shall only be allowed if there are available funds over and above the funds needed for the operation of the Department of Commerce and Consumer Affairs' cable television administration.

The intent of this measure, as amended, is to provide additional funding for public, educational, and governmental access facilities, equipment, and operations in areas such as the neighbor islands, which are underserved by the current public, educational, and governmental access system.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1848, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1848, 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 (Ihara).

SCRep. 352 Economic Development and Taxation on S.B. No. 331

The purpose of this measure is to continue state and private efforts to protect a person's vital information from identity theft by:

- (1) Prohibiting all governmental agencies of the State and county from displaying an individual's social security number contained in any record or document available for public inspection that is collected, created, or maintained by an agency; and
- (2) Appropriating funds to the Office of the Auditor for research and support services necessary to develop additional deterrents for identity theft, and in particular, those related to the compromise of electronic data and information.

Testimony in support of this measure was received from the Hawaii Financial Services Association. The Judiciary, Department of Land and Natural Resources, City and County of Honolulu, and Retail Merchants of Hawaii submitted testimony expressing concerns. The Consumer Data Industry Association opposed the bill. The Office of Information Practices submitted comments.

Your Committee finds that protecting electronic data and information from unauthorized use or disclosure is supported by all concerned.

Reservations about this measure are focused on section 2 of this measure, which would prohibit all state and county governmental agencies from displaying an individual's social security number contained in any record or document available for public inspection that is collected, created, or maintained by an agency.

In addition to the broad scope of the prohibition, several testifiers expressed concern at the implementation date of January 1, 2008. Act 137, Session Laws of Hawaii 2006, imposed restrictions on business and government to ensure the protection of social security numbers, effective July 1, 2007. The private sector is working toward meeting these requirements, but noted it is an enormous undertaking, and businesses that do not comply are subject to civil action, while governmental agencies are not.

Your Committee would also like to point out that while this measure was distributed to the Identity Theft Task Force, its members have not taken a position on the language in question. The next meeting of the Identity Theft Task Force is March 1, 2007, and the proposed legislation will be discussed at that time.

In response to the concerns expressed, your Committee finds that it may be more appropriate to request the Office of the Auditor to review the issue of social security numbers contained in governmental records or documents, as part of the Auditor's research for the Task Force.

It is the intent of your Committee to support the Office of the Auditor's ongoing research and support services necessary to develop additional deterrents for identity theft, particularly the compromise of electronic data and information.

Your Committee has amended this measure by:

- (1) Deleting section 2, relating to public records and social security numbers; and
- (2) Adding the issue of social security numbers in public records to the research tasks of the Office of the Auditor.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 331, 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. 331, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 353 Economic Development and Taxation on S.B. No. 1497

The purpose of this measure is to bring Hawaii tax law into compliance with changes to the Internal Revenue Code, by amending section 235-2.3(a), Hawaii Revised Statutes, to replace the date December 31, 2005, with December 31, 2006.

Testimony in support of this measure was received from the Department of Taxation.

Your Committee finds that five federal laws enacted in 2006 would affect Hawaii tax law. The Department of Taxation has provided Committee members with digests for:

- (1) The Tax Increase Prevention and Reconciliation Act of 2006. (P.L. No. 109-222; May 17, 2006);
- (2) The Heroes Earned Retirement Opportunity Act of 2006. (P.L. No. 109-227; May 29, 2006);
- (3) The Pension Protection Act of 2006. (P.L. No. 109-280; August 17, 2006);
- (4) An Act to Complete the Codification of Title 46, United States Code, "Shipping", as positive law. (P.L. No. 109-304; October 6, 2006); and
- (5) The Tax Provisions of the Tax Relief and Health Care Act of 2006. (P.L. No. 109-432; December 20, 2006).

It is the intent of your Committee to provide for additional time to review the information related to these federal acts.

Your Committee has amended this measure accordingly, by inserting an effective date of July 1, 2060, for the purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1497, 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. 1497, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 354 Economic Development and Taxation on S.B. No. 1007

The purpose of this measure is to require an investment broker and agent who share compensation for their services to pay the general excise tax on only that portion of the compensation retained by each.

Your Committee received testimony in support of this measure from the National Association of Insurance and Financial Advisors Hawaii, Linsco/Private Ledger Corporation, SunAmerica Securities Inc., and one individual.

Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that this measure would extend the general excise tax (GET) provisions on commissions, which are currently available to insurance agents and real estate brokers and salespeople, to securities professionals who sell a commissionable product.

Your Committee received a revenue impact statement from the Department of Taxation that the proposal is estimated to cost \$1,400,000 annually.

In its methodology, the Department of Taxation stated that data on GET collected on non-insurance commissions was used to make the estimates, with adjustments made to remove real estate and other commissions.

Your Committee is in support of this measure to "level the playing field" regarding the payment of GET on certain commissions. Your Committee notes that in a case on this subject before the Oahu Board of Tax Appeals, the Department of Taxation lost and the Board found that the general excise tax on commissions should be only on the portion retained by the broker and by the agent.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1007, S.D. 1, 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, 1 (English).

SCRep. 355 (Majority) Economic Development and Taxation on S.B. No. 1506

The purpose of this measure is to maintain the rental motor vehicle surcharge at \$3 a day and to appropriate funds out of the State Highway Fund for operational costs, maintenance, and capital improvements on the State highway system.

Your Committee received testimony in support of this measure from the Department of Taxation and the Department of Transportation. Catrala Hawaii, Avis Rent A Car, Budget Rent A Car, Dollar Rent A Car, Enterprise Rent-A-Car, and Thrifty Car Rental submitted testimony in opposition to this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that the rental vehicle surcharge tax is a major revenue source for the State Highway Fund, contributing approximately \$14,000,000 annually into the fund for each \$1 of the daily surcharge. Originally enacted as a temporary measure, the additional \$1 surcharge has contributed significantly to highway repair and maintenance throughout the State since it was enacted in 1999. Reverting to the \$2 per day surcharge on September 1, 2007, will represent a loss of about \$14,000,000 in 2008, and \$16,000,000 annually in coming years.

Your Committee has heard the recommendation from the rental motor vehicle industry that this surcharge should be assessed on all vehicles. However, the title of this measure, Relating to Rental Motor Vehicle Surcharge Tax, does not allow for any amendments regarding other vehicles.

It is the intent of your Committee to continue discussion on this measure by the Legislature, and to note that other measures may provide options for additional resources for the Department of Transportation's highway projects.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1506, S.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Slom). Excused, 1 (English).

SCRep. 356 Economic Development and Taxation on S.B. No. 967

The purpose of this measure is to encourage organ donation.

Specifically, this measure provides a tax deduction of up to \$10,000, for expenditures incurred in relation to donating organs.

Testimony in support of this measure was submitted by Hawai'i Coalition on Donation, Hawaii Living Donor Council, Minority Organ Tissue Transplant Education Program, Oahu Filipino Community Council, and the Organ Donor Center of Hawaii. The Department of Taxation and Hawaii Coalition of Care Home Administrators submitted comments.

Your Committee finds that this measure will ease the financial difficulties that are incurred by people wishing to donate their organs. While the waitlist for transplantable organs continues to grow, there may be many potential donors wishing to help save the lives of their loved ones who are prevented from doing so because of financial issues. Your Committee believes this measure will help ease those financial burdens.

Your Committee received a revenue impact statement from the Department of Taxation in its comments, indicating a revenue loss of an estimated \$15,000, for fiscal year 2008 and increases in unspecified amounts in the years thereafter. The Department did not provide the methodology with which they made this estimate.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 967, S.D. 1, and recommends that it 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, Ige).

SCRep. 357 Economic Development and Taxation on S.B. No. 11

The purpose of this measure is to exempt physician services, hospital charges, nursing services, and rehabilitation services from the county surcharge on state tax.

Testimony in support of this measure was received from the Healthcare Association of Hawaii, Hawaii Society of Clinical Oncology, three physicians, and one individual. The Department of Taxation (Department) and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that rising health care costs are a critical issue for Hawaii residents, particularly since medical costs may literally be a matter of life and death, and certainly a quality of life issue.

Your Committee has received a revenue impact statement from the Department that, should the proposal take effect on July 1, 2007, the annual general fund non-tax revenue loss is estimated at \$900,000 for fiscal year 2008 and after.

In its methodology, the Department stated that in 2002, business receipts from health and care services amounted to about \$2,000,000,000. By applying the inflation rate, business receipts are estimated to be \$2,500,000,000 in fiscal year 2008. The Department further estimated the business receipts generated on Oahu to be \$1,700,000,000, or seventy per cent of the total business receipts. By applying the 0.5% county surcharge rate, the total collection for county surcharge is about \$9,000,000. The State receives ten per cent of the county surcharge collection, or \$900,000. The net county surcharge collection is \$8,100,000.

Your Committee believes any measure that makes healthcare more affordable deserves continuing discussion. In addition, it is the intent of your Committee to narrow the focus of this tax exemption.

Your Committee has amended this measure accordingly, by:

- (1) Deleting nursing home and nursing facility services; and
- (2) Changing the effective date to July 1, 2007, and repealing the tax exemption June 30, 2009.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 11, 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. 11, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 358 Economic Development and Taxation on S.B. No. 704

The purpose of this measure is to provide additional tax exemptions for persons with disabilities.

Specifically, this measure exempts up to \$2,000 of income received by a trust whose sole beneficiary is blind, deaf, or disabled, from the general excise tax and limits any general excise tax (GET) collected from these trusts to 0.5%.

The Department of Taxation (Department) and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that trusts whose sole beneficiaries are blind, deaf, or disabled, should be treated the same with regard to the general excise tax as the business income of blind, deaf, or disabled individuals.

Your Committee has received a revenue impact statement from the Department that indicates an annual revenue loss of \$150,000.

In its methodology, the Department used data from the HIP Individual Report 2004, which notes a total of fifty disabled resident returns reporting estates and trusts incomes of \$4.3 million. By applying the current GET rate of 4%, total GET collected from disabled residents amounts to \$171,000. Assuming all disabled resident returns qualify for the \$2,000 exemption, the total taxable income comes to \$4.2 million. By applying the 0.5% GET rate proposed in this measure, the total GET collected from disabled residents would be \$21,000. The Department did not have data on estates and trusts income received by part-year residents and non-residents who are disabled.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation 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 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, Ige).

SCRep. 359 Economic Development and Taxation on S.B. No. 1182

The purpose of this measure is to raise the needs allowance for persons in institutional care settings.

Specifically, this measure establishes a needs allowance of up to fifty dollars, to be increased annually in an amount equal to the social security income benefit increase for persons residing in community care homes and other long-term care facilities.

Testimony in support of this measure was submitted by the Department of Human Services, the Mayor of the County of Hawaii, Hawaii Disability Rights Center, Healthcare Association of Hawaii, Kokua Council, National Association of Social Workers, and two individuals. The Department of Taxation, Hawaii Coalition of Care Home Administrators, and Tax Foundation of Hawaii submitted comments.

Your Committee finds that the current needs allowance of thirty dollars is insufficient and has not been raised since 1988. This allowance is intended to pay for clothing, toiletries, bus fare, personal postage costs, snacks, and other incidental expenses of day-to-day living. Your Committee finds this amount is too low to meet basic necessities for a minimally acceptable daily quality of life. Therefore, it is fitting to raise the needs allowance for individuals living in long-term care facilities and community care home residents.

Your Committee has received a revenue impact statement from the Department of Taxation (Department) that indicates a revenue loss of an estimated \$512,000, for fiscal year 2008, and an increase in general fund expenditures by an unspecified amount of monies in fiscal year 2008.

In its methodology, the Department used data from the Data Center on Hawaii's Aging for the Executive Office on Aging. The number of beds provided by long-term care facilities was (8,524) multiplied by the annual allowance (\$600), resulting in \$5.1 million per year. The Department then calculated the income tax exemption to be \$307,000, applying the average income tax rate of six per cent, and the GET exemption, to be \$205,000, applying the GET rate of four per cent. These exemptions total \$512,000.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1182, S.D. 1, and recommends that it 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, Ige).

SCRep. 360 Economic Development and Taxation on S.B. No. 805

The purpose of this measure is to benefit Hawaii residents serving in the various branches of the military and National Guard.

Specifically, this measure provides an exemption from vehicle taxes and registration fees for members of the National Guard, Reserves, and other active duty military, including the Coast Guard who are in good standing and claim Hawaii as their home of record.

Testimony in support of this measure was submitted by the Hawaii State Departments of Defense, Taxation, and Transportation. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that it is important to show appreciation to those serving in our military and reserve forces for their commitment to our country. This incentive will also help in influencing our highly trained and experience soldiers to remain in reserve components and assist in the military's recruitment programs. This measure is reasonable, especially given that many vehicles go unused when they are called to service.

Your Committee has received a revenue impact statement from the Department of Taxation (Department) that indicates a revenue loss of \$407,000 to the State Highway Fund per year, if the measure were limited to National Guard and reserves. There will be no revenue loss to the general fund.

In its methodology, the Department estimated the average weight per passenger vehicle to be 4,560 lbs. By applying the \$0.01 per pound state tax rate and adding the \$20.00 registration fee, the average tax and fee per vehicle is \$65.60. Applying this exemption to all 6,200 members of the National Guard and reserves, the result is a \$407,000 loss.

No statement has been provided detailing the impact of expanding the measure to include other resident active duty personnel, including the Coast Guard.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 805, S.D. 1, and recommends that it 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, Ige).

SCRep. 361 Economic Development and Taxation on S.B. No. 750

The purpose of this measure is to ensure stricter compliance of transient accommodations tax requirements from vacation rentals and bed and breakfast establishments by requiring the Department of Taxation to:

- (1) Review the forms and process for collecting the transient accommodations tax from vacation rentals and bed and breakfast establishments and report revenues received from them;
- (2) Work with the Hawaii Tourism Authority and the counties to identify owners operating vacation rentals and bed and breakfast establishments and enforce transient accommodations tax compliance; and
- (3) Clarify the duties of Hawaii Tourism Authority.

Testimony in support of this measure was received from Keep it Kailua!. The Department of Taxation (Department), City and County of Honolulu Department of Planning and Permitting, Hawai'i Tourism Authority (HTA), and Tax Foundation of Hawaii submitted comments. The Windward Ahupua'a Alliance and seventeen individuals submitted testimony in opposition to one component of the bill.

Your Committee finds that the number of undocumented vacation rentals and bed and breakfast establishments continues to expand, despite efforts to determine the scope of the problem and implement practical solutions.

Your Committee has heard that identifying these enterprises is very time consuming, since many that advertise on the Internet do not provide addresses or other locating factors. Complaints by neighbors are one means of locating a vacation rental or bed and breakfast establishment, but this is sporadic at best.

Your Committee believes that the provisions of this measure begin to address the issue. It is the intent of your Committee to further clarify and strengthen the proposed language.

Your Committee has amended this measure by:

- (1) Adding language to the purpose section to reflect the following changes;
- (2) Requiring the Department to provide to the counties the location of vacation rentals or bed and breakfast establishments subject to the taxes under chapter 237D, Hawaii Revised Statutes; provided that the Department shall not release any information regarding the taxes collected;
- (3) Requiring the Department to include any proposed state and county enforcement and compliance initiatives in its report to the Legislature;
- (4) Appropriating funds to the Department for additional investigation of undocumented vacation rentals and bed and breakfast establishments, in coordination with the counties and the HTA.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 750, 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. 750, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (English).

SCRep. 362 Economic Development and Taxation on S.B. No. 798

The purpose of this measure is to create a one-time tax credit for victims of the October 15, 2006, earthquakes; provided that the tax credit shall not exceed:

- (1) \$30,000 per individual taxpayer; and
- (2) \$250,000 per trust, estate, partnership, association, company, or corporation

Testimony in support of the intent of this measure was received from the State Department of Defense. The Department of Taxation submitted comments.

Your Committee finds that, according to the most recent information available, the Federal Emergency Management Agency has approved an average of \$3,626 in assistance to owners of homes damaged in the October 2006 earthquakes off the Island of Hawaii. In contrast, the County of Hawaii has estimated that home repairs will cost an average of \$50,000. As of February 9, 2006, the United States Small Business Administration had approved six hundred ninety-eight applications for low-interest loans totaling \$25,300,000.

Your Committee finds that, clearly, there is considerable need for additional financial assistance to those who suffered damage as a result of the earthquakes and aftershocks.

Your Committee received a revenue impact statement from the Department of Taxation that this measure would cost \$17,100,000 in fiscal year 2008.

The Department of Taxation's methodology states that it has been estimated that the earthquake has caused \$200,000,000 in damages. Based on preliminary reports, it is estimated that ten per cent of the total damage was to homes, fifteen per cent was to businesses, and the remainder was to public buildings and structures, including roads, bridges, and harbors. It is assumed that homeowners recouped twenty-five per cent of damages from insurance and that businesses recouped fifty per cent of damages from insurance. It further assumed that all home damages are under \$30,000, that twenty per cent of business damages are under \$30,000, and the average for the remaining businesses is \$100,000. It is also assumed that businesses are able to absorb all of the credit in the first year and that homeowners are able to absorb seventy per cent in the first year.

The Department of Taxation expressed concerns that despite the strictest standards, the credit will be subject to very substantial abuse, as it is a self-reporting tax system. The fear is that many taxpayers will include damages that predated the earthquake in their claim for a tax credit.

Your Committee has taken these concerns into account, and believes that further information on the impact is needed from state and county civil defense agencies, affected property owners, and other public agencies.

Your Committee has amended this measure accordingly, by inserting an effective date of January 1, 2035 for the purposes of receiving and evaluating additional information.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 798, 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. 798, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 363 Economic Development and Taxation on S.B. No. 1034

The purpose of this measure is to exempt common carriers from the general excise and use taxes for fuel sold from a foreign trade zone to common carriers for use in intrastate transportation.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism; The Chamber of Commerce of Hawaii; Hawaii Fueling Facilities Corporation; International Association of Machinists and Aerospace Workers; Transport Workers Union; Hawaiian Airlines; Airline Pilots Association; Aloha Airlines; Aloha Airlines Pilots' Union; and March of Dimes. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that fuel costs have increased dramatically in recent years and have become one of the biggest operating costs of the air transportation industry. As both Hawaii residents and visitors alike depend heavily on the air transportation system, support for the local air transportation industry is critical to the Hawaii economy.

Your Committee received a revenue impact statement from the Department of Taxation (Department) that the measure would result in a revenue loss of \$12,800,000 annually.

In their methodology, the Department stated that in calendar year 2006, there were 108,000,000 gallons of fuel sold to airlines on Oahu subject to the general excise and use taxes. This amount would presumably be eligible for the exemption. However, an additional 104,000,000 gallons sold on neighbor islands were subject to the tax, and some of this might represent fuel sold to inter-island airlines that would be purchased on Oahu if the legislation passes. Using a price of \$2 per gallon, a low estimate would be 108,000,000 gallons X \$2 per gallon X 0.04 = \$8.6 million; whereas a high estimate would be 212,000,000 (108,000,000 gallons + 104,000,000 gallons) X \$2 per gallon X 0.04 = \$17,000,000. Using a midpoint in this range yields a revenue estimate of about \$12,800,000.

Your Committee also notes that the revenue impact from this bill has not been taken into consideration in the Administration's General Fund Financial Plan.

It is the intent of your Committee to support the provisions of this measure.

Your Committee has amended the measure by referencing the amendments made by this measure to section 212-8, Hawaii Revised Statutes (HRS), in two additional chapters:

- (1) Section 237-24.75, HRS, relating to additional exemptions from the general excise tax; and
- (2) Section 238-3, HRS, relating to exemptions from the use tax.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation 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 be referred to the Committee on Ways and Means, in the form attached hereto as S.B. No. 1034, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 364 Economic Development and Taxation on S.B. No. 1222

The purpose of this measure is to establish that all energy technology systems must be installed and placed in service in the State of Hawaii to obtain the State's income tax energy tax credit.

Testimony in support of this measure was received from the Hawaii Energy Policy Forum. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that this measure would clarify provisions that may have been open to misinterpretation. Your Committee believes this tax credit has had a positive impact on increasing solar energy use in Hawaii, and it is the intent of your Committee to support the clarification of this measure.

Your Committee has amended this measure by deleting the word "resident" from section 235-12.5(a), Hawaii Revised Statutes (HRS), and reinserting the word "resident" in section 235-129(a), to correct a drafting error.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1222, 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. 1222, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 365 (Majority) Economic Development and Taxation on S.B. No. 1500

The purpose of this measure is to make an emergency appropriation of \$5,000,000, for fiscal year 2006-2007 to the Department of Taxation to reimburse it for costs incurred in implementing and administering the county surcharge on the state general excise tax, including the costs of the computer vendor.

Testimony in support of this measure was received from the Department of Taxation (Department) and the City and County of Honolulu Department of Budget and Fiscal Services.

Your Committee notes that in information presented at the legislative hearing on February 8, 2007, the Department of Taxation listed total first year operational costs of \$1,708,518, and total vendor costs of \$2,791,482, for total costs of \$4,500,000. In addition, the Department stated that future contingencies are materializing, which led to the request to increase the appropriation to \$5,000,000.

Your Committee finds, however, that the Department has not provided details on the additional \$500,000 request.

It is the intent of your Committee to reserve a decision on the final amount of the appropriation until more detailed information is received from the Department of Taxation.

Your Committee has amended this measure accordingly, by:

- (1) Decreasing the appropriation to \$4,500,000, the amount in the original measure; and
- (2) Adding a new section to the bill stating that the appropriation contained in this Act will cause the state general fund expenditure ceiling for fiscal year 2007-2008 to be exceeded by \$, or per cent; and the reasons for exceeding the general fund expenditure ceiling are that the appropriation made in this Act is necessary to serve the public interest and to meet the needs provided for by this Act.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1500, 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. 1500, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Slom). Excused, 1 (English).

SCRep. 366 Economic Development and Taxation on S.B. No. 1504

The purpose of this measure is to authorize the Department of Taxation, by rule adopted pursuant to chapter 91, Hawaii Revised Statutes (HRS), to require the electronic, telephonic, or optical filing of tax returns under certain conditions.

Testimony in support of this measure was received from the Department of Transportation (Department). The Tax Foundation of Hawaii submitted comments.

Your Committee finds that electronic filing would begin with a small subset of taxpayers, such as those submitting fuel tax returns, tobacco tax returns, high technology credit claims, and other applications of special tax credits. In addition, because the Department is required to adopt rules for electronic filing, the public would have ample opportunity to comment, and would be given substantial notice before the requirement is implemented.

Your Committee supports this effort to increase the use of electronic filing by the taxpayer, and to increase the efficiency of the Department as a result. Your Committee believes that one additional way to encourage increased electronic filing is to require that no service fee be charged for electronic filing.

Your Committee has amended this measure accordingly, by:

- (1) Requiring the Department, by rule adopted pursuant to chapter 91, HRS, to require electronic filing; and
- (2) Providing that no service fee is required.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1504, 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. 367 Economic Development and Taxation on S.B. No. 898

The purpose of this measure is to require the Department of Taxation to report annually on qualified high technology businesses and related tax incentives to properly evaluate their effectiveness.

Testimony in support of this measure was received from the Department of Taxation, High Technology Development Corporation, Hawaii Science and Technology Council, Oceanit, and PacifiCap Group. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that this measure would address an ongoing concern that the State is unable to properly account for the use and revenue impact of the various high technology related tax credits. For example, in its 2005-2007 report, the Tax Review Commission stated that due to a lack of current data, definitive results could not be calculated for the high technology business investment tax credit, one of the credits currently offered by the State.

Your Committee believes that the high technology tax credits provide incentives vital to the continued growth of Hawaii's technology and innovation industries. But they must be awarded, administered, and reported on in such a way as to establish a strong sense of trust that the public is getting "good value" for the loss of tax revenues.

Your Committee received information from the Department of Taxation (Department) that the measure would not directly affect tax revenues. The Department stated that the proposal would add to the Department's duties, but without additional resources. As such, your Committee notes that a similar Administration measure appropriated \$250,000 in each year of the biennium to conduct a comprehensive review of the effectiveness of the Hawaii credits and to report regularly on its findings.

It is the intent of your Committee to provide for greater transparency and evaluation of high technology tax incentives as a means of ensuring that the credits meet their intended outcomes.

Your Committee has amended this measure accordingly, by:

- (1) Requiring the Department of Taxation to report on information collected as of July 1, 2004, and annually thereafter, and to delete redundant language; and
- (2) Appropriating unspecified amounts for the biennium, for additional resources as may be necessary to prepare reports on information collected as of July 1, 2004, and annually thereafter, pertaining to qualified high technology businesses and related tax incentives provided under sections 235-7.3, 235-9.5, 235-110.51, 235-110.9, and 235-110.91, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 898, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 898, 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. 368 (Joint) Education and Health on S.B. No. 50

The purpose of this measure is to appropriate funds for the Hawaii AIDS Clinical Research Program.

The University of Hawaii John A. Burns School of Medicine, the Life Foundation, the Maui AIDS Foundation, The Center Hawai'i, and twenty-four individuals submitted testimony in support of this measure.

Your Committees find that the Hawaii AIDS Clinical Research Program of the University of Hawaii John A. Burns School of Medicine is a world-class organization whose mission is to develop clinical research capabilities to evaluate optimal therapies for HIV-1 infection and AIDS-associated complications; provide access to clinical research trials and studies for all HIV-1 patients in Hawaii; and to facilitate the transfer of research findings to clinical care that will ultimately improve the lives of patients with HIV-1 infection.

The Hawaii AIDS Clinical Trials Unit is part of the Hawaii AIDS Clinical Research Program and provides basic infrastructure for the program. The unit has been notified by the National Institutes of Health that it will no longer be funded.

It is the Committees' intent to provide funding to ensure that the basic infrastructure of the entire Hawaii AIDS Clinical Research Program can remain viable and productive.

Your Committees have amended this measure by deleting the \$1,200,000 appropriation to make it an unspecified sum of general funds to the University of Hawaii for the Hawaii AIDS Clinical Research Program.

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. 50, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 50, 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 (Hee, Nishihara, Taniguchi).

SCRep. 369 (Joint) Education and Health on S.B. No. 976

The purpose of this measure is to:

- (1) Stabilize the Family Medicine Residency Program and access to primary care services in central and northern Oahu for the next two years while further program transition is occurring;
- (2) Develop the Hawaii Island Family Medicine Rural Training Track to expand the number of family physicians training in the State; and
- (3) Appropriate funds for this purpose.

The Department of Health, the University of Hawai'i System, Hawaii Pacific Health, and Hawaii Medical Service Association submitted testimony in support of this measure.

Your Committees received a fiscal impact statement from the Department of Health that this measure, if passed, would cost the State approximately \$660,000 for fiscal year 2007-2008, and the sum of \$735,000 for fiscal year 2008-2009. However, the fiscal impact statement submitted did not specify the methodology by which the fiscal impact was calculated. Your Committees note that the sum of \$660,000 for fiscal year 2007-2008, and the sum of \$735,000 for fiscal year 2008-2009, were originally requested for the purposes of this measure.

Your Committees find that the University of Hawaii John A. Burns School of Medicine Family Medicine Residency Program conducts the only civilian family medicine residency program in the State. The program's mission is to provide well-trained primary care doctors to meet the needs of rural and underserved areas of Hawaii and over eighty per cent of its graduates meet this mission.

The current base Family Medicine Residency Program trains eighteen residents in a program that trains six residents per year for three years. Wahiawa General Hospital supports the salaries of eighteen residents but receives Graduate Medical Education funding from the Centers for Medicare and Medicaid Services for only fourteen residents. The salary shortfall adds to the financial strain on Wahiawa General Hospital. To attain a successful model of family medicine training to meet the health workforce needs of the State, the base program on Oahu must be stabilized.

When the Hawaii Island Family Medicine Rural Training Track is fully developed on the island of Hawaii, there will be eight residents living and working on the island that include rotations to other neighbor island sites. The first graduates would enter practice in 2011. The aim is to replicate a rural training track on Kauai once the Hawaii Island model is successfully implemented.

It is your Committees intent to provide funding to stabilize the University of Hawaii John A. Burns School of Medicine Department of Family Medicine and Community Health rural primary health care services on Oahu and expand workforce development to the island of Hawaii. Your Committees have amended this measure by:

- (1) Deleting the specific amounts appropriated for the purposes of this measure; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, 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. 976, as amended herein, and recommend 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 Chairs on behalf of the Committees. Ayes, 9. Noes, none. Excused, 3 (Hee, Nishihara, Taniguchi).

SCRep. 370 (Joint) Education and Judiciary and Labor on S.B. No. 610

The purpose of this measure is to enable the State to fulfill its possible financial obligations with regard to three class action lawsuits.

Specifically, this measure makes an appropriation of an unspecified amount for each year of the 2007-2009 fiscal biennium for retroactive salary adjustments for part-time and substitute teachers of the public schools for the purpose of settling three pending class action lawsuits, namely Garner v. Department of Education, Klitternick v. Hamamoto, and Kawashima v. Department of Education.

Testimony in support of this measure was submitted by the Hawaii Carpenters Union, Local 745, the Hawaii State Teachers Association, Alston Hunt Floyd & Ing, the attorneys for the substitute teachers in Garner v. Department of Education and Klitternick v. Hamamoto, and four individuals. Testimony in opposition to this measure was submitted by the Department of the Attorney General and the Department of Education.

Your Committees find that the declining teacher morale, distrust, and attrition of needed employees call for prompt action to resolve the conflict that has become the subject of these pending class action lawsuits. Substitute and part-time teachers are vital to the functioning of our public education system.

Your Committees note that several teachers testified with the suggestion of amending the measure to provide for health care benefits for substitute teachers. While your Committees believe this suggestion should be considered further, the Committees are not convinced the measure should be amended at this time. Moreover, S. B. No. 943, Relating to Health Insurance, provides a vehicle to address this concern.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 610 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 (Chun Oakland, Hee, Inouye, Taniguchi).

SCRep. 371 Education on S.B. No. 683

The purpose of this measure is to increase the financial support provided to families of underrepresented college student populations by the Running Start Program and ensure participating students earn credit toward their high school and college degrees upon successful completion of qualifying University of Hawaii courses.

Testimony in support of this measure was submitted by the Department of Education (DOE), the University of Hawaii (UH), the College of Education of the University of Hawaii, the Hawaii State Teachers Association, GEAR UP Hawaii, and two individuals.

Your Committee finds that the Running Start Program, a joint program of the DOE and the UH, helps to prepare high school students of underrepresented populations for college entry. Eligible high school students can enroll in qualified UH courses and earn credits for high school graduation and college simultaneously. Running Start provides many students with the motivation, preparation, and opportunity to explore and pursue post-secondary education, which would otherwise be unavailable or unaffordable. Since the program was established in 2002, Running Start has provided scholarships totaling \$260,000 to eight hundred fifty low-income students in Hawaii. Your Committee believes that additional funding is necessary to allow the Running Start Program to keep pace with increased participation in the program and interest in college entry.

Your Committee received testimony that indicated that although GEAR UP Hawaii has been awarding scholarships to Running Start recipients, federal funds allotted for the GEAR UP programs cannot be commingled with state funds for the Running Start Program. Therefore, funding for the program needs to be channeled through a different fund to assure propriety of the financial operations of the programs involved.

Additionally, to further underscore the intent of the program, your Committee determines that clarification is necessary to ensure that credit for college courses completed will be appropriately accepted.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that college courses completed shall satisfy the graduation requirements for the DOE for the corresponding high school requirement category and that all successfully completed courses at the one hundred level and above shall be included in the students' records;
- (2) Changing the funding source of the Running Start scholarships from funds appropriated to and out of the GEAR UP Hawaii Scholarship Trust Fund to the University of Hawaii Scholarship and Assistance Special Fund;
- (3) Specifying that the University of Hawaii shall be the expending agency for the appropriation; and
- (4) Making technical, nonsubstantive changes for 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. 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 Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 1 (Hee).

SCRep. 372 Education on S.B. No. 1145

The purpose of this measure is to provide for the repair and maintenance of Hawaii public schools.

Specifically, this measure:

- (1) Makes an appropriation of \$60,000, for each year of the 2007-2009 fiscal biennium for a position within the Department of Education to coordinate the public and private efforts between the Department of Education and Hawaii 3R's; and
- (2) Makes an appropriation of \$400,000, for each year of the 2007-2009 fiscal biennium as a grant pursuant to Hawaii 3R's for the repair and maintenance of public schools.

Testimony in support of this measure was submitted by the Department of Education and Hawaii 3R's.

Your Committee finds that through the Hawaii 3R's program the State has saved millions of dollars in obtaining necessary repairs and maintenance of the State's public school facilities. Your Committee further finds that numerous repair and maintenance needs have gone unmet due to the large backlog and limited State resources. The Hawaii 3R's program involves local communities, including churches, union and trade associations, businesses, civic clubs, parents, teachers, and all of the military branches, in the transformation of their local schools through their hours of volunteer work. Additionally, Hawaii 3R's obtains federal funding from various sources. However, not all of the State's public schools qualify for federal funding, and the amount of federal funding received is not sufficient to meet the public schools' needs.

Your Committee, therefore, finds that the appropriations made in this measure are in the public's interest and their benefits will have even greater implications, as the financial assistance will be met with volunteer power and a wide network of expertise.

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. 1145 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 (Hee, Tokuda).

SCRep. 373 Education on S.B. No. 1648

The purpose of this measure is to expand applied and experiential learning opportunities to public school students throughout the State.

Specifically, this measure establishes:

- (1) Applied learning high school academies that will link the curriculum of a school to the mission of a particular agency or University of Hawaii campus and the private sector workforce; and
- (2) A tax credit for businesses providing experiential learning opportunities to students.

Testimony in support of this measure was submitted by the Department of Education, the Department of Business, Economic Development, and Tourism, the Workforce Development Council, and CTA Solutions. Comments on the measure were also submitted by the Department of Taxation and the Hawaii State Teachers Association.

Your Committee finds that the State needs to focus efforts and resources on developing a highly qualified and skilled workforce to meet the changing needs of the State. The establishment of smaller learning communities, including schools within schools and applied learning academies, present an effective method for addressing specific areas of student interest and workforce needs in the community. Your Committee further finds that these types of programs require both government and community support to succeed and be of benefit to not only students, but also the State as a whole. However, the Department of Education has indicated that there are currently several smaller learning communities initiatives in existence within the public schools, but the funding necessary for these programs is tenuous. The applied learning high school academies established by this measure shall become a comprehensive applied learning program that can support and enhance other programs including the Construction Academy as well as agriculture and landscaping career academies.

Additionally, your Committee heard a related measure that touched on ideas similar to those encompassed in the applied learning academies portion of this measure. Your Committee believes that it is appropriate to include alternative initiatives into this measure to provide for increased development of science, technology, engineering, and math (STEM) skills, and to ensure preparedness of students for post-secondary education and beyond. As such, portions of the current measure have been replaced to provide for the establishment and funding of new STEM academy programs and initiatives.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the experiential learning opportunities tax credit provision;
- (2) Establishing the Hawaii Excellence through Science and Technology (HiEST) Academy Program to increase preparedness for post-secondary education and the workforce;
- (3) Establishing the Robotics and Space Contextual Learning Program to develop science, technology, engineering, and math (STEM) skills;
- (4) Establishing the Business/Education Internship and Mentorship Program to increase opportunities for high school and college students to gain work experience;
- (5) Appropriating funds for the HiEST Academy Program;
- (6) Appropriating funds for the Robotics and Space Contextual Learning Program;
- (7) Appropriating funds for the Business/Education Internship and Mentorship Program; and
- (8) Making technical, nonsubstantive amendments for 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. 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, 7. Noes, none. Excused, none.

SCRep. 374 Human Services and Public Housing on S.B. No. 1737

The purpose of this measure is to define “long-term care facilities” and include care in long-term care facilities as part of a service business that may qualify for beneficial treatment within an enterprise zone.

The Department of Business, Economic Development, and Tourism submitted testimony in support of this measure.

Your Committee finds that there is an increasing demand and need for long-term care facilities. According to the testimony, many hospitals are unable to accept ambulance patients because of the large number of long-term care patients occupying hospital beds. Including long-term care facilities in the list of businesses within the State Enterprise Zone statute that are eligible for seven years of tax credits and exemptions will help to reduce the long-term care facilities’ operating costs and hopefully encourage the development of new and the expansion of existing long-term care facilities.

It is your Committee’s intent to support the inclusion of care in long-term care facilities as part of a service business that may qualify for beneficial treatment within an enterprise zone. Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1737, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1737, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Hemmings).

SCRep. 375 Human Services and Public Housing on S.B. No. 1162

The purpose of this measure is to provide notice of permanent plan hearings to a child who has reached the age of fourteen.

The Department of Human Services, Legal Aid Society of Hawaii, the Hawaii Foster Youth Coalition, and three individuals submitted testimony in support of this measure.

Your Committee finds that this measure will improve the quality of services provided to foster youth. As noted by the Legal Aid Society of Hawaii, the presence of foster youth at permanent plan review hearings will give the foster youth a direct voice in the proceedings affecting them, and also provide a greater level of accountability to the court for social workers and guardians ad litem that are assisting the foster youth.

It is the Committee's intent to support foster youth having notice of and greater involvement in the court decisions that affect their futures. Your Committee has amended this measure by:

- (1) Requiring the Department of Human Services to arrange for transportation of the child to court instead of requiring that the Department of Human Services provide transportation to court for the child; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style, including changing the effective date from July 1, 2007, to upon approval.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1162, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 376 Human Services and Public Housing on S.B. No. 1164

The purpose of this measure is to establish guiding principles for foster children.

The Hawaii Foster Youth Coalition, the Legal Aid Society of Hawaii, Volunteer Legal Services Hawaii, and twenty-one individuals, many of which are former foster youth, submitted testimony in support of this measure. The Department of Human Services submitted testimony in support of the intent of this measure.

Your Committee finds that establishing guiding principles for foster children is an appropriate step towards ensuring that foster children receive fair and equal treatment while in care. The measure also establishes a level of accountability to the foster children by the individuals and agencies that are responsible for their care.

It is the Committee's intent to ensure that foster children are treated with dignity while in foster care. Your Committee has amended this measure by:

- (1) Requiring the Department of Human Services to provide a child with a copy of the guiding principles when the child is placed in foster care;
- (2) Permitting the Family Court to issue any necessary orders, as it deems appropriate or on motion of the guardian ad litem, to the Department of Human Services and the Department of Health, in addition to the Department of Education, to ensure that the guiding principles are upheld; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1164, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1164, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 377 (Joint) Human Services and Public Housing and Health on S.B. No. 242

The purpose of this measure is to expand coverage under Medicaid and QUEST to include comprehensive dental care coverage for eligible persons twenty-one years of age or older and to appropriate funds to provide the additional coverage.

The State Council on Developmental Disabilities, Hawai'i Primary Care Association, Kokua Council, and Mental Health America of Hawaii submitted testimony in support of this measure. The Department of Human Services submitted comments.

Your Committees find that current dental coverage for eligible recipients age twenty-one years and older does not include coverage for endodontic, root canals, crowns, elective procedures, or periodontal surgery. Since the adults in question are indigent, they cannot pay for any services that they may need if they are not covered benefits. Dentists, therefore, may not even start services if they cannot deliver full treatment for the patient or if they will not be paid for the care. An expansion of services would defray the greater costs that would otherwise likely occur from poor dental care.

Your Committees received testimony from the Department of Human Services that this measure, if passed, would cost the State approximately \$27,144,853 for fiscal year 2007-2008.

It is the Committees' intent to improve access to dental care for this population of Medicaid and QUEST recipients. Your Committees have amended this measure by:

- (1) Appropriating an unspecified sum of general funds, instead of \$30,000,000, to expand coverage under Medicaid and QUEST so that it includes comprehensive dental care coverage for persons twenty-one years of age or older; and
- (2) Making the Act effective on July 1, 2008, rather than July 1, 2007.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 242, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 242, 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 (Menor, Hemmings, Whalen).

SCRep. 378 Human Services and Public Housing on S.B. No. 1101

The purpose of this measure is to establish a task force to coordinate resources for homeless children, and to establish and appropriate funds to a special fund.

The Department of Education, Legal Aid Society of Hawaii, Hawaii Family Forum, the Hawaii Youth Services Network, and two individuals submitted testimony in support of this measure.

Your Committee finds that children, particularly young children, are the most vulnerable during, and at times victimized by, homelessness. While many children develop some resiliency to their situation and are able to overcome the ravages of homelessness, the deficits of homelessness often lead to poor health, exposure to violence, poor academic performance, and a lack of positive social interactions. This measure will minimize the negative impact of homelessness on children by establishing a task force to coordinate resources to benefit children who are homeless.

The Department of Education noted in its testimony that the homeless coordinator, as established in this measure, should participate in the membership of the Hawaii Statewide Interagency Council on Homelessness. Furthermore, it was recommended by the Hawaii Youth Services Network, that at least one representative of an organization serving runaway and homeless youth serve on the task force.

It is the Committee's intent to ensure that there is some accountability for the programs that the task force chooses to endorse. Your Committee has amended this measure by:

- (1) Requiring the task force to include an accounting of the effectiveness of the endorsed programs, as well as any suggestions for preventing children from becoming homeless, in its reports to the legislature; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1101, 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, 1 (Sakamoto).

SCRep. 379 Human Services and Public Housing on S.B. No. 1163

The purpose of this measure is to require the State to provide independent living programs to foster children at age fourteen.

The Department of Human Services, submitted testimony in support of the intent of this measure. The Legal Aid Society of Hawaii, Hale Kipa, the Hawaii Foster Youth Coalition, and three individuals submitted testimony in support of this measure.

Your Committee finds that it is important to ensure that, beginning at age fourteen, foster youth are provided with appropriate opportunities to learn the basic life skills that they will need as they become adults. According to the testimony of the Legal Aid Society of Hawaii, at age eighteen, many foster youth exit their foster homes with little more than a bag of their possessions and no particular destination. Many do not know how to obtain employment or housing, or how to access public or other benefits that may assist them in their transition out of care. As a result, many former foster youth become homeless, enter the criminal justice system, or are victims of drugs and violence.

Your Committee notes that the Department of Human Services requested that the Legislature increase the budget cap on federal Temporary Assistance for Needy Families funds for child welfare services to provide foster youth with the appropriate life skills to make a successful transition to self-sufficiency, in lieu of a State general fund appropriation. This will provide additional support to the Department of Human Services' existing programs related to independent living services.

It is the Committee's intent to balance the need to provide older foster youth with appropriate opportunities to learn basic life skills with the understanding that the Department of Human Services cannot mandate these foster youth to attend the proffered programs. The Committee has amended this measure by:

- (1) Requiring that, beginning at age fourteen, the permanent plan of all foster youth who are in permanent custody or foster custody include an age appropriate independent living program instead of requiring the foster youth to participate in the program;
- (2) Appropriating or authorizing money from Temporary Assistance for Needy Families funds to the Department of Human Services for the independent living program; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1163, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.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, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 380 Human Services and Public Housing on S.B. No. 1170

The purpose of this measure is to appropriate funds for the Healthy Start Program, including Enhanced Healthy Start, hiring of additional staff, and training.

The Department of Human Services submitted testimony in support of the intent of this measure. Catholic Charities Hawaii, the Hawaii Family Support Institute, Parents and Children Together, Good Beginnings Alliance, and two individuals submitted testimony in support of this measure. The Department of Health submitted testimony in opposition.

Your Committee finds that for over twenty years, the Healthy Start Program has been an evolving resource for Hawaii's families by identifying families at risk of abuse and neglect, and by providing voluntary home-based child abuse and neglect prevention services. In response to a concern that certain families facing substance abuse, domestic violence, and mental health issues were not being effectively enrolled in the program, the Enhanced Healthy Start Program was established to serve families at threatened harm levels of risk, as well as, infants and toddlers confirmed as being subject to abuse or neglect.

According to the testimony, the Healthy Start Program is at the cusp of making programmatic changes that will substantially increase the opportunities to make positive changes in the lives of many children.

According to the Department of Health, the Administration has requested funding for the Healthy Start Program and for the Enhanced Healthy Start Program through the Department of Human Services. The testifiers indicated that it is more beneficial to increase the current Temporary Assistance for Needy Families cap for the purpose of this measure instead of a state general fund appropriation.

It is the Committee's intent to support the request to increase the current Temporary Assistance for Needy Families cap for the purpose of this measure in lieu of a state general fund appropriation. Your Committee has amended this measure by:

- (1) Appropriating or authorizing money from Temporary Assistance for Needy Families funds to the Department of Human Services for the Healthy Start Program, including Enhanced Healthy Start, the hiring of a child development specialist or clinical specialist, and provider training;
- (2) Increasing the appropriated or authorized sum from \$2,300,000 to \$3,200,000; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1170, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1170, 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, none.

SCRep. 381 Human Services and Public Housing on S.B. No. 1173

The purpose of this measure is to appropriate funds to continue the pilot perinatal clinic for women with a history of substance abuse on Oahu.

The Department of Human Services submitted testimony in support of the intent of this measure. The University of Hawaii John A. Burns School of Medicine, the Drug Policy Forum of Hawai'i, the Hawaii Substance Abuse Coalition, the Hawaii State Commission on the Status of Women, and two individuals submitted testimony in support of this measure.

Your Committee finds that the pilot perinatal clinic provides appropriate health care services to pregnant women who are substance abusers in an effort to help them deliver healthy babies. The pilot perinatal clinic provides substance abuse treatment, prenatal care, and follow-up services in a supportive, rather than punitive, environment. Given the high percentage of drug use among women involved with child welfare services and the criminal justice system, it is important to continue to support the pilot perinatal clinic.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1173 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, none.

SCRep. 382 Human Services and Public Housing on S.B. No. 1188

The purpose of this measure is to ensure delivery of long term care to the State's elderly and disabled.

Specifically, this measure appropriates \$370,000, for fiscal year 2007-2008, and \$230,000, for fiscal year 2008-2009, to supplement the development of the aging and disability resource center being developed by the Executive Office on Aging, the Hawaii County Office of Aging, and the City and County of Honolulu Elderly Affairs Division.

Testimony in support of this measure was submitted by the Department of Health, State Council on Developmental Disabilities, Hawaii County Office of Aging, Center on the Family, Hawaii Aging Advocates Coalition, Hawaii Pacific Health, Hawaii Long Term Care Coalition, Healthcare Association of Hawaii, Hospice of Hilo, Kokua Council, Project Dana, and two individuals.

Your Committee finds the delivery of long term care in Hawaii has been uncoordinated, resulting in difficulty for consumers to obtain information about options and services. Community resource centers for the elderly and disabled will help empower our residents to make informed choices, which can be very difficult given the multiple agencies and organizations involved. These centers will streamline access to in-home care, community-based programs, and institutional services available to meet their needs.

Your Committee, therefore, finds the appropriations made in this measure are important to the public's interest and will enable the continuation and expansion of services begun under the federal Department of Health and Human Services 2005 grant.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1188 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, 1 (Sakamoto).

SCRep. 383 Human Services and Public Housing on S.B. No. 1189

The purpose of this measure is to assist grandparents who provide care for and raise their grandchildren.

Specifically, this measure makes an appropriation of \$24,000, for the Executive Office on Aging to assess the issues facing grandparents raising their grandchildren in Hawaii and their needs.

Testimony in support of this measure was submitted by the Department of Health, two representative of Hawaii Aging Advocates Coalition, Kokua Council and five individuals.

Your Committee finds that a growing number of grandparents are primary caregivers for their grandchildren.

Your Committee further finds that the State lacks adequate data to formulate policies that would better support grandparent caregivers. This data is vital to ensure proper programming and assistance is made available and that the State collects reliable data with which to obtain a fair share of federal funding.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1189 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, 1 (Sakamoto).

SCRep. 384 Human Services and Public Housing on S.B. No. 1195

The purpose of this measure is to appropriate funds for the Sage PLUS program to expand services to the neighbor islands and to support the program's operating costs.

Your Committee received testimony in support of this measure from the ILWU Local 142, the Policy Advisory Board for Elder Affairs, the Kokua Council, and two individuals. Testimony in opposition to this measure was submitted by Hawaii Centers for Independent Living. The Department of Health submitted comments on this measure.

Your Committee finds that the Sage PLUS program provides assistance to people receiving Medicare and Medicaid benefits, as well as their families, caregivers, and people on the verge of retirement. This measure seeks to expand the Sage PLUS program and support its operating costs so that those in need can continue to benefit what the program offers.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1195 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, 1 (Sakamoto).

SCRep. 385 Human Services and Public Housing on S.B. No. 1196

The purpose of this measure is to make an appropriation to the Executive Office on Aging (EOA) to continue to coordinate a statewide system of family caregiver support.

Your Committee received testimony in support of this measure from the Department of Health, the EOA, Hawaii Pacific Health, Hawaii Aging Advocates Coalition, Policy Advisory Board for Elder Affairs, Kokua Council, and one individual.

Your Committee finds that families, rather than institutions, are the primary providers of long-term care for older adults in the State. According to the EOA, in 2003, approximately twenty-one per cent of Hawaii's adult population provided care or assistance to a person age sixty or older. Caregivers are motivated to provide care to family members because of their family-oriented values, the preference of the elderly to remain at home with their families, and the high cost of institutional long-term care.

Under Act 262, Session Laws of Hawaii 2006, the EOA is required to coordinate a statewide system of caregiver support services. Act 262 also appropriated \$80,000, to the EOA to coordinate a statewide system of family caregiver support services. This measure would similarly enable the continuance of those support services.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1196 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, 1 (Sakamoto).

SCRep. 386 Human Services and Public Housing on S.B. No. 1203

The purpose of this measure is to require the Department of Human Services (DHS) to develop and implement a cash and counseling pilot program, and to make an appropriation therefor.

Your Committee received testimony in support of this measure from DHS, Child and Family Service, ILWU Local 142, Hawaii Aging Advocates Coalition, and Kokua Council.

Your Committee finds that Cash and Counseling is a national program sponsored by the Robert Wood Johnson Foundation, the United States Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation; and the Administration on Aging. Under the program, recipients of Medicaid personal care services or home- and community-based services receive a flexible monthly allowance and decide who to hire and what services they want to receive.

The program's innovative approach enables participants to direct and manage their personal assistance services according to their own specific needs. Participants receive counseling and financial advice to help them manage their allowance and responsibilities. Participants can choose a family member or friend, in lieu of an agency worker, to provide the services. This enables family caregivers to receive a level of financial recognition and support for their efforts and offsets some of the financial sacrifices that family caregivers make to care for loved ones.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1203 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, none.

SCRep. 387 Human Services and Public Housing on S.B. No. 1206

The purpose of this measure is to provide respite care for caregivers of our elderly population.

Specifically, this measure appropriates an unspecified sum for each year of the 2007-2009 fiscal biennium, for the development and implementation of a pilot program to provide emergency and evening respite care for adults aged sixty and older with physical or cognitive disabilities.

Testimony in support of this measure was submitted by the Department of Health and the Executive Office on Aging, and Hawaii Aging Advocates Coalition.

Your Committee finds that respite care provides much needed temporary relief to caregivers to reduce the individual and family strain they experience on a daily basis. Respite care provides time for caregivers to attend to their own needs, attend classes to learn caregiving skills, participate in support groups, and attend to other business or unexpected emergencies.

Your Committee further finds that, respite services are short in supply and can be inaccessible to families due to eligibility requirements, social and cultural issues, and geographic and economic barriers.

Your Committee further finds that the benefits of keeping families together and the growing number of our elder population merit the funding for the pilot program provided by this measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1206 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, none.

SCRep. 388 Human Services and Public Housing on S.B. No. 1209

The purpose of this measure is to appropriate moneys for emergency domestic violence shelters.

The Formerly Battered Women's Caucus of Hawai'i; the Hawaii Family Forum; Hawai'i Primary Care Association; the Hawaii State Coalition Against Domestic Violence; Parents and Children Together; Child & Family Service; Turning Point for Families, Inc.; Hale Lokomaika'i Women Helping Women; Blueprint for Change; Hale Ho'omalua; Na Loio; and fifteen individuals submitted testimony in support of this measure.

Your Committee finds that the State needs to continue to fund emergency domestic violence shelters in order to provide safe havens for women and their children made homeless due to domestic violence. The State began funding emergency domestic violence shelters statewide in 2004. The state funds awarded to each of the service areas has remained fixed since 2004, even though the cost of conducting business has increased severely. Each of the eight shelters has paid the increased expenses with the 2004 funds and as a result, the shelters are experiencing financial difficulties statewide.

In addition, consumer needs have increased and impacted service delivery. Families and individuals entering shelter placement are affected by issues such as substance use and addiction, mental health, child abuse and neglect, homelessness, loss of income, lack of employable skills, lack of parenting skills, and lack of medical and dental care. Domestic violence advocates must be thoroughly trained to meet the varying needs of the consumer base so that a consumer may move from shelter placement to a non-abusive living environment.

This measure will appropriate moneys for emergency domestic violence shelters to continue to serve the needs of families and individuals impacted by domestic violence statewide.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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, 3. Noes, none. Excused, 1 (Hemmings).

SCRep. 389 Human Services and Public Housing on S.B. No. 1672

The purpose of this measure is to amend the law pertaining to the Medicaid Fee Schedule to require an annual adjustment for inflation; appropriate funds to retroactively adjust for inflation, payments made to fee-for-service providers for fiscal year 2001-2002 and bienniums 2003-2005 and 2005-2007; and change the Medicaid Fee Schedule to one hundred per cent of the 2006 Medicare Fee Schedule.

Kaiser Permanente; Hawaii Chapter, American Physical Therapy Association; and Hawaii Pacific Health submitted testimony in support of this measure. The Department of Human Services submitted testimony in opposition.

Your Committee received a statement from the Department of Human Services that this measure, if passed, would cost the State approximately \$40,619,356 for the Medicaid Fee-For-Service Program and \$29,557,498 for the Medicaid QUEST Program each fiscal year. According to the Department of Human Services, the rates for the QUEST health plans are based on the prevailing Medicaid Fee Schedule, and any increases to the Medicaid fees will also increase the QUEST fees.

Your Committee finds that inadequate payment and reimbursement from Medicaid have compromised access to medical care not only for the uninsured and those covered by Medicaid, but also for those individuals who have private employer-based health insurance. Hawaii's hospitals in particular have been detrimentally affected by the inadequacy of Medicaid reimbursements and payments that are far below cost.

It is your Committee's intent to try and meet rising health care costs and ensure that Hawaii's residents have continued access to quality health care. Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1672, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1672, 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, 1 (Hemmings).

SCRep. 390 Human Services and Public Housing on S.B. No. 1779

The purpose of this measure is to establish a two-year statewide task force to evaluate and make recommendations regarding the State's system responses to cases of child sexual assault and exploitation, and appropriate funds for the task force.

The Department of Human Services, the City and County of Honolulu Police Department, and Friends of the Children's Justice Center on Maui submitted testimony in support of this measure. The Judiciary submitted testimony in support of the intent of this measure.

Your Committee finds that there is a need to develop a coordinated, organized system in our State that can appropriately respond to cases of child sexual abuse, assault, and exploitation; sexually reactive children; youth who sexually offend; and related minor-to-minor incest. The creation of a statewide task force will enable the various agencies to work together and hopefully achieve consensus on how to best develop a coordinated response.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1779 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, none.

SCRep. 391 Human Services and Public Housing on S.B. No. 1916

The purpose of this measure is to strengthen the support of family caregivers by:

- (1) Extending and expanding the responsibilities of the Joint Legislative Committee on Family Caregiving;
- (2) Requiring the Executive Office on Aging to conduct a comprehensive assessment of care recipients' needs and the needs of their family caregivers; and
- (3) Appropriating funds to expand Kupuna Care Services for care recipients and their family caregivers.

The Department of Health submitted testimony in support of the intent of this measure. The Policy Advisory Board for Elder Affairs, Hawai'i Alliance for Retired Americans, Occupational Therapy Association of Hawaii, Hawaii Aging Advocates Coalition, the International Longshore and Warehouse Union Local 142, and Child and Family Service submitted testimony in support of this measure.

Your Committee received a fiscal impact statement from the Department of Health that this measure, if passed, would cost the State approximately \$500,000 for fiscal year 2007-2008, and \$500,000 for fiscal year 2008-2009, for the Kupuna Care Program; and an unspecified appropriation of general funds for fiscal year 2007-2008 to conduct the comprehensive needs assessment. However, the fiscal impact statement submitted did not specify the methodology by which the fiscal impact was calculated.

Your Committee finds that, due to a shortage of care providers in Hawaii, family caregiving has become a critical element of our health and long-term care system. By 2020, more than one in four individuals is expected to be sixty years old or older. The need for personal care assistance due to physical, sensory, cognitive, and self-care disabilities increases with age. As Hawaii's population ages, many more families will be providing higher levels of long-term care to frail and disabled older adults at home. A comprehensive public policy to strengthen support for family caregivers is essential.

It is the Committee's intent to strengthen the support of family caregivers. Your Committee has amended this measure by:

- (1) Clarifying that the Family Caregiver Support Program offers services for family caregivers;
- (2) Changing the expending agency in section 5 of the measure from the Department of Health to the Senate and the House of Representatives to expedite the allocation of the appropriated funds for the Executive Office on Aging to conduct a comprehensive needs assessment;
- (3) Increasing the appropriation to expand the Kupuna Care Services Program's in-home and access services from \$500,000 to \$750,000;
- (4) Appropriating the sum of \$300,000, for fiscal year 2007-2008, and the same sum for fiscal year 2008-2009, for the Family Caregiver Support Program; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1916, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1916, 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, none.

SCRep. 392 Human Services and Public Housing on S.B. No. 1937

The purpose of this measure is to require the Department of Human Services to develop and implement a micro-credit pilot program and appropriate funds for that purpose.

The Department of Human Services, the Hawai'i Alliance for Community-Based Economic Development, and 3Point submitted testimony in support of this measure.

Your Committee finds that the State should help its residents build assets as assets are a critical component of financial security and integral to overcoming poverty. Micro-credit is the extension of small loans to the unemployed, to poor entrepreneurs, and others who are "pre-bankable" or not otherwise qualified for traditional loans. This financial innovation originated in developing countries where it successfully engaged extremely impoverished people in self-employment projects that enabled them to generate an income. According to the testimony, there are approximately six hundred domestic loan funds across the United States that practice micro-credit as described in this measure.

Your Committee notes that the Department of Human Services testified that it estimates that an appropriation of \$300,000 is needed to contract out the development and implementation of a micro-credit pilot program, and it requested that the Legislature increase its current Temporary Assistance for Needy Families cap on work support programs for this purpose in lieu of a State general fund appropriation.

It is the Committee's intent to support the Department of Human Services' request to increase the current Temporary Assistance for Needy Families cap on work support programs in lieu of a State general fund appropriation. Your Committee has amended this measure by:

- (1) Appropriating or authorizing money from Temporary Assistance for Needy Families funds to the Department of Human Services to develop and implement the micro-credit pilot program; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1937, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1937, 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, none.

SCRep. 393 Human Services and Public Housing on S.B. No. 1938

The purpose of this measure is to eliminate the asset limits for households with minor dependents' applications for medical assistance and appropriates funds for this purpose.

The National Association of Social Workers, Hawaii Women Work, the Hawai'i Alliance for Community-Based Economic Development, and 3Point submitted testimony in support of this measure. The Department of Human Services submitted comments.

Your Committee finds that asset limits put low-income families in a position of spending down or depleting their assets to low levels so that they can receive help. According to the Department of Human Services, the current maximum allowable asset retention limit for adults in both the QUEST and the Fee-For-Service Medicaid Program is \$2,000 for a single person, \$3,000 for a two person household, and an additional \$250 for each additional family member in the household. By spending down or depleting their assets to these low levels, low-income families are actually prevented from building sufficient assets to move towards self-sufficiency. Therefore, the asset limits actually serve as a barrier to escaping poverty as many individuals are forced to choose between attempting to build assets and the need for services.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1938 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, none.

SCRep. 394 (Joint/Majority) Economic Development and Taxation and Tourism and Government Operations on S.B. No. 1288

The purpose of this measure is to promote Hawaii's indigenous holistic healing practices and promote Hawaii's host culture worldwide.

Specifically, this measure makes an appropriation of \$125,000, for fiscal year 2007-2008, to bring the Healing Spirit Worldwide conference to Hawaii in 2010.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism and Papa Ola Lokahi.

Your Committees find that hosting the 2010 Healing Our Spirit Worldwide conference is a great opportunity to raise the prestige of the State and benefit economically. Hosting the conference will strengthen the State's position as a world leader in indigenous health and wellness practices. Additionally, the State will benefit financially from the expenditures of the expected 5,000 participants from throughout the Pacific, Pacific Rim and Asia.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Tourism and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1288 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. Ayes with Reservations, 1 (Trimble). Noes, 1 (Slom). Excused, 3 (English, Ige, Tsutsui).

SCRep. 395 Health on S.B. No. 49

The purpose of this measure is to require the Board of Examiners in Naturopathy to adopt a formulary, qualifications, and rules allowing naturopaths to administer natural medicines by injection.

Your Committee received testimony in support of this measure from the Board of Examiners in Naturopathy (Board), Hawaii Society of Naturopathic Physicians, and nineteen individuals. Testimony in opposition was received from the Department of Health (DOH) and Hawaii Medical Association.

Testimony from the Board indicates that the administration of natural medicines using injections is within the scope and practice of naturopathy. The use of injections is taught in naturopathic colleges. The licensure exam includes questions on intravenous, intramuscular, and subcutaneous injection and vaccination. This measure does not include the authority to inject prescription drugs.

Your Committee notes that the Governor vetoed a similar measure in 2006, H.B. No. 1155, H.D. 1, S.D. 2, that would have provided for the adoption of a formulary and qualifications for administering natural medicines by injection.

Your Committee further notes the objections of the DOH that the measure does not sufficiently define which substances are and are not included in "natural medicines." The DOH testified that last year's bill contained a provision to establish a temporary advisory committee on the administration of natural medicines by injection, to make recommendations for a formulary of natural medicines as well as qualifications to administer such substances by injection.

Your Committee believes that more discussion is necessary before this measure passes the Legislature. Therefore, your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on its merits.

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. 49, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 49, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 396 Health on S.B. No. 53

The purpose of this measure is to ensure that individuals and families in need of mental health and drug and alcohol dependence services are able obtain the appropriate treatment.

Your Committee received testimony in support of this measure from Hawaii County Council- Council member for District 6, Hawaii Association for Marriage and Family Therapy, Chaminade University, Hawaii Psychological Association, Mental Health Kokua, Argosy University, Aloha House Maui, Hale Ipu Kukui Alakai, Ka Hale A Ke Ola Homeless Resource Center, The Salvation Army - Addiction Treatment Services, Mental Health America of Hawaii, and seventy-two individuals. The Department of Commerce and Consumer Affairs submitted testimony with comments on this measure.

Your Committee finds that mental health disorders and alcohol and drug dependency negatively affect the entire family. Your Committee further finds that Hawaii has a severe shortage of mental health care providers.

Your Committee intends to accomplish the purpose of this measure by including licensed marriage and family therapists as a covered benefit under the mental health and alcohol and drug abuse treatment insurance benefits.

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. 53 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 5. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, none.

SCRep. 397 Health on S.B. No. 1675

The purpose of this measure is to increase survival rates from cardiac arrest in Hawaii by encouraging the use of automated external defibrillators.

This measure accomplishes this goal by updating existing law by changing "automatic" to "automated". In addition, it establishes Good Samaritan limited immunity for rescuers and program facilitators and removes the requirement for physician approval or involvement in the administration of automated external defibrillators.

Your Committee received testimony in support of this measure from the Department of Health. The American Heart Association submitted testimony in support of the intent of this measure with recommended amendments.

Your Committee finds that every minute counts in the emergency response to an individual suffering from cardiac arrest. Automated external defibrillators have been developed that enable a shorter response time for first responders and the public. Your Committee further finds that removing physician involvement from the requirement for automated external defibrillator programs will encourage more businesses to implement the program.

Your Committee has adopted the recommendations of the American Heart Association and amended this measure by deleting the training requirement for persons who use an automated external defibrillator. Your Committee further amended this measure by:

- (1) Leaving physicians in the measure as in the original statute, in order to provide physicians with liability protection if they volunteer their services to assist a non-profit organization; and
- (2) Amending other sections of law in which the term "automatic external defibrillators" appears to reflect the change in terminology from "automatic" to "automated".

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, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1675, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Menor).

SCRep. 398 Health on S.B. No. 852

The purpose of this measure is to expand the availability of medical care on the island of Hawaii.

Specifically, this measure charges the Department of Health with establishing a pilot program in cooperation with emergency medical services, the Hawaii Fire Department, Hawaii Health Systems Corporation, and community clinics in the Ocean View and Volcano communities of the island of Hawaii to provide additional urgent care services and appropriates an unspecified amount of money in each year of the 2007-2009 fiscal biennium for that purpose.

Testimony in support of this measure was submitted by the mayor of the County of Hawaii. Testimony in opposition to this measure was submitted by the Department of Health.

Your Committee finds that the island of Hawaii is experiencing a health care crisis, due largely in part to its rural nature. The proposed pilot program will assess the efficacy of alternative service delivery, such as mobile medical vans, determine the availability of staff, assess feasibility and cost-benefit ratios, recommend appropriate legislation, and involve the appropriate community stakeholders in addressing the urgent care needs of these communities. Your Committee finds this pilot program is necessary to determine the best way to meet the health and medical needs of the Ocean View and Volcano residents.

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. 852 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. 399 Health on S.B. No. 971

The purpose of this measure is to increase the ability of nonprofit health care providers to care for the general public.

Specifically, this measure extends the sunset date for the issuance of special purpose revenue bonds for The Queen's Health System to assist with financing costs of construction, improvements, and equipment of health care facilities from June 30, 2008, to June 30, 2013.

Testimony in support of this measure was submitted by The Queen's Medical Center and Healthcare Association of Hawaii.

Your Committee finds that The Queen's Medical Center plays a vital role in the health care of our residents and visitors. To ensure it can continue to do so, The Queen's Health System must be able to maintain its facilities and equipment. Special purpose revenue bonds will allow The Queen's Health System to finance necessary capital projects at a lower cost while not requiring any state funds.

Your Committee finds that extending the sunset date for the issuance of special purpose revenue bonds will enable The Queen's Health System to maintain the health of our 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. 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, 1 (Menor).

SCRep. 400 Health on S.B. No. 977

The purpose of this measure is to address the primary health care workforce shortage and improve access to health care in rural areas of the State.

Specifically, this measure makes an appropriation to the Department of Health to develop a statewide rural training model by placing primary care physicians who are in their final years of training, in the underserved areas of this State.

Your Committee received testimony in support of this measure from Hawaii Health Systems Corporation, Hawaii Primary Care Association, Hawaii Medical Service Association, and one individual. The John A. Burns School of Medicine, University of Hawaii at Manoa submitted testimony in support of the intent of this measure. The Department of Health submitted comments on this measure.

Appropriations in the amount of \$870,000 in fiscal year 2007-2008 and \$1,890,000 in fiscal year 2008-2009 have been recommended to accomplish the purpose of this measure.

Your Committee finds that action must be taken to address the primary health care workforce shortage in the rural areas, particularly on the neighbor islands of our State. Expanding the family medicine residency program sponsored by the John A. Burns School of Medicine and Wahiawa General Hospital will enable physicians to complete their final two years of clinical training while providing improved access to health care for residents living in the underserved areas of Hawaii.

Your Committee amended this measure by removing the appropriation amount and by making the John A. Burns School of Medicine, University of Hawaii at Manoa the expending agency instead 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 is in accord with the intent and purpose of S.B. No. 977, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 977, 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 (Menor).

SCRep. 401 Health on S.B. No. 1036

The purpose of this measure is to ensure that individuals and families in need of mental health and drug and alcohol dependence services are able to obtain the appropriate treatment.

The measure accomplishes this purpose by including licensed Marriage and Family Therapists as a covered benefit under mental health and alcohol and drug abuse treatment insurance benefits.

Your Committee received the following testimony for S.B. No. 53, which also applies to this similar measure. Therefore, supporting testimony was received from Hawaii County Council-Council member for District 6, Hawaii Association for Marriage and Family Therapy, Chaminade University, Hawaii Psychological Association, Mental Health Kokua, Argosy University, Aloha House Maui, Hale Ipu Kukui Alakai, Ka Hale A Ke Ola Homeless Resource Center, The Salvation Army-Addiction Treatment Services, Mental Health America of Hawaii, and seventy-two individuals. The Department of Commerce and Consumer Affairs submitted testimony with comments on this measure.

Your Committee finds that mental health disorders and alcohol and drug dependency negatively affect the entire family. Your Committee further finds that Hawaii has a severe shortage of mental health care providers.

Your Committee believes that having such services covered as a health insurance benefit would facilitate their afflicted use, resulting in more persons seeking assistance.

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. 1036 and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 5. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, none.

SCRep. 402 Health on S.B. No. 1282

The purpose of this measure is to address the shortage of mobile intensive care technicians and paramedics in Hawaii.

Specifically, this measure makes an appropriation of \$300,000, for the 2007-2008 fiscal year to establish the emergency medical technician training stipend program.

Testimony in support of this measure was submitted by the Department of Health.

Your Committee finds that there is a shortage of qualified mobile intensive care technicians and paramedics in Hawaii. The State needs a minimum of an additional fifty mobile intensive care technicians or paramedics. The lack of local training programs has exacerbated the problem, especially on the neighbor islands. Additionally, the difficulties in job advancement due to the financial cost of training have resulted in a high attrition rate. Given the anticipated system growth and attrition, this shortage will only worsen in the coming years.

Your Committee finds that it is in the public's interest to ensure local training programs are available. Therefore, your Committee finds the appropriation made by this measure to be a necessary and valuable use of the State's resources.

This measure was amended to make a grammatical correction.

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. 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, 1 (Whalen).

SCRep. 403 Health on S.B. No. 1456

The purpose of this emergency appropriation measure is to ensure the continuation of services provided by the Adult Mental Health Division of the Department of Health.

Specifically, this measure makes an emergency appropriation of \$8,377,698, for fiscal year 2006-2007, for ongoing services of the Adult Mental Health Division of the Department of Health.

Testimony in support of this measure was submitted by the Adult Mental Health Division of the Department of Health.

Your Committee finds that the number of patients has dramatically increased over the last four years from approximately 4,500 to over 12,000 in fiscal year 2006. This increase is primarily due to the expansion of services required by a settlement agreement resulting from United States v. State of Hawaii. Although the State successfully exited the settlement agreement, additional funds are needed to maintain these services to the adults with severe and persistent mental illness provided by the Adult Mental Health Division.

Your Committee finds, therefore, that the appropriation made by this measure is an important use of the State's financial resources.

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. 1456 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 (Menor).

SCRep. 404 Health on S.B. No. 1457

The purpose of this measure is to make an emergency appropriation for the Developmental Disabilities Division of the Department of Health (DOH).

Your Committee received testimony in support of this measure from the DOH, State Council on Developmental Disabilities, and Family Voices of Hawaii.

Your Committee finds that this measure would enable the DOH to meet state-approved target numbers under the current Medicaid home and community-based service waiver program, in order to reasonably admit individuals with developmental disabilities or mental retardation into the program. This would enable the DOH to fulfill its developmental disabilities obligations under a settlement agreement reached pursuant to HDRC v. State, U.S. District Court, Civil No. 03-00524 HG-KSC (Makin II), requiring the State to comply with the U.S. Supreme Court's *Olmstead* decision.

Your Committee further finds that a large portion of the current \$4,980,523 shortfall resulted from a supplemental budget that the Developmental Disabilities Division received that was less than originally requested. In addition, this fiscal year has seen a large increase in admission of individuals into the program.

Your Committee notes that with the funding in this measure, the DOH should be able to obtain additional federal matching funds at the 57.7 per cent match.

Your Committee has amended this measure by:

- (1) Deleting the specific amount appropriated; and
- (2) Adding a provision that declares that the general fund expenditure ceiling has been exceeded.

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. 1457, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1457, 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 (Menor).

SCRep. 405 Health on S.B. No. 1458

The purpose of this measure is to make an emergency appropriation to the Department of Health for the Emergency Medical Services and Injury Prevention System Branch.

Your Committee received testimony in support of this measure from the Department of Health, State Department of Defense, and Healthcare Association of Hawaii.

Your Committee finds that the requested appropriation is required to pay for \$1,900,000 emergency aeromedical services on Oahu for fiscal year 2006-2007. The additional funds are necessary to cover the reimbursement costs associated with the delivery of service by the Hawaii Army National Guard in providing emergency aeromedical services that were previously provided by the United States Army.

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. 1458 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 (Menor).

SCRep. 406 Health on S.B. No. 1459

The purpose of this measure is to ensure that infants and toddlers from birth to age three years with or at risk for developmental delays receive early intervention services.

Specifically, this measure provides an emergency appropriation in the amount of \$5,299,809 in general funds to cover the costs of early intervention services provided by the Department of Health's Early Intervention Section during the 2006-2007 fiscal year.

Your Committee received testimony in support of this measure from the Department of Health, the State Council on Developmental Disabilities, County Council- County of Maui, Hawai'i Early Intervention Coordinating Council, Center on Disability Studies, Hawaii Chapter American Physical Therapy Association, Waianae Coast Early Childhood Services, Inc., Imua Family Services, Easter Seals Hawaii, and four individuals.

Your Committee finds that the Department of Health has the responsibility to ensure that all children from birth to age three years with a developmental delay or biological or environmental risk and their families receive early intervention services as mandated under Part C of the Individuals with Disabilities Education Improvement Act of 2004.

Your Committee further finds that every year, the Early Intervention Section of the Department of Health requests an emergency appropriation for additional funding due to the insufficiency of each respective year's current appropriation. Your Committee further finds that federal law mandates that these services be provided and waiting lists are not permitted. As a result, providers are not being compensated for their services in a timely manner and have to endure undue financial burdens. It is the intent of your Committee to encourage the Department of Health to work towards alleviating this yearly problem.

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. 1459 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 (Menor).

SCRep. 407 Health on S.B. No. 1463

The purpose of this emergency measure is to increase the expenditure ceiling of the Health Systems Special Fund.

Specifically, this measure makes an emergency appropriation of \$41,000,000, for fiscal year 2006-2007, to cover the increasing costs of providing quality health care, including:

- (1) Staff hired for the conversion of Kula, Kale Ho'ola Hamakua, and Samuel Mahelona Memorial Medical Hospitals to critical access hospital status;
- (2) Hospitalist programs at Hilo Medical Center, Maui Memorial Medical Center, and Kona Community Hospital;
- (3) The operation of the medical/surgical wing at Maui Memorial Medical Center;
- (4) The staffing of the imaging departments; and
- (5) To provide physicians for specialty coverage.

Testimony in support of this measure was submitted by Hawaii Health Systems Corporation and People United to Support a Second Hospital.

Your Committee finds that this measure is necessary to ensure Hawaii Health Systems Corporation will be able to continue providing quality health services to Hawaii residents throughout the remainder of this fiscal year, the cost of which has exceeded the current fiscal year budget as anticipated.

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. 1463 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 (Menor).

SCRep. 408 Health on S.B. No. 1629

The purpose of this measure is to authorize the issuance of revenue bonds to assist Hawaii Health Systems Corporation (HHSC) or any of its regional subsidiary corporations.

Your Committee received testimony in support of this measure from HHSC, Healthcare Association of Hawaii, and Maui Memorial Medical Center. Comments were received from the State Attorney General.

Your Committee finds that significant public benefit will be realized through the planning, construction, improvement of, and purchase and replacement of equipment for the facilities of the HHSC or any of its regional subsidiary corporations that provide healthcare services and facilities for all residents. Your Committee finds that the issuance of revenue bonds is in the public interest and for the benefit of public health, safety, and welfare.

The proceeds of the bond sale under this measure would be applied to construction, improvement, and equipment for a new heart, brain, and spine center on Maui. Your Committee believes that the expansion of cardiology and neurology services at Maui Memorial Medical Center will have a tremendous positive impact on the health and wellness of all residents of Maui and the State, especially since there is a critical need on

Maui to develop additional healthcare services, particularly cardiovascular and neurovascular services. Furthermore, the revenue generated by the proposed services would be a profitable service line so as to help defray the cost of the proposed center and other hospital services.

Your Committee has amended this measure on the recommendation of the Attorney General by designating the HHSC as the issuing agency, since it has the power to issue revenue bonds, and making technical, nonsubstantive amendments for purposes of 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. 1629, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1629, 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 (Menor).

SCRep. 409 Health on S.B. No. 1679

The purpose of this measure is to ensure public safety by enabling Emergency Medical Services providers to respond to emergencies with the necessary equipment that is safe and reliable.

Specifically, this measure appropriates funds to the Department of Health for two fully-equipped ambulance vehicles per year and two lifepak 12 defibrillators per year for the Emergency Medical Services on Oahu.

Your Committee received testimony in support of this measure from the City and County of Honolulu Emergency Services Department, and three individuals. The Department of Health submitted testimony in opposition to this measure.

Your Committee received an estimated appropriation recommendation in the amount of \$776,000 for the 2007-2009 fiscal biennium to fund two fully-equipped ambulance vehicles and two lifepak 12 defibrillators at a cost of \$388,000 per year.

Your Committee finds that the State's Emergency Medical System needs to be able to respond to the increasing numbers of emergencies that are occurring with appropriate, safe, and reliable, equipment. Your Committee further finds that the equipment presently available and used by emergency responders is severely inadequate and unsafe. Your Committee finds that this appropriation is not only necessary, but overdue and imperative to protect the public when emergency situations occur.

Your Committee amended this measure to clarify that the appropriation amount is for two fully-equipped ambulance vehicles per year and two lifepak 12 defibrillators per year.

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. 1679, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1679, 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 (Menor).

SCRep. 410 Health on S.B. No. 1724

The purpose of this measure is to provide for the continuation of 24-hour a day emergency care services to residents of Waianae.

Specifically, this measure appropriates \$1,500,000, for each year of the 2007-2009 fiscal biennium to the Waianae Coast Comprehensive Health Center as a grant pursuant to chapter 42F, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Hawai'i Primary Care Association, and the Waianae Coast Comprehensive Health Center.

Your Committee finds that the Waianae Coast Comprehensive Health Center is the only full service medical center on the Waianae coast. The Health Center is a vital resource for our State emergency preparedness with respect to natural disasters, pandemics and other disasters. It provides an essential staging area to fly patients in trauma to Queen's Medical Center. Its emergency room is one of the most heavily utilized on Oahu.

Your Committee finds the Waianae Coast Comprehensive Health Center serves primarily low-income, uninsured and under insured patients and expends a great deal of its resources caring for the large number of homeless people in the area.

Your Committee further finds that without adequate funding, the Waianae Coast Comprehensive Health Center may have to eliminate essential emergency, lab, and radiology services, leaving community residents vulnerable to life threatening health situations. Therefore, your Committee finds that the appropriations made by this measure are an important use of state resources.

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. 1724 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 (Menor).

SCRep. 411 Health on S.B. No. 1991

The purpose of this measure is to provide housing and care options to the State's aging population.

Specifically, this measure authorizes the issuance of special purpose revenue bonds for the purpose of assisting the Craigsid Retirement Residence, a Hawaii nonprofit health care facility, with the purchase of land, planning, design, and construction of a senior housing community.

Testimony in support of this measure was submitted by Arcadia Retirement Residence, Craigsid Retirement Residence, and Hawaii Long Term Care Association.

Your Committee finds that it is in the public interest to encourage the development of senior housing communities in the State of Hawaii. The authorization of the issuance of special purpose revenue bonds for the Craigsid Retirement Residence will help keep project costs down and, therefore make the residence more affordable to the State's seniors living with moderate incomes.

It is your Committee's understanding that the Attorney General believes this is an allowable use of special purpose revenue bonds. Craigsid Retirement Residence is a health care facility, providing a full continuum of care. The development proposes to provide one hundred seventy-one

apartments with independent and assisted living options. It will also have a forty-bed full service nursing facility. Your Committee finds this facility is needed to meet the demands of the State's aging 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. 1991 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 (Menor).

SCRep. 412 (Joint) Health and Human Services and Public Housing on S.B. No. 1798

The purpose of this measure is to make psychotropic drugs more readily available to the residents of Hawaii who need them.

Specifically, this measure adds advanced practice registered nurses to the list of persons who can prescribe psychotropic medication under section 346-59.9, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from Hawaii Psychiatric Medical Association and eight individuals. The Department of Human Services submitted testimony supporting the intent of this measure with recommendations.

Your Committees find that the Hawaii Administrative Rules give advanced practice registered nurses prescriptive authority under a "collegial" agreement with a physician. Your Committees further find that this measure will give advanced practice registered nurses full prescriptive authority for psychotropic medications without a "collegial" agreement. This will enable patients in need of psychotropic medications to receive them in a timely manner, eliminating the lengthy and complicated process that the current pre-authorization requirement necessitates.

To ensure equal access to psychotropic medications for all Medicaid clients, your Committees have adopted the recommendations of the Department of Human Services and amended this measure by removing section 3, which excluded QUEST medical plans from this measure.

Your Committees further amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1798, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1798, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chairs on behalf of the Committees. Ayes, 8. Noes, none. Excused, 1 (Whalen).

SCRep. 413 (Joint) Health and Human Services and Public Housing on S.B. No. 817

The purpose of this measure is to reduce the cost of prescription medications to participants of the Hawaii Rx Plus program.

Specifically, this measure directs the Governor to establish Hawaii's participation in the I-SaveRx prescription drug program to provide residents with increased access to affordable prescription medication.

Your Committees received testimony in support of this measure from the Policy Advisory Board for Elder Affairs and the Kokua Council. The Department of Health submitted testimony supporting the intent of this measure with recommendations. The Pharmaceutical Research and Manufacturers of America submitted testimony in opposition to this measure. The Department of the Attorney General submitted comments on this measure.

Your Committees find that the I-SaveRx is a prescription reimportation program that allows consumers to refill brand-name prescription drugs at affordable prices from pharmacies in Canada and the United Kingdom.

Your Committees amended this measure by changing the effective date to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 817, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 817, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees. Ayes, 8. Noes, none. Excused, 1 (Ihara).

SCRep. 414 (Joint) Health and Human Services and Public Housing on S.B. No. 816

The purpose of this measure is to provide affordable prescription medicines while maintaining high quality prescription drug therapies.

Specifically, this measure establishes a pharmacy best practices and cost control program, in which any public and private health plan may participate. It includes a prescription drug preferred list and prior authorization review process and requires drug manufacturers to disclose economic benefits of \$25 or more provided to persons who prescribe, dispense, or purchase prescription drugs.

Your Committees received testimony in support of this measure from Policy Advisory Board for Elder Affairs and the Hawaii Alliance for Retired Americans. Your Committees received testimony in opposition to this measure from the Pharmaceutical Research and Manufacturers of America. The Department of Health and the Office of Information Practices submitted comments on this measure.

Your Committees find that prescription drugs have become the most expensive component of health care, accounting for approximately two-thirds of health care costs. This is often an unmanageable financial burden, particularly for the elderly population.

Your Committees find that on January 1, 2006, the state Medicare part D state pharmacy assistance program was created. The state Medicare part D program covers the co-payments for Medicare and Medicaid dual eligible clients to ensure a smooth transition of prescription drug coverage from Medicaid to Medicare. In addition, the federal Medicare Modernization Act of 2005 also provides special relief for qualified state pharmacy assistance programs.

Your Committees further find that the Hawaii Rx plus program and the state Medicare part D program are recognizable under federal law as state pharmacy assistance programs and, if they are combined under an umbrella program and approved as a single federally recognized program, could receive enhanced benefits from the federal Centers for Medicare and Medicaid Services.

Accordingly, your Committees amended this measure by removing its contents and inserting the contents of S.B. No. 1145, which creates a Hawaii state pharmacy assistance program by merging the current state pharmacy assistance program, which coordinates the Medicare part D drug benefit and the Hawaii Rx plus program under a single comprehensive Hawaii state pharmacy assistance program umbrella.

In addition, the measure in its amended form includes an appropriation to the Department of Human Services for the purposes of conducting a study to gather information on the size of the target population, utilization data, and other information as needed in order for the department to identify the amount of the appropriation needed to implement the secondary discount price and other costs of the program.

The Department of Human Services estimates that an appropriation in the amount of \$50,000 will be necessary to carry out the study.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 816, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 816, S.D. 1, and be referred to the Committees on Commerce, Consumer Protection, and Affordable Housing and Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 3 (Menor, Hemmings, Whalen).

SCRep. 415 (Joint) Health and Human Services and Public Housing on S.B. No. 820

The purpose of this measure is to extend the law that requires the Department of Health to provide community residential alternatives for persons with developmental disabilities or mental retardation in a setting of the person's choice; provided that certain conditions are met.

The measure accomplishes this purpose by extending the repeal date of Act 303, Session Laws of Hawaii 2006, from June 30, 2008, to June 30, 2009, in order to extend the repeal date of amendments made to section 333F-2(c)(9), Hawaii Revised Statutes, and to provide the Department of Health (DOH), State Council on Developmental Disabilities (SCDD) with more time to complete a report required under that Act.

Your Committees received testimony in support of this measure from the DOH, SCDD, and Hawaii Disability Rights Center.

Your Committees support the right of the developmentally disabled and mentally retarded to live in residences of their own choice. However, your Committees also understand that providing a framework under which such a program is to be administered is a daunting task. To this end, Act 303, Session Laws of Hawaii 2006, relating to developmental disabilities, required the SCDD to submit a preliminary report to the Legislature for the 2007 Regular Session. Due to the complex nature of this issue, the SCDD was unable to complete that report, and Act 303 sunsets on June 30, 2008. This measure would extend the reporting date and the sunset by one year.

Your Committees find that, due to the complexities of the issues involved, including federal mandates, the extension of the time period Act 303 remains in force is necessary to adequately examine the issues and obtain consensus among stakeholders.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 820 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, 1 (Ihara).

SCRep. 416 (Joint) Health and Human Services and Public Housing on S.B. No. 970

The purpose of this measure is to ensure that quality dental care services are provided to QUEST-eligible adults and children, individuals with developmental disabilities, and the uninsured.

The measure accomplishes this purpose by appropriating funds to the Hawaii Primary Care Association to establish or expand community-based dental health clinics operated by federally-qualified health centers to serve QUEST-eligible adults and children, individuals with developmental disabilities, and the uninsured.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities, Hawaii Primary Care Association, O'ahu's Voice on Mental Illness, the Kokua Council, the Waikiki Health Center, and two individuals.

Hawaii Primary Care Association submitted an estimated appropriation amount of \$8 million for the biennium, \$4 million per year for two years.

Your Committees find that inadequate dental care is a serious matter and has been identified as one of the major health concerns for low-income adults and children, individuals with developmental disabilities, and the uninsured. Your Committees further find that community health centers have the capability to serve the target population.

Your Committees have amended this measure by deleting the language that requires that the appropriation be expended as a grant-in-aid executed pursuant to chapter 42F, Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 970, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 970, 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 (Menor, Whalen).

SCRep. 417 (Joint) Health and Human Services and Public Housing on S.B. No. 241

The purpose of this measure is to facilitate the placement of all individuals in need of care in a community-based residential setting.

Specifically, this measure directs the Department of Health and the Department of Human Services to maintain an inventory of all community-based care facilities and community care foster family homes.

Your Committees received testimony in support of this measure from the Hawaii Coalition of Care Home Administrators and the Hawaii Disability Rights Center. The State Council on Developmental Disabilities submitted testimony in support of the intent of this measure with comments. The Department of Health and the Department of Human Services submitted comments on this measure.

Your Committees find that it is increasingly difficult for social workers and health care professionals to find suitable community placements for patients being discharged from hospitals and other health care facilities. A central database with an up-to-date inventory of vacancies would streamline and expedite the placement process.

The Department of Human Services estimates that an appropriation in the amount of \$139,700 is necessary to develop the inventory program and contract for services.

Your Committees adopted the recommendation of the State Council on Developmental Disabilities by including adult foster homes in the inventory.

Your Committees further amended this measure by including appropriations that would enable the Department of Human Services to contract out for services needed to maintain the inventory.

In addition, your Committees amended this measure by changing the effective date so that the inventory will be implemented and available beginning July 1, 2008, though, the appropriations will become effective on July 1, 2007, in order for the department to have the funds necessary for development of the inventory program.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 241, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 241, 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 (Ihara, Whalen).

SCRep. 418 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Energy and Environment on S.B. No. 639

The purpose of this measure is to prohibit the importation and sale of noxious weeds and any new plant species without first having the Department of Agriculture conduct an inspection and issue its approval.

In addition, this measure requires the Department of Agriculture to update its noxious weed list every two years and appropriates funds for the revision and review of the noxious weed list.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, the Conservation Council for Hawaii, the Sierra Club, and one individual. Testimony in opposition was submitted by the Department of Agriculture. The Department of the Attorney General submitted comments.

Your Committees find that conservation organizations in the State are fighting to slow the invasion of alien plants that are spreading from home and commercial landscapes into native forests. Your Committees further find that the introduction of new plants into Hawaii can contribute to the growing number of invasive species that are crowding out native plants and covering open fields.

Your Committees note the concern that the prohibition of the importation of any new plant species without first acquiring the approval of the Department of Agriculture may prove burdensome and may be over-restrictive. However, your Committees find that there is a need to improve the State's response to noxious weeds and to proactively address the importation of new invasive species.

Your Committees have amended this measure by:

- (1) Requiring the Department of Agriculture to annually review and, as necessary, update the list of plants designated as noxious weeds, rather than requiring an update every two-years;
- (2) Removing the requirement that the Department of Agriculture inspect and approve new plant species before their sale or importation; and
- (3) Prohibiting the offer for sale and the sale of noxious weeds in the State.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 639, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 639, 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 (Tokuda).

SCRep. 419 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Health on S.B. No. 1234

The purpose of this measure is to increase and improve health care for Native Hawaiians by establishing a state designation of Native Hawaiian Health Centers in Hawaii pursuant to the federal Native Hawaiian Health Care Improvement Act.

The measure also appropriates an unspecified amount of general funds to effectuate the state designation of Native Hawaiian Health Centers.

Testimony in support of this measure was submitted by Papa Ola Lokahi and the Native Hawaiian Healing Center at the Waianae Coast Comprehensive Health Center. Testimony in opposition to this measure was submitted by the Department of Health.

The health status of Native Hawaiians continues to be far below that of the general population of the United States. There are currently four health care centers in Hawaii that meet the criteria of the federal definition of a Native Hawaiian Health Center under the Native Hawaiian Health Care Improvement Act, Title 42 United States Code sections 11701-11714. These health care centers are located in communities with a large percentage of Hawaiian homestead residents and Native Hawaiians, and serve these communities to address the unmet health needs of the Native Hawaiians. The federal Native Hawaiian Health Care Improvement Act, which is currently pending reauthorization, recognizes Native Hawaiian Health Centers. Your Committees find that establishing a corresponding designation under chapter 321, Hawaii Revised Statutes, will provide state recognition of Native Hawaiian Health Centers.

Your Committees have amended this measure by:

- (1) Deleting the criteria for a Native Hawaiian Health Center and replacing it with criteria from the Native Hawaiian Health Care Improvement Act so that the language in federal and state laws will properly coincide with each other;

- (2) Clarifying that the Department of Health will coordinate with the Papa Ola Lokahi to oversee the implantation of state health programs resulting from the designation of Native Hawaiian Health Centers;
- (3) Deleting unnecessary language that directs the Department of Health to follow the criteria established under the federal Native Hawaiian Health Care Improvement Act; and
- (4) Making technical, nonsubstantive amendments for the purposes of consistency and style.

Your Committees believe that this measure, as amended, will aid in increasing and improving health care for Native Hawaiians, which fulfills the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1234, as amended herein, and recommend 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 Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 9. Noes, none. Excused, none.

SCRep. 420 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Intergovernmental and Military Affairs on S.B. No. 1603

The purpose of this measure is to ensure the continued public safety at state and county recreational areas by repealing certain sunset dates of laws that provide the state and county governments with liability protection for public use of certain state and county recreational areas.

Specifically, this measure:

- (1) Repeals the sunset date of Act 190, Session Laws of Hawaii 1996;
- (2) Repeals the sunset date of Act 170, Session Laws of Hawaii 2002; and
- (3) Repeals the sunset date of Act 82, Session Laws of Hawaii 2003.

Testimony in support of this measure was submitted by the Department of the Attorney General; the Department of Land and Natural Resources; the Department of Labor and Industrial Relations; the Office of Hawaiian Affairs; the Mayor, County of Hawaii; the City and County of Honolulu Department of the Corporation Counsel; the Honolulu Emergency Services Department, City and County of Honolulu; two Council Members of the Maui County Council; one Council Member of the Hawaii County Council; the Fire Department, County of Kauai; the Hawaii State Association of Counties; and the Hawaiian Lifeguard Association. Testimony in opposition to this measure was submitted by the Consumer Lawyers of Hawaii.

Millions of residents and visitors use Hawaii's public beaches and parks for recreational purposes on a yearly basis. Unfortunately, drownings and other serious injuries have occurred due to these recreational activities, which leave the counties and State with the task of dealing with any liability that may arise from the injuries and any resulting lawsuits.

In response to this problem, the Legislature enacted Act 190, Session Laws of Hawaii 1996, to establish a process by which a legally adequate warning system could be developed at public beach parks. As a result of Act 190, the public warning signs were designed and made more uniform throughout the State. Furthermore, Act 190 also provided the State and counties with protection from potentially unlimited liability for incidents occurring in the ocean. In 2002, the Legislature enacted Act 170, Session Laws of Hawaii 2002, to provide liability protection for lifeguard services on the beach and in the ocean, except for gross negligence, wanton acts, or omissions. Act 170 created a climate in which lifeguard services could be provided by the counties with less fear of unlimited liability, thus, further ensuring public safety. In 2003, Legislature enacted Act 82, Session Laws of Hawaii 2003, to establish a risk assessment group to review the design and placement of warning signs to provide the State and counties protection from liability arising out of recreational activities on public lands.

Your Committees find that liability protections can reduce the exposure of the state and county governments to substantial damages, and, as a result, can enable the state and county governments to keep recreational areas with potentially dangerous conditions open to the public. Furthermore, an effective warning sign system can promote public safety by informing users of the recreational areas of potentially dangerous conditions.

Your Committees recognize, however, that the repeal dates under Act 190, Session Laws of Hawaii 1996, and Act 170, Session Laws of Hawaii 2003, have been extended under previous legislation. The Consumer Lawyers of Hawaii indicated to your Committees that sunset dates were written into all three Acts to allow for the opportunity to collect sufficient data to be presented to the Legislature so that its members could make a reasonable and informed decision as to whether these laws worked and were still working in the way that was intended by the Legislature. The Consumer Lawyers of Hawaii indicated, and your Committees recognize, that there is currently a lack of sufficient data that indicates the effectiveness and adequacy of these laws. Furthermore, it was indicated that, with respect to the warning signs for public recreational areas, these warning signs had not been finalized and approved by the Board of Land and Natural Resources. Thus, your Committees further find that more time is needed to assess the adequacy and effectiveness of Act 190, Session Laws of Hawaii 1996; Act 170, Session Laws of Hawaii 2002; and Act 82, Session Laws of Hawaii 2003, before these laws become permanent.

Accordingly, your Committees have amended this measure by:

- (1) Extending the sunset date of Act 190, Session Laws of Hawaii 1996, to June 30, 2010;
- (2) Extending the sunset date of Act 170, Session Laws of Hawaii 2002, to June 30, 2010;
- (3) Extending the sunset date of Act 82, Session Laws of Hawaii 2003, to June 30, 2010;
- (4) Creating a task force to:
 - (A) Collect data on and examine the effectiveness of providing lifeguards conditional liability protection for lifeguard services at State beach parks;
 - (B) Collect data on and examine the effectiveness and adequacy of warning signs at public beach parks, and protecting the State and counties from unlimited liability with regard to activities in the ocean and at public beaches;

- (C) Collect data on and examine the effectiveness and adequacy of warning signs at public recreational lands, and protecting the State and counties from unlimited liability arising out of recreational activities on public lands;
 - (D) Submit a written report of its findings and recommendations, including any proposed legislation, to the Legislature prior to the 2008 Regular Session; and
- (5) Making technical, nonsubstantive amendments for the purposes of consistency and style.

Your Committees believe this measure, as amended, fulfills the intent of this measure, which is to ensure the continued safety at state and county beaches and recreational areas.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1603, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1603, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

SCRep. 421 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1756

The purpose of this measure is to establish a State Agricultural Land Protection Program for the voluntary acquisition of agricultural easements on lands designated as important agricultural lands.

This measure is of great importance for several reasons:

- (1) It essentially provides for the purchase of development rights with respect to important agricultural lands;
- (2) It provides an opportunity for farmers whose farms represent their entire life's equity investment and potential retirement to remain in productive agricultural activity by the State acquiring an agricultural easement on the lands; and
- (3) It establishes a program that will be administered by the Agricultural Land Protection Foundation and funded through the Agricultural Land Protection Fund.

The measure accomplishes this purpose by establishing an Agricultural Land Protection Foundation to utilize moneys appropriated by the Legislature and other sources to acquire important agricultural lands and assist the counties in identifying, financing, and preserving important agricultural lands. The measure also establishes an Agricultural Land Protection Fund and, among other things, states that landowners who sell or donate an agricultural easement on important agricultural lands will be eligible to receive tax incentives enacted to protect important agricultural lands.

Testimony in support of this measure was received from the Department of Agriculture, Castle & Cooke Hawaii, the Maui County Farm Bureau, the Hawaii Farm Bureau Federation, and the Hawaii Agriculture Research Center. Testimony in opposition was submitted by the Department of Budget and Finance. The Department of Taxation provided comments on this measure.

Your Committee notes that the Department of Taxation submitted testimony stating that the revenue impact of this measure is indeterminate because there are no specific tax incentives that have been enacted to promote the long-term use of important agricultural lands.

Your Committee finds that important agricultural lands are critical to the long-term viability of Hawaii's agriculture and self-sufficiency. This measure will assist the State in fulfilling its constitutional mandate to conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency, and assure the availability of agriculturally suitable lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1756 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 (Tokuda).

SCRep. 422 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1838

The purpose of this measure is to mitigate the detrimental consequences of the increase in residential development in the Kakaako district area by providing an opportunity for input from real property owners and small businesses in the area, and providing financial assistance to area schools that are affected by the increase in residents.

Specifically, this measure:

- (1) Establishes a Kakaako Central Small Business District;
- (2) Requires the Hawaii Community Development Authority to confer with and obtain consensus from the real property owners and small business owners within the Kakaako area on any proposed public facility prior to undertaking any public facility as part of a district-wide improvement program;
- (3) Establishes the Kakaako District Schools Special Fund, and requires the transfer of revenues collected from any assessments made from 2001 to 2005, to the special fund; and
- (4) Requires the modification of the Queen Street realignment project between Kamakee Street and Cooke Street, in conjunction with recommendations made by the Kakaako Mauka Plan and rules revisions.

Testimony in support of this measure was submitted by the Principal of McKinley High School; a representative from Queen Kaahumanu Elementary School; U. Okada and Co., Ltd.; and seven individuals. Testimony in opposition to this measure was submitted by the Department of Budget and Finance, the Hawaii Community Development Authority, and one individual. The Department of Education submitted comments.

In early 2007, the Hawaii Community Development Authority began the Queen Street Widening Project, referred to as ID-11. Although the project included features that would benefit the community-at-large, the widening project also posed potential serious impacts for the small

businesses located along the Queen Street area between Kamakee Street and Ward Avenue. The project was confronted with heavy opposition from area residents and small businesses, and subsequently experienced a lack of necessary funding. Thus, the project was eventually cancelled.

During 2005-2006, small businesses affected by the increase in residential development in the Kakaako area were invited to participate in the Kakaako Mauka Plan and Rules revision project along with the Hawaii Community Development Authority, and state and county officials. One of the proposals included that no new improvement district projects in the central Kakaako area be programmed unless initiated or supported by the small business community and landowners of the area. Furthermore, it was also proposed that fee assessments, parking, and business disruption issues be resolved before the initiation of a new improvement district project.

The schools surrounding the district area have also been impacted by the increase in residential development. Development results in an increase in residents who will rely on the Kakaako district schools to provide the educational needs of the community. Due to budgetary constraints, these schools are not able to deal with the increase in students and the other problems resulting from the increase in residential density.

Your Committee finds that providing an opportunity for input from real property owners and small businesses in the Kakaako area, and providing financial assistance to area schools that are affected by the increase in residents will fulfill the intent of this measure, which is to assist in mitigating the detrimental consequences of the increase in residential development in the Kakaako area.

The Department of Budget and Finance indicated to your Committee its concerns with creating a special fund to financially aid Kakaako district schools. Furthermore the Department of Education commented that, unlike for residential development in other parts of the State, the Department of Education is not able to collect fair-share contributions from the hundreds of residential units about to be completed in the Kakaako area because the Hawaii Community Development Authority is not statutorily required to contribute the revenues received from any assessments made for public facilities as part of a district-wide improvement program under section 206E-6, Hawaii Revised Statutes. The Hawaii Community Development Authority testified that between July 1, 2000, and June 30, 2005, the Authority had collected assessments for public facilities, including schools, that totaled approximately \$5,000,000.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that establishes the Kakaako District Schools Special Fund;
- (2) Adding language under section 206E-16, Hawaii Revised Statutes, to require the Hawaii Community Development Authority to transfer an amount equal to any receipts and revenues from any assessment made for a public facility as part of a district-wide improvement plan received between July 1, 2000, and June 30, 2005, to the Department of Education; and
- (3) 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 Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1838, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1838, 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 (Tokuda).

SCRep. 423 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1924

The purpose of this measure is to preserve and protect state lands by requiring legislative approval of the sale of any lands under the control of any state department or agency.

Specifically, this measure requires that a state department or agency:

- (1) Obtain approval of the Legislature by at least two-thirds majority vote of the members of each house prior to the sale of land; and
- (2) Submit a concurrent resolution with specific information on the land and the action proposed for introduction to the Legislature for its review prior to the sale of land.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources, the Department of Transportation, and the Hawaii Housing Finance and Development Corporation.

Various state departments and agencies are authorized to sell land under their control to a private entity. Your Committee finds that although these state departments and agencies have the authority to enter in to land sale agreements, seeking legislative approval prior to the sale of land will ensure that state land will be used and remain for public purposes and benefits.

Your Committee has amended this measure by:

- (1) Deleting the new section under chapter 27, Hawaii Revised Statutes, and inserting a modified version of the new section under chapter 171, Hawaii Revised Statutes, as this chapter relates to public lands; and
- (2) Clarifying the scope of the public land that are subject to the new section under chapter 171, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1924, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1924, 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 (Tokuda).

SCRep. 424 Education on S.B. No. 1147

The purpose of this measure is to evaluate and facilitate the teaching licensure standards in the State to ensure that effective teachers from outside the State receive Hawaii teaching licenses.

Specifically, this measure creates a Teacher Education Coordination Committee, established by the College of Education of the University of Hawaii to review the licensure worthiness of teachers who:

- (1) Possess out-of-state teaching licenses;
- (2) Are from states without full licensure acceptance by the Hawaii Teacher Standards Board; and
- (3) Received either national or state awards for teaching excellence, such as a national certification or a teacher of the year award, or provide evidence of a minimum of five years of excellent or exceptional teacher evaluations and a professional portfolio.

Testimony in opposition to this measure was submitted by the Department of Education, the University of Hawai'i, the Hawaii State Teachers Association, the Hawaii Association of Independent Schools, and the Hawaii Teacher Standards Board.

Your Committee finds that Hawaii's schools and their students can benefit greatly from the licensure of qualified teachers from outside of the State. The ability to license effective teachers from outside of Hawaii is particularly important during times of teacher shortages. Your Committee further finds that the Hawaii Teacher Standards Board has indicated that it has been conducting public hearings on proposed changes to its licensing requirements with regard to the licensing of out-of-state teacher-applicants. Your Committee expresses concern that the Hawaii Teacher Standards Board has made similar representations in the past that action would be undertaken to license teachers with out-of-state licenses in Hawaii without ensuing results.

However, in light of the foregoing, your Committee believes that this measure should be amended to focus on those out-of-state teachers not contemplated in the Hawaii Teacher Standards Board's proposed changes, but who should be licensed based on other criteria. Your Committee finds that due consideration should be given to teachers who have received national or state awards for teaching excellence or have otherwise demonstrated a record of excellent or exceptional teacher evaluations. These teachers would also be subject to the same license renewal requirements as all other teachers licensed in Hawaii. A separate body should be established within the Department of Education and comprised of teachers and principals who have themselves demonstrated a record of teaching excellence through recognition by state or national organizations such as the Milken Family Foundation. With regard to the testimony submitted in opposition to this measure, your Committee determines that the provisions of this measure should be repealed in five years to help ensure that the program will be reevaluated.

Accordingly, your Committee has amended this measure by:

- (1) Changing the name of the committee to the Exceptional Teacher License Recognition Committee;
- (2) Requiring the Department of Education to establish the Exceptional Teacher License Recognition Committee to review and deliberate on licensure worthiness of teachers who are licensed outside of Hawaii and have received either national or state awards for teaching excellence, or provide evidence of a minimum of five years of excellent or exceptional teacher evaluations and a professional portfolio;
- (3) Deleting provisions requiring the Exceptional Teacher License Recognition Committee to consider the licensure of teachers who:
 - (A) Possess out-of-state teaching licenses; or
 - (B) Are from states without full licensure acceptance by the Hawaii Teacher Standards Board;
- (4) Requiring the Exceptional Teacher License Recognition Committee to be comprised of at least five teachers and principals, appointed by the Superintendent of Education, who have received state or national recognition for having demonstrated exceptional educational talent;
- (5) Providing for the repeal the Exceptional Teacher License Recognition Committee on July 1, 2012; and
- (6) Making technical, nonsubstantive amendments for 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. 1147, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1147, 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 (Nishihara, Taniguchi).

SCRep. 425 Judiciary and Labor on S.B. No. 948

The purpose of this measure is to propose a constitutional amendment to reduce the number of nominees presented to the Governor and the Chief Justice for various judicial vacancies from four to six nominees to three nominees.

Your Committee felt that reducing the amount of nominees would minimize the politicization of the appointment process and would allow for the most qualified to be selected.

Your Committee received testimony from the Public Defender and the Attorney General's Office opposing the bill.

Your Committee amended the bill to remove the minimum amount and to set the amount to a finite number of three nominees. The bill initially did not set a maximum amount.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 948, 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. 426 Judiciary and Labor on S.B. No. 1665

The purpose of this measure is to create a new offense of aggravated cruelty to pet animals and to provide appropriate penalties.

Your Committee finds that violence, whether against humans or animals, must not be tolerated in our community. Evidence suggests that there is a link between animal abuse and the commission of violent acts against humans. This bill will make it a class C felony for cruelty to pet animals. In addition to the penalty, any person convicted shall be ordered to attend counseling.

Your Committee heard testimony in support of the bill from the Honolulu Prosecuting Attorney's Office, Hawaiian Humane Society and 35 individuals, including several members of the Maui and Kaua'i Humane Societies. The Attorney General submitted testimony in support with

comments. Your Committee heard one testimony against the bill from the Public Defender's Office, testimony from the Judiciary taking no position and

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1665 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. Ayes with Reservations, 1 (Gabbard). Noes, none. Excused, 1 (Nishihara).

SCRep. 427 Judiciary and Labor on S.B. No. 1954

The purpose of this measure is to require public disclosure of disciplinary sanctions imposed on any justice or judge of the State of Hawaii along with the findings and recommendations by the Commission on Judicial Conduct.

Currently, Rule 8 of the Rules of the Supreme Court regulates judicial discipline. The rules indicate that the Commission shall submit a report containing its findings and recommendations to the Supreme Court. However, when an allegation of misconduct has been proven and sanctions have been imposed, there is no requirement that such result be disclosed to the public. Your Committee finds that it is imperative that public confidence in the Judiciary be maintained and that disciplinary disclosures would achieve this result.

Your Committee heard testimony from the Public Defender who commented that disclosure of judicial discipline was not a bad idea and that the mode of discipline should be classified according the seriousness of the misconduct.

Your Committee amended the bill to correctly reference the Commission on Judicial Conduct and not refer to it as the Judicial Disciplinary Commission.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1954, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1954, 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. 428 Judiciary and Labor on S.B. No. 1957

The purpose of this measure is to amend the code of ethics for elected officers and public employees of the State of Hawaii by requiring "members of every state board or commission whose original terms of office are for periods exceeding one year and whose functions are not solely advisory" to submit public, rather than confidential, financial interests disclosure statements submitted to the Hawaii State Ethics Commission.

Your Committee received testimony in favor of this measure from a concerned individual. The Hawaii State Ethics Commission and the League of Women Voters of Hawaii commented on this bill.

Testimony submitted by the State Ethics Commission included the following:

Currently, almost all state boards and commissions, other than the Board of Education and the Office of Hawaiian Affairs, file "confidential" financial interests disclosure statements with our office. The filing of confidential disclosure statements by members of boards and commissions derives from Article XIV of the Constitution of the State of Hawaii. Article XIV created the Hawaii State Ethics commission, and with respect to financial interests disclosure statements, provides that the Legislature in its own discretion can determine which individuals file "public" financial interests disclosure statements and which individuals file "confidential" financial interests disclosures statements. The pertinent language in Article XIV of our State Constitution reads as follows:

*The financial disclosure provisions shall require all elected officers, all candidates for elective office and such appointed officers and employees as provided by law to make **public** financial disclosures. Other public officials having significant discretionary or fiscal powers as provided by law shall make **confidential** financial disclosures. [Emphasis added.]*

Thus, Article XIV of the Constitution of the State of Hawaii allows the Legislature to determine which state officials shall file public or confidential financial interests disclosure statements. Since board and commission members now file confidential disclosure statements, it is evident that in the past the Legislature determined that the disclosure statements filed by board and commission members should be confidential. There are legitimate reasons for this. Almost all members of boards and commissions serve on their respective boards and commissions without compensation and as "community service." If the members of boards and commissions are required to file public disclosures, it is certainly reasonable to assume that many individuals will be dissuaded from serving on boards and commissions since their financial interests will become a matter of public record. Since board and commission members are not compensated for their service, having public disclosures may tip the balance in terms of dissuading dedicated and public-spirited citizens from participating on boards and commissions. The work that boards and commissions in the State do can be demanding, and it is in the interest of the State to attract the best citizens to provide service to the various state boards and commissions. The Legislature, in the past, appears to have followed this logic in providing for confidential disclosure statements for board and commission members.

On the other hand, having confidential disclosures keeps the public in the dark with respect to the work of board and commission members and their potential conflicts of interests. While the confidential disclosure statements are received by the Hawaii State Ethics Commission and are reviewed by the Hawaii State Ethics Commission, the Hawaii State Ethics Commission is generally not aware of the issues that the 150 or so boards and commissions deal with on a day-to-day basis. No doubt the individuals who deal with these boards and commissions are in the best position to determine whether board or commission members have conflicts of interests, and thus there appears to be good reason to have public disclosure statements, particularly so that those who deal with or appear before boards and commissions can assure themselves that board or commission members have no conflicts of interests, or, if they do, that they are properly "recusing" themselves from taking action.

When disclosure statements are kept confidential, suspicion can be quickly generated with regard to a board or commission member's possible conflicts of interests. To this extent, public disclosure statements go a long way to assure the public that there are in fact no apparent ethics problems or conflicts of interests. This weighs strongly for having board and commission members file public disclosures.

. . . . [H]aving only the Hawaii State Ethics Commission see confidential disclosures may not satisfy the public, or the oversight responsibilities of the Legislature itself. In order to enhance public confidence in state government, having public disclosures would no doubt serve to further public confidence in state government. Again, however, the disadvantage to this is that competent and wise board and commission members may be dissuaded from serving on boards and commissions if their financial interests are made a matter of public record.

Your Committee finds it to be in the best interest of the public for members of the following entities with significant discretionary and fiscal powers to make public financial disclosures: the Board of Agriculture, the Hawaii Community Development Authority, the Board of Trustees of the Employees' Retirement System, the Hawaiian Homes Commission, the Board of Land and Natural Resources, the Land Use Commission, the Public Utilities Commission, the Board of Directors of the Research Corporation of the University of Hawaii, and the Hawaii Tourism Authority. Accordingly, your Committee has amended this measure by narrowing its application from members of "every" board and commission to members of those entities.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1957, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1957, 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. 429 Intergovernmental and Military Affairs on S.B. No. 807

The purpose of this measure is to allow an employee to use family leave during any calendar year to provide family care and support during the military deployment of the employee's child, spouse, or reciprocal beneficiary.

Testimony in support of this measure was submitted by the Department of Defense, the Department of Labor and Industrial Relations, the Hawaii National Guard Association, the Hawaii National Guard Enlisted Association, the National Guard Association of Hawaii Insurance Trust, and the Chamber of Commerce of Hawaii. The Department of Human Resources Development submitted comments on this measure.

Your Committee finds that it is important to address the hardships that military families often face when service members are deployed. This measure allows employees to use family leave to address many of these important issues such as, family care, and legal and financial issues directly related to or resulting from the impending military deployment of the employee's child, spouse, reciprocal beneficiary, or parent to a hostile or hazardous combat and peacekeeping zone.

Your Committee further finds that it is not only important that the employee provide the employer with a copy of the military orders verifying the military deployment, as is required in this measure, but it is equally important to verify that the family leave taken by the employee is taken in connection with addressing family care, legal, and financial issues that directly relate to or resulting from an impending military deployment.

To this end, your Committee amended this measure by clarifying the definition of 'military deployment' and by adding a new definition illuminating the parameters of what constitutes family care.

It is the intent of your Committee to allow an employee to use family leave during any calendar year to provide family care and support during the military deployment of the employee's child, spouse, or reciprocal beneficiary, and to ensure that the military deployment is verified and used appropriately in connection with family care as it is defined in this measure.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs 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 referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, none.

SCRep. 430 (Joint) Intergovernmental and Military Affairs and Health on S.B. No. 1708

The purpose of this measure is to provide access for military personnel to a health screening test for exposure to depleted uranium and to establish a task force to study the health effects associated with exposure to depleted uranium, which requires an environmental impact study on the storage and disposal of depleted uranium munitions on Oahu.

This measure appropriates an unspecified amount for fiscal year 2008-2009, for the purposes of conducting an environmental study of the scope and adequacy of depleted uranium storage and disposal in Hawaii and compiling a report on the training received by members of the military on exposure to depleted uranium.

Testimony was submitted in support of this measure by KAHEA: The Hawaiian-Environmental Alliance; Americans for Democratic Action, Hawai'i Chapter; Maui Peace Action; CodePINK Hawai'i Women For Peace; and nine individuals. Testimony in opposition to this measure was submitted by the Department of Defense and the Department of Health.

Your Committees find that the chemical and radiological toxicity of depleted uranium has been a reported cause of kidney dysfunction, lung damage, neurological disorders, liver infection, and high miscarriage rates among military personnel. These health problems have been reported from military personnel who have served in designated combat zones where depleted uranium munitions and armor have been used, including the 1991 Gulf War and during the three years since the 2003 invasion of Iraq.

Your Committees further find that the military use and disposal of depleted uranium munitions are capable of having a significant environmental impact, and depleted uranium has been found in contaminated ground surfaces that lead to food and ground water contamination. To that end, your Committees find that it is necessary to provide military personnel who may have been exposed to depleted uranium with access to health screening tests to test for depleted uranium exposure and to take steps to evaluate the scope and adequacy of storage and disposal of depleted uranium munitions on Oahu.

Your Committees further find that the task force appointed in this measure should include one representative from the Air Force, one from the Army, one from the Navy, and one from the Marine Corps. Your Committees further find that the use of language in this measure referring to military personnel should be standardized and the effective dates for the task force report, the operation date, and appropriation effective dates should be changed to provide adequate preparation time to meet the requirements of this measure. To this end, your Committees have amended the measure to reflect these changes.

It is the intent of your Committees to safeguard the health of military personnel by providing access to a health screening test for exposure to depleted uranium and establishing a task force to study the health effects associated with exposure to depleted uranium.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1708, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1708, 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, 1 (Hemmings).

SCRep. 431 Intergovernmental and Military Affairs on S.B. No. 732

The purpose of this measure is to appropriate funding for salaries and benefits for lifeguards for the islands of Maui and Kauai in areas under the jurisdiction of the Department of Land and Natural Resources, subject to county matching funds.

This measure appropriates an unspecified amount for fiscal year 2007-2008, for salaries and benefits for lifeguards for the island of Maui, and appropriates an unspecified amount for fiscal year 2007-2008, for the island of Kauai, for the same purpose.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Hawaiian Lifeguard Association, and the Friends of Kamalani and Lydgate Park.

Your Committee finds that the State does not employ its own lifeguards, but instead contracts with the counties for its lifeguard services at select state park beaches. Currently, the City and County of Honolulu and the County of Hawaii provide lifeguards at two State park beaches. The Counties of Kauai and Maui have not participated in the program for some time due to liability concerns.

Your Committee further finds that this measure provides the necessary funding for lifeguards at Makena Beach on the island of Maui and Ke'e Beach on the island of Kauai. Serious spinal cord injuries and drownings have occurred at Makena Beach. Ke'e Beach is the gateway to the beaches along the beautiful, but dangerous Na Pali Coast and claims the lives of many visitors and residents each year. The closest lifeguard stations and emergency responders are stationed at Hanalei Beach Park and most response calls in this area result in body recovery operations.

Your Committee amended this measure by leaving the appropriation figures unspecified and by inserting language in section 4 to clarify the reference to the appropriation sections.

It is the intent of your Committee to help ensure public safety at State beach parks by appropriating funding for the salaries and benefits for lifeguards for the islands of Maui and Kauai in areas under the jurisdiction of the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 732, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 732, 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, none.

SCRep. 432 (Joint) Education and Human Services and Public Housing on S.B. No. 606

The purpose of this measure is to enact the Blind Persons' Literacy Rights and Education Act.

Your Committees received testimony in support of this measure from the Department of Human Services, Disability and Communications Access Board, and four individuals. Testimony in opposition was received from the Department of Education and one individual.

This measure establishes standards for Braille proficiency and instruction. Braille should be a fundamental part of a blind or visually impaired person's education that teaches independence through access to printed information. Every blind or visually impaired child in public school should be taught to read in a format that is accessible to the individual child, whether it is in print or Braille, to foster independence.

Your Committees have amended this measure by:

- (1) Deleting the instructional materials provision, which is covered by the federal Individuals with Disabilities Education Improvement Act of 2004 and the Hawaii Teacher Standards Board;
- (2) Deleting the certification provision, which would discourage the recruitment of Braille teachers; and
- (3) Adding an appropriation for the training of Braille teachers, to increase their competency.

As affirmed by the records of votes of the members of your Committees on Education and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 606, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 606, 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 (Hee, Nishihara).

SCRep. 433 (Joint) Education and Intergovernmental and Military Affairs on S.B. No. 696

The purpose of this measure is to establish a process for determining and assessing school impact fees for financing new or expanding existing public schools or facilities when new residential subdivisions are contemplated.

Comments on the measure were submitted by the Land Use Research Foundation of Hawaii. Testimony in opposition to this measure was submitted by the Department of Education.

Your Committees find that the School Impact Fee Working Group was established pursuant to Act 246, Session Laws of Hawaii 2005, and was tasked with, among other things, submitting proposed legislation to the Legislature on its recommendations for determining school impact fees within identified school impact districts. The School Impact Fee Working Group transmitted its report to the Legislature in December 2006, which contained recommendations for two separate approaches. This measure represents the School Impact Fee Working Group's recommendation for requiring school impact fees to be calculated based on the appropriate student generation rates for each growth area. This approach presents a more narrowly tailored option for better assessing the true cost impact for each school impact district by considering the

relationship between the amount of the school impact fees and the actual impact of the new housing. However, because detailed student generation data may not be readily available for many areas of the State, use of this approach could present challenges.

Your Committees recognize and appreciate the collaborative effort and work that the School Impact Fee Working Group has provided, but understands that this measure is a work-in-progress, which requires further discussion and analysis to determine what is the best approach for determining the manner by which to calculate school impact fees and how that approach should be implemented.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying the intent of the measure to require developers to provide the land for new schools and a percentage of the cost of building new classrooms needed to serve new residential developments;
- (2) Clarifying the definition of a "greenfield school impact district" to encompass any largely undeveloped, formerly agricultural area where anticipated growth will create the need for new schools in the area to serve the new housing development;
- (3) Removing the requirement that payment of assessment impact fees shall be a condition precedent to the issuance of a building permit;
- (4) Clarifying that prior to the designation of a greenfield school impact district, the Department of Education shall analyze the need for the construction of one or more schools in the area, not limited to only elementary and high schools;
- (5) Requiring the Department of Education to analyze the need to construct or expand school facilities in the area within the next twenty-five years, instead of ten years, prior to the designation of a non-greenfield school impact district;
- (6) Clarifying that the owner or developer of property, if requested by the Department of Education, shall designate the proposed area of land to be dedicated for one or more schools in determining whether the dedication of land or payment of a fee in lieu is required;
- (7) Clarifying that, when land dedication is required, the land shall be conveyed to the State upon completion of the subdivision improvements and any offsite infrastructure necessary to serve the land;
- (8) Clarifying that the fee in lieu of land dedication for residential subdivisions of fifty acres or more shall be based on the value of the improved land, as if contained in a single parcel, zoned for residential use, suitable for school construction, and serviced by roads, utilities, and drainage;
- (9) Requiring the Department of Education to pay the developer a per-acre amount for the excess acreage at a per acre value if the Department of Education needs a parcel larger than the size the developer is required to dedicate;
- (10) Clarifying that school impact fees shall be based on the costs per student of new classroom construction in the Honolulu assessment district;
- (11) Requiring the Department of Education to update the costs per student of new classroom construction every three years, assuming twenty-five students per classroom in an eight-classroom building with appurtenant restrooms;
- (12) Providing that the updated cost per student shall replace the cost applicable to classroom buildings built in 2006;
- (13) Deleting the calculated elementary, middle, and high school costs per student in the Honolulu assessment district;
- (14) Specifying that the calculation of revenue credits shall be made in the manner used to determine revenue credits in the Hawaii School Impact Fee Study; and
- (15) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 696, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 696, 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, 1 (Hemmings).

SCRep. 434 Education on S.B. No. 15

The purpose of this measure is to establish a grant program in the Department of Education to develop K-12 lesson plans, curriculum, and other education materials to promote civil responsibility.

This measure also appropriates funds to the Department of Education for the grant program and for social studies textbooks.

Your Committee received testimony in support of this measure from the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that it is important for Hawaii's students to understand the basic concepts of civic responsibility, including the knowledge of the fundamental process of American democracy, to allow them to fully participate in the democratic process.

Your Committee has amended this measure by adding a representative from the Judiciary to the membership of the grant award panel and 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. 15, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 15, 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 (Hee, Nishihara).

SCRep. 435 Education on S.B. No. 150

The purpose of this measure is to appropriate \$12,000,000 for each fiscal year of the 2007-2009 biennium to install an air conditioning system at James Campbell High School.

Your Committee received testimony in support of this measure from the Department of Education; James Campbell High School; and Haseko (Ewa), Inc.

Your Committee finds that the State should ensure that all public school classrooms have proper learning environments. For classrooms in certain geographical areas, a proper learning environment requires air conditioning to overcome stifling climate conditions. James Campbell High School is located in a geographical area that suffers from long spells of hot weather and the non-air-conditioned classrooms hinder the academic performances of both students and faculty members. The intent of this measure is to alleviate the negative environmental conditions found in the classrooms of James Campbell High School in order to provide faculty and students with proper learning environments.

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. 150 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 (Nishihara, Gabbard).

SCRep. 436 Education on S.B. No. 227

The purpose of this measure is to assist nonprofit private schools that serve the general public.

Specifically, this measure authorizes the issuance of special purpose revenue bonds for the purpose of assisting Hanalani Schools in financing and refinancing the planning, acquisition, construction, and improvement of its facilities.

Testimony in support of this measure was submitted by the Hawaii Association of Independent Schools and Hanalani Schools.

Your Committee finds that Hanalani Schools serve everyday families from all walks of life. Many of the students receive financial aid to defray the cost of tuition. Hanalani Schools serves an important public purpose by helping to prepare the next generation of young people to become well-educated, purposeful, and engaged citizens willing to contribute to the greater good.

Your Committee further finds that issuing special purpose revenue bonds do not divert funds away from public schools. Instead, it will help Hanalani Schools meet the educational needs of the State'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. 227 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 (Nishihara).

SCRep. 437 Education on S.B. No. 620

The purpose of this measure is to assist nonprofit private schools that serve the general public.

Specifically, this measure authorizes the issuance of special purpose revenue bonds for the purpose of assisting Hawaii Preparatory Academy in financing and refinancing the planning, construction, and improvement of its facilities.

Testimony in support of this measure was submitted by the Hawaii Association of Independent Schools and Hawai'i Preparatory Academy.

Your Committee finds that Hawaii Preparatory Academy serves everyday families from all walks of life. Many of the students receive financial aid to defray the cost of tuition. Hawaii Preparatory Academy serves an important public purpose by helping to prepare the next generation of young people to become well-educated, purposeful, and engaged citizens willing to contribute to the greater good.

Your Committee further finds that issuing special purpose revenue bonds do not divert funds away from public schools. Instead, it will help Hawaii Preparatory Academy to provide quality education in an environment that is safe and conducive to learning.

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. 620 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 (Nishihara).

SCRep. 438 Education on S.B. No. 660

The purpose of this measure is to appropriate funding to Hana High and Elementary School and Ka'u High School to purchase vans for student transportation.

In all, this measure appropriates \$100,000 for fiscal year 2007-2008 for this purpose.

Testimony in support of this measure was received by the Department of Education.

Your Committee finds that there is an urgent need to provide transportation for students attending Hana High and Elementary School and Ka'u High School on the island of Maui to various field trips, athletic events, and to other activities. It is the intent of your Committee to provide one van for Hana High and Elementary School and one van for Ka'u High School.

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. 660 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 (Nishihara, Gabbard).

SCRep. 439 Education on S.B. No. 664

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for the construction and improvement of education facilities at Sacred Hearts Academy, a not-for-profit private sectarian school.

Your Committee received testimony in support of this measure from Sacred Hearts Academy and the Hawaii Association of Independent Schools.

According to Sacred Hearts Academy's testimony, the special purpose revenue bonds under this measure will finance the construction of several structures to provide adequate facilities for its programs and to enhance the education it provides for its students. The plan is to build an

eighteen thousand square foot performing arts building that will house and expand its current performing arts courses, including band, chorus, dance, and drama. Sacred Hearts Academy also intends to replace the current cafeteria, built fifty years ago, with a new multi-purpose student center where students can gather for lunch, interact with peers, and collaborate on community service projects.

Your Committee further finds that the issuance of special purpose revenue bonds under this measure is in the public interest and for the public's general welfare.

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. 664 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 (Nishihara, Gabbard).

SCRep. 440 Education on S.B. No. 759

The purpose of this measure is to make needed repairs and improvements to state public schools.

Specifically, this measure makes an appropriation for capitol improvement projects for public schools located in the Ninth Senatorial District.

Testimony in support of this measure was submitted by Ali'iolani Elementary, and WM. P. Jarrett Middle School, two members of the Jarrett Middle School Community Council, and two teachers of Jarrett Middle School. The Department of Education submitted testimony supporting the intent.

Your Committee finds that the repair and improvements to state public schools is essential for the health and well being of the State's public school students. Your Committee finds that the appropriations made by this measure are an important use of the State's resources.

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. 759 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 (Nishihara, Gabbard).

SCRep. 441 Education on S.B. No. 1027

The purpose of this measure is to appropriate \$1,645,000 in general obligation bond revenues to the Department of Education for a new science building at Moloka'i High School.

Your Committee received testimony in support of this measure from the Department of Education and a council member of the County Council of Maui County.

Your Committee finds that Moloka'i High School is in need of science classrooms that are designed to support the specialty needs of the high school science curriculum. This measure will authorize general obligation bonds to meet that need.

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. 1027 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 (Nishihara, Gabbard).

SCRep. 442 Education on S.B. No. 1092

The purpose of this measure is to provide for the repair and maintenance of Hawaii public schools.

Specifically, this measure extends the lapse date on the appropriation made in Act 246, Session Laws of Hawaii 2006, for the repair and maintenance of Department of Education school facilities from June 30, 2007, to June 30, 2008.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that the sum appropriated was allotted in December 2006, giving the Department of Education a mere six months to encumber the \$40 million. This expenditure is necessary for the repair and maintenance of the State's public schools. Extending the lapse date to June 30, 2008, would help the Department fulfill the purposes of the Act and meet the needs of the State's public 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 S.B. No. 1092 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 (Nishihara).

SCRep. 443 Education on S.B. No. 1130

The purpose of this measure is to improve the two-tier junior kindergarten and kindergarten program within the Department of Education by providing appropriate curriculum and faculty for each tier.

Specifically, this measure:

- (1) Prohibits the movement of junior kindergarten and kindergarten students between tiers;
- (2) Prohibits a junior kindergartener from directly graduating to first grade;
- (3) Ensures that a separate curriculum is established for the junior kindergarten program;
- (4) Requires the Department of Education to staff junior kindergartens with qualified preschool teachers and preschool teacher aides;
- (5) Requires the Hawaii Teacher Standards Board to develop standards for teachers and teacher aides assigned to junior kindergarten classrooms; and
- (6) Appropriates funds for the implementation of a junior kindergarten program that achieves a 10:1 student to teacher ratio.

Testimony in support of this measure was submitted by the Hawaii Teacher Standards Board, the Hawaii Association of Independent Schools, Kamehameha Schools, the Hawaii Educational Policy Center, and one individual. Testimony in opposition to this measure was submitted by the Department of Education (DOE). Comments on the measure were also submitted by Good Beginnings Alliance and one individual.

Your Committee finds that pursuant to Act 219, Session Laws of Hawaii 2004, a two-tier junior kindergarten and kindergarten program was established within the DOE. Act 219, provided for the development of a program that maintained separate curriculum appropriate for each tier and was flexible enough to allow for movement between tiers. However, a separate curriculum has not been clearly established for junior kindergarten and movement between tiers and between junior kindergarten and first grade is extremely fluid and without determinative criteria. Your Committee determines that a clear separation between the junior kindergarten and kindergarten tiers must be established, through the development of separate curricula for each tier and the provision of adequate funding and requirements for teaching and support staff for junior kindergartens.

Upon further review of the measure and the testimony provided, your Committee believes that prohibiting any movement between tiers may be too restrictive and that some movement may be appropriate, but under more specific conditions. Transition between grades should be determined through appropriate assessments. However, your Committee determines that the DOE may require time to find successful models. Therefore, in the interim, the DOE can rely on the expertise of teachers who have backgrounds and experience in early childhood education and may allow movement if a school currently utilizes appropriate tests on a child's academic, physical, social, and emotional abilities. Finally, as it is not currently within the purview of the Hawaii Teacher Standards Board to develop standards for teacher aides, the responsibility should be removed from the measure.

Accordingly, your Committee has amended this measure by:

- (1) Allowing movement between junior kindergarten and kindergarten when the decision is based on appropriate assessments determined by:
 - (A) The professional judgment and experience of a qualified teacher with an early childhood education background and experience; or
 - (B) The testing of a student's academic, physical, social, and emotional abilities;
- (2) Requiring the DOE to report to the Legislature on information on successful models and a plan for using appropriate assessments for placement and decision making on movement between the junior kindergarten and kindergarten tiers and first grade beginning with the 2008-2009 school year;
- (3) Requiring the DOE to incorporate the Hawaii preschool content standards for four-year olds in developing the curriculum for junior kindergarten;
- (4) Removing the requirement that the Hawaii Teacher Standards Board develop standards for preschool teachers and preschool teacher aides;
- (5) Clarifying that funds are being appropriated to require the DOE to achieve a student to teacher ratio of 10:1 and not greater than 15:1;
- (6) Including an appropriation for a permanent educational specialist to focus on early childhood education and be responsible for policies, curriculum, and assessments relating to kindergarten, junior kindergarten, and other pre-kindergarten programs; and
- (7) 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. 1130, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1130, 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 (Nishihara, Taniguchi).

SCRep. 444 Education on S.B. No. 1143

The purpose of this measure is to require collaboration between school principals, faculty, and school community councils in the development of school academic and financial plans.

Additionally, this measure:

- (1) Appropriates funds for the reduction of kindergarten class sizes;
- (2) Appropriates funds for establishing new teacher advisors/peer assistance mentors in schools; and
- (3) Clarifies the manner by which teacher representation on school community councils is determined.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association. Testimony in opposition to this measure was submitted by the Hawaii Government Employees Association.

Your Committee finds that collaboration is a key component to developing a successful school academic and financial plan. Under the existing law, school principals are tasked with the development of academic and financial plans for review and approval by the school community councils. This measure contemplates the development of academic and financial plans collaboratively by the principal and the school's faculty, as well as specifies further limitations on a principal's authority over the implementation of the academic and financial plan. Upon further review of the measure and the testimony provided, your Committee believes that the process currently supports adequate collaborative efforts, while also providing for clear accountability on the part of school principals in the development and implementation of a school's academic and financial plan.

Your Committee further finds that the manner by which teachers are selected for representation on school community councils requires clarification and flexibility to allow the exclusive representative for the employee organization to determine an appropriate process. This measure addresses that concern. Your Committee is also mindful that selection of a student representative at the primary school level should contemplate situations where no formal student council exists to provide student representation.

Additionally, this measure addresses your Committee's concerns that kindergarten class sizes should be reduced to ensure that our students are receiving adequate attention in the classrooms and that a mentoring program is necessary to provide advice and assistance to new teachers. Your Committee believes that kindergarten classes should be reduced to reach an eighteen-to-one student to teacher ratio and that junior kindergarten classes should also be reduced to achieve a ten-to-one student to teacher ratio. Furthermore, your Committee determines that the new teacher advisors/peer assistance mentors should be established to provide mentoring services to the new teachers at the complex area level.

Accordingly, your Committee has amended this measure by:

- (1) Removing the provisions regarding the principal's authority to develop and implement the school's academic and financial plan;
- (2) Including language that allows a school principal to determine the selection process for student representation on the school community council when no student council exists;
- (3) Specifying that kindergarten class size should be reduced to an eighteen-to-one student to teacher ratio;
- (4) Specifying that junior kindergarten class size should be reduced to a ten-to-one student to teacher ratio;
- (5) Specifying that the establishment of new teacher advisors/peer assistance mentors should be done with the target of achieving a ratio of fifteen new teachers to one new teacher advisor/peer assistance mentor within each school complex area;
- (6) Making the appropriations in the measure applicable for both years of the 2007-2009 fiscal biennium; and
- (7) 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. 1143, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1143, 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 (Nishihara, Taniguchi).

SCRep. 445 Education on S.B. No. 1149

The purpose of this measure is to improve statewide performance standards for the Department of Education schools.

Specifically, this measure:

- (1) Updates membership and reporting schedules for the Performance Standards Commission;
- (2) Removes references to specific federal laws and the current testing grades in anticipation of possible changes in the federal laws;
- (3) Requires greater focus on the use of alternative assessments based on student performance;
- (4) Requires a more concerted effort for the development of a "growth model" for Hawaii public schools; and
- (5) Appropriates funds for the Hawaii Educational Policy Center to take the lead in the development of alternative assessments and to continue to provide expert analyses and commentary to assist policy makers.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, and the Hawai'i Educational Policy Center.

Your Committee finds that the education of Hawaii's children is of the utmost importance to the future of the people of Hawaii. The State must endeavor to provide keiki with not only an education, but with the highest quality education that can be provided that meets their needs accordingly. Your Committee further finds that, currently, the Department of Education may not be utilizing the most appropriate assessment tools necessary to meet the specific needs of the students in Hawaii. To address the issue, the Performance Standards Review Commission was convened in 1997 to assess the effectiveness and implementation of performance standards every four years. In its most recent report to the Board of Education, the Performance Standards Commission determined that the current performance standards did not require modification at this time.

Your Committee determines the assistance of an independent organization to analyze and spearhead the development of appropriate assessments is necessary to truly benefit the students of Hawaii. A collaborative effort should be undertaken by interested parties, including the Department of Education, to develop a more comprehensive "growth model" for Hawaii public schools.

Accordingly, your Committee has amended this measure by:

- (1) Removing amendments made to the Performance Standards Review Commission's composition and reporting duties;
- (2) Deleting provisions removing references to specific federal laws and the current testing grades;
- (3) Removing the provision requiring greater focus on the use of alternative assessments based on student performance;
- (4) Clarifying that funds are appropriated for the Hawaii Educational Policy Center to work with the Department of Education and other educational research organizations to develop alternative assessment tools, including a comprehensive "growth model"; and
- (5) Authorizing the Hawaii Educational Policy Center to contract with appropriate professionals to assist in the development of alternative assessment tools.

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. 1149, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1149, 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 (Hee, Nishihara).

SCRep. 446 Education on S.B. No. 1214

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Le Jardin Academy for the construction, improvement, and equipping of its educational facilities.

Le Jardin Academy and the Hawaii Association of Independent Schools submitted testimony in support of this measure.

Your Committee finds that Le Jardin Academy intends to construct a new administrative building along with new classrooms that will include science laboratories. These classrooms will be used by both middle and high school students. A gymnasium and an arts center will also be constructed that will benefit all students in pre-kindergarten through grade twelve. Your Committee further finds that the issuance of special purpose revenue bonds under this measure is in the public interest and for the public's general welfare.

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. 1214 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 (Nishihara, Gabbard).

SCRep. 447 Education on S.B. No. 1265

The purpose of this measure is to support the education and professional development of teachers in the public schools, through funding and improvements to programs under the Department of Education and the University of Hawaii.

Specifically, this measure:

- (1) Changes the Performance Standards Review Commission membership and reporting schedule;
- (2) Clarifies the intended purpose of the Hawaii Educator Loan Program and amends the program's loan forgiveness incentive provisions; and
- (3) Appropriates funds to the University of Hawaii for various programs and objectives, including the Office of School Redesign, teacher education and professional development, the Master of Education in Teaching degree program, additional staff for the Hawaii Educational Policy Center, and the Hawaii Educator Loan Program.

Testimony in support of this measure was submitted by the Office of the Governor, the Department of Education, the University of Hawaii'i, the Office of School Redesign of the University of Hawaii, and the Hawaii'i Educational Policy Center.

Your Committee finds that Hawaii is experiencing a critical teacher shortage that jeopardizes the education of the students in the public school system. Recruitment and retention of qualified teachers also poses a real problem for the public schools. The College of Education of the University of Hawaii plays a significant role in growing and developing a qualified teaching workforce through its education of future teachers, continued professional development of educators, and programs that lead to licensing, certificate programs, mentoring of teachings, educational research, and policy studies.

In recent years, the need for a qualified workforce possessing science, technology, engineering, and mathematics (STEM) skills has become a key issue for the public schools. The development of skills and knowledge in the STEM disciplines has been lacking in the public schools, and the proper education and training of teachers is necessary to ensure that students are appropriately educated and ready to pursue post-secondary education or careers in those areas. Increased initiatives and resources must be channeled to programs that will provide enhanced professional development in STEM subjects for educators in Hawaii.

Your Committee believes that the appropriate funding and placement of professional development programs is important to developing a qualified teaching workforce to help prepare Hawaii's students for entry into college and the workforce.

Additionally, your Committee determines that provisions of this measure regarding current statewide performance standards, the Performance Standards Review Commission, and reporting schedules have been addressed in another measure passed by this Committee. Therefore, they should be deleted from this measure to further focus the attention on issues relating to the education and professional development of teachers.

Accordingly, your Committee has amended this measure by:

- (1) Deleting changes to the statewide Performance Standards Review Commission composition, the requirement for the development of assessments, and reporting requirements;
- (2) Removing the appropriation for the Hawaii Educational Policy Center;
- (3) Establishing the Research Experiences for Teachers program to support the development of middle school teacher STEM skills and knowledge and develop middle school curriculum for STEM subjects and providing funding therefor;
- (4) Establishing a professional development program to provide practicing elementary, middle, and high school teachers of science and mathematics with opportunities to increase their knowledge and understanding in STEM subjects and providing funding therefore; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1265, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1265, 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 (Hee, Nishihara).

SCRep. 448 Education on S.B. No. 1615

The purpose of this measure is to appropriate funds for the repair and/or replacement of swimming pools in the County of Hawaii located at Honoka'a, Konawaena, and Laupahoehoe High Schools.

Your Committee received testimony in support of this measure from the Department of Education, the Office of the Mayor of the County of Hawaii, and the Department of Parks and Recreation of the County of Hawaii'i.

Your Committee finds that county swimming pools located at or immediately adjacent to public high school campuses and utilized by the school for physical education classes, swim teams, and even the general public, are old and in need of repair and renovation. The intent of this measure is to provide funding for the repair and/or replacement of swimming pools in the County 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 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, 5. Noes, none. Excused, 2 (Nishihara, Gabbard).

SCRep. 449 Education on S.B. No. 1820

The purpose of this measure is to authorize the Department of Education to enter into financing agreements without the approval of the Director of Budget and Finance or the Comptroller, and to create a separate account within the State Education Facilities Improvements Special Fund to be called the Lease Payments for Schools Account.

The Director and the President of the Kihei Community Association, and one individual submitted testimony in support of this measure. The Department of Education submitted testimony in support of the intent of this measure. The Department of Budget and Finance submitted testimony in opposition.

Your Committee finds that public schools in Hawaii are suffering from severe overcrowding, which negatively impacts the learning potential of students. An alternate way of financing new school projects without using general obligation bonds needs to be implemented. Partnerships between public schools and private developers are a cost-effective and timely way to finance new school construction to help alleviate overcrowding.

This measure will provide the Board of Education with more autonomy in the acquisition of new school design and construction projects by establishing a separate account that is subject to legislative approval for the payment of lease-purchase agreements.

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. 1820 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 (Hee, Nishihara).

SCRep. 450 (Joint) Health and Commerce, Consumer Protection and Affordable Housing on S.B. No. 1676

The purpose of this measure is to ensure quality health care services by providing access to affordable medical malpractice and hospital professional and general liability coverage to our state hospital system.

Specifically, this measure authorizes and provides initial funding for the establishment of a domestic captive insurance company five-year pilot project, by the Hawaii Health Systems Corporation, to provide medical malpractice and hospital and general liability coverage to the corporation and the physicians serving the entity.

Your Committees received testimony in support of this measure from Hawaii Health Systems Corporation. The Department of Commerce and Consumer Affairs submitted comments on this measure.

Your Committees find that actuarial studies need to be conducted in order to accurately recommend an appropriation amount.

Your Committees find that the cost of hospital professional and general liability coverage continues to rise. Further, your Committees find that there is a lack of insurers willing to provide coverage in Hawaii, and the policies offered have decreased limits of available coverage and restrictions on what liability exposures are covered. Your Committees find that a captive insurance company to provide hospital malpractice coverage is a good alternative, and according to the Insurance Commissioner's testimony, is almost the only alternative available at this time.

Your Committees have adopted the recommendations of the Department of Commerce and Consumer Affairs and amended this measure by removing the "carve out" language in section 3 due to sufficient authority in existing captive statutes that would allow the Insurance Commissioner to license a captive for Hawaii Health Systems Corporation's pilot project.

Your Committees further amended this measure by changing the effective date to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1676, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1676, 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 (Ihara, Sakamoto, Whalen).

SCRep. 451 (Joint) Health and Commerce, Consumer Protection and Affordable Housing on S.B. No. 1678

The purpose of this measure is to provide quality health care services and increase the number of physicians in Hawaii by ensuring that adequate resources are provided to cover the true costs of providing care.

The measure attempts to accomplish this purpose by requiring all mutual benefit societies to reimburse health care providers, hospitals, and nursing facilities one hundred per cent or more of current Medicare Resource Based Relative Value Scale for Hawaii.

Your Committees received testimony in support of this measure from the Occupational Therapy Association of Hawaii. Testimony in support of the intent of this measure with recommendations was submitted by the Department of Human Services, Hawaii Pacific Health, and Kaiser Permanente. Your Committees received testimony in opposition to this measure from Hawaii Medical Service Association. The Department of Commerce and Consumer Affairs submitted comments on this measure.

The Department of Human Services did not submit a recommended appropriation amount for Part II of this measure.

Your Committees find that Hawaii is facing a serious health care crisis. This is partly due to the inadequate number of health care providers willing to provide care to Medicaid and Medicare insured consumers. Your Committees find that health care providers are not getting reimbursed

the full amount of the cost of providing care to these individuals. Reimbursement levels need to be raised and updated yearly to remain current to ensure quality health care is provided to all residents of Hawaii.

Accordingly, your Committees amended this measure by:

- (1) Removing the application of the Medicare Resource Based Relative Value Scale system for rate determination and replacing it with the requirement that reimbursement rates not less than one hundred per cent of the Medicare reimbursement amount that is in effect for fraternal benefit societies (chapter 432, Hawaii Revised Statutes), accident and sickness insurance (chapter 431:10A, Hawaii Revised Statutes), and health maintenance organizations (chapter 432D, Hawaii Revised Statutes) for the current year and updated for each calendar year thereafter;
- (2) Removing the application of the Medicare Resource Based Relative Value Scale system for rate determination and replaced it with the requirement that reimbursement rates for hospitals and nursing facilities be one hundred ten per cent of the Medicaid or Medicare reimbursement rate in effect for the current year and updated for each calendar year thereafter for health services paid by the Department of Human Services;
- (3) Including Health Maintenance Organizations in the reimbursement requirement, and by including outpatient hospital services, but not emergency room services, in the rate of payment requirement that is based upon the Hawaii Medicaid Fee Schedule; and
- (4) Changing the effective date to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1678, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1678, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 3 (Ihara, Sakamoto, Whalen).

SCRep. 452 (Joint/Majority) Health and Commerce, Consumer Protection and Affordable Housing on S.B. No. 1739

The purpose of this measure is to prevent deaths caused by colorectal cancer and to increase public awareness about the importance of colorectal cancer screening by colonoscopy.

Specifically, this measure requires health insurance policies to cover screening for colorectal cancer by colonoscopy every ten years, beginning at age fifty.

The Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, and American Family Life Assurance Company submitted comments on this measure. Your Committees received testimony in opposition to this measure from Kaiser Permanente, and Aloha Care.

Your Committees find that colorectal cancer is the second leading cancer killer in the United States in individuals age fifty and older. Hawaii has the highest rates of colorectal cancer in the nation. Your Committees further find that it is also one of the most preventable types of cancer. Regular screening tests can find precancerous colorectal polyps so they can be removed before they turn into cancer.

Your Committees find that requiring colorectal screening by colonoscopy is not appropriate for certain types of supplementary health insurance, such as limited benefit insurance policies.

Accordingly, your Committees amended this measure by removing limited benefit insurance policies from the requirement to cover colonoscopies for colorectal cancer screening, and placed the new provision for accident and health insurance in the more appropriate section 431:10A-116, Hawaii Revised Statutes, which provides for coverage for specific services.

As affirmed by the records of votes of the members of your Committees on Health and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1739, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1739, 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, 1 (Slom). Excused, 3 (Ihara, Sakamoto, Whalen).

SCRep. 453 (Joint) Health and Education on S.B. No. 1283

The purpose of this measure is to support the new medical school facility in Kakaako.

The measure accomplishes this goal by authorizing the use of the Tobacco Settlement Special Fund, created by Act 304, Session Laws of Hawaii 1999, to help pay annual operating expenses incurred by the new medical school facility.

Your Committees received testimony in support of this measure from one individual. The University of Hawaii John A. Burns School of Medicine submitted testimony supporting the intent of this measure. Your Committees received testimony in opposition to this measure from the Department of Health, the Department of Budget and Finance, the Coalition for a Tobacco Free Hawai'i, and the American Heart Association.

Your Committees find that the new medical school facility in Kakaako may require additional funding to ensure its successful operation. Your Committees further find that the Legislature appropriated funds for the initial set-up of the new medical facility, with the understanding that the school would be self-supporting thereafter.

Thus, your Committees request that the University of Hawaii John A. Burns School of Medicine supply the Committees with information justifying the funding requested in this measure.

Your Committees amended this measure by changing the effective date to encourage further discussion, and by making technical, nonsubstantive changes for the purposes of clarity, consistency, and 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 S.B. No. 1283, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1283, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 10. Ayes with Reservations, 1 (Gabbard). Noes, none. Excused, 2 (Hee, Nishihara).

SCRep. 454 (Joint) Health and Intergovernmental and Military Affairs on S.B. No. 153

The purpose of this measure is to appropriate funds to the Department of Health to assess the structural integrity of all hospitals and nursing homes in Hawaii to determine their ability to withstand different types of natural disasters.

The Healthcare Association of Hawaii and the Structural Engineers Association of Hawaii submitted testimony in support of this measure. The Department of Health submitted testimony in opposition to this measure. The Department of Defense submitted comments.

Your Committees received a statement from the Structural Engineers Association of Hawaii recommending that the Committees support the total funding amount necessary to conduct an assessment study of approximately \$2,000,000. According to the Structural Engineers Association of Hawaii, the assessment study would encompass approximately forty-seven skilled or intermediate care nursing facilities and twenty-four hospitals statewide.

The Office of Domestic Preparedness within the Office of Homeland Security issued a directive to each state requiring them to assess their ability to evacuate and shelter residents in the event of a disaster. Of particular concern are the special populations served by hospitals and long term care facilities. The evacuation of nursing home residents should be considered only after all other options have been considered. Enabling nursing homes to "shelter in place" their residents and staff is the preferred alternative because it eliminates any risks resulting from transportation and does not use scarce emergency shelter resources. However, this option requires confidence in the structural integrity of the nursing homes.

It is your Committees' intent to require the Department of Health to assess the structural integrity of hospitals and nursing home facilities in Hawaii. Your Committees have amended this measure by:

- (1) Appropriating an unspecified sum instead of \$2,000,000;
- (2) Changing the effective date from July 1, 2007, to July 1, 2020; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 153, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 153, 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, 1 (Hemmings).

SCRep. 455 (Joint) Health and Human Services and Public Housing on S.B. No. 973

The purpose of this measure is to ensure that uninsured and under-insured individuals have access to quality health care.

The measure accomplishes this goal by:

- (1) Establishing a process by which federally qualified health centers and rural health centers receive supplemental Medicaid payments;
- (2) Providing for prospective payment system rates to be adjusted for any adjustment in the scope of services; and
- (3) Appropriating funds for federally qualified health centers and rural health centers to provide health care services to uninsured residents of Hawaii.

Your Committees received testimony in support of this measure from the Hawai'i Primary Care Association; Healthcare Association of Hawaii; the Waikiki Health Center; Kalihi-Palama Health Center; the West Hawaii Community Health Center, Inc.; Ho'ola Lahui Hawai'i; the Community Clinic of Maui; Hamakua Health Center; Waianae Coast Comprehensive Health Center; Kokua Kalih Valley; Moloka'i Community Health Center; Waimanalo Health Center; and seven individuals. The Department of Human Services submitted testimony supporting the intent of this measure. The Department of Health and Hawaii Primary Care Association submitted comments on this measure.

Your Committees find that federally qualified health centers and rural health centers are the most effective system for ensuring that quality health care services are provided to individuals who are uninsured or under-insured. Your Committees further find that these community health centers have continued to experience an increase in the number of patients and families in need of health care services.

Your Committees also find that, to ensure the viability of community health centers, subsidies are necessary to care for the uninsured. In addition, changes to the Med-QUEST preferred payment system rules are imperative to ensure that community health centers receive timely and adequate compensation.

Your Committees have amended this measure by:

- (1) Changing the time requirement, for the Department of Human Services to review reports and notify rejections, from ninety days to within one hundred twenty days;
- (2) Clarifying that federally qualified health centers or rural health centers proposed projected rate shall be calculated based on a consolidated basis, where the federally qualified health center or rural health center takes all costs for the facility that would bring in both the costs included in the base rate as well as the additional costs for the change, as long as the federally qualified health center or rural health center had filed its baseline cost report based on total consolidated costs;
- (3) Providing that the Department of Human Services may disallow a per cent of the rate increase, to account for cost increases associated with normal inflation increase of costs included in the base rate;
- (4) Including dental hygienist in the definition of health professional;

- (5) Including as reimbursable services those provided to a patient that has one or more visits for other services such as dental, behavioral health, or optometry. Medicaid will pay for a maximum of one visit per day for each of these services in addition to one medical visit;
- (6) Clarifying the requirement that all payments owed by the Department of Human Services shall be made within two hundred ten days from the department's initial receipt of the report for final settlement as specified in the sections above;
- (7) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (8) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 973, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 973, 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 (Menor, Hemmings).

SCRep. 456 (Joint) Health and Human Services and Public Housing on S.B. No. 1115

The purpose of this measure is to provide comprehensive perinatal care on the island of Oahu to women who have a history of methamphetamine and other substance abuse.

Specifically, this measure authorizes the carryover of funds in the amount of \$200,000 that were originally appropriated under Act 248, Session Laws of Hawaii 2006, for the 2006-2007 fiscal year to continue the funding for the operation of the perinatal pilot clinic at the John A. Burns School of Medicine at the University of Hawaii at Manoa during the 2007-2008 fiscal year.

Your Committees received testimony in support of this measure from the Hawaii State Commission on the Status of Women, the John A. Burns School of Medicine at the University of Hawaii at Manoa, Hawaii Medical Association, the Drug Policy Forum of Hawaii, and one individual. The Department of Human Services submitted comments on this measure.

Your Committees find that providing perinatal care to pregnant women with a history of substance abuse is vital to ensure the health of the child and the mother. Your Committees further find that one of the barriers to women seeking perinatal care is fear of prosecution. This program recognizes the importance of applying a public health approach to the issue of pregnant women who are substance abusers.

Your Committees amended this measure by replacing the John A. Burns School of Medicine University Clinical Educational and Research Associates Program at the University of Hawaii Department of Obstetrics, Gynecology, and Women's Health with the Department of Human Services as the expending agency.

Your Committees further amended this measure by changing the effective date to June 30, 2007, for budgetary purposes.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1115, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1115, 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 (Ihara).

SCRep. 457 Energy and Environment on S.B. No. 642

The purpose of this measure is to clarify when supplemental environmental impact statements should be conducted.

Specifically, this measure provides for the preparation of a supplemental environmental impact statement when:

- (1) There are changes proposed in a project;
- (2) Substantial changes occur with respect to circumstances under which a project is being undertaken; or
- (3) New information becomes available that was not known at the time the environmental impact statement was accepted.

Testimony in support of this measure was submitted by the Office of Environmental Quality Control; the Mayor of the County of Maui; Hawaii's Thousand Friends; Keep the North Shore Country; Kuli'ou'ou/ Kalani Iki Neighborhood Board #2; O'ahu County Committee of the Democratic Party of Hawaii; Office of Hawaiian Affairs; Sierra Club, Hawai'i Chapter; Windward Ahupua'a Alliance, and one individual. Testimony in opposition to this measure was submitted by the Land Use Research Foundation of Hawaii and Kuilima Resort Company. The Department of the Attorney General submitted comments.

Your Committee finds that communities need to know what environmental impacts developments will have. Furthermore, your Committee recognizes that changes occurring in the community over the period of time that a long development is taking place can result in different impacts than were foreseen in the planning stages of the development. Your Committee finds that requiring supplemental impact statements is not unduly burdensome on developers and are essential for getting the necessary information regarding the impacts on the community so that mitigation measures can be considered if necessary.

Your Committee notes that by basing the requirement for supplemental statements on whether there have been "substantial changes" does not set an arbitrary time limit. Rather, it serves the needs of communities while limiting the requirement on developers to cases where real changes in impacts are likely to have occurred. Your Committee notes that several testifiers mentioned the expansion of the Turtle Bay Resort in Kahuku, which was approved over twenty years ago, as an example of how long developments can take and the resulting changes or changes in understanding regarding cultural, environmental, and community issues.

Your Committee believes this measure will help decision makers make informed decisions about whether or not a project should go forward, and how to balance those going forward with protecting the State's natural and cultural resources.

This measure has been amended to:

- (1) Substitute "environmental impact statements" for "environmental impact reports", for accuracy and consistency with the terminology used in the statute and regulations;
- (2) Substitute "accepted" for "certified as complete", for accuracy and consistency with the terminology used in the statute and regulations;
- (3) Provide a definition for "substantial changes"; and
- (4) Amend section 343-5(g), Hawaii Revised Statutes, which provides that no additional statement shall be required once a statement is accepted, to provide an exception to conform to the new section provided in this measure.

Technical, nonsubstantive changes have also been made for the purposes of clarity and consistency.

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. 642, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 642, S.D. 1, and be referred to the Committees on Water, Land, Agriculture, and Hawaiian Affairs and Intergovernmental and Military Affairs.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 458 (Joint) Energy and Environment and Health on S.B. No. 651

The purpose of this measure is to require recycling receptacles to be housed in all state offices and buildings.

Testimony in opposition to this measure was submitted by the Department of Health.

Your Committees find that recycling should be made available in all state office buildings for aluminum cans, glass bottles, plastic containers, white and colored paper, and newspaper.

Your Committees further find that the purchase and maintenance of the recycling receptacles should be included in recycling service contracts and that recycling companies providing the pick-up service of the recyclable material should provide the receptacles as part of their service. To this end, your Committees amended this measure to provide for this change. Your Committees have also deleted the appropriation section contained in the measure since the Department of Health, under the amended provisions of this measure, would no longer be responsible for purchasing recycling receptacles.

It is the intent of your Committees to make recycling receptacles available in all state buildings and to require the pick-up service company to provide the recycling receptacles, which will allow the recycling companies to select the most appropriate and efficient receptacles for each building.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 651, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 651, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 8. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, 1 (Kokubun).

SCRep. 459 (Joint) Energy and Environment and Education on S.B. No. 1669

The purpose of this measure is to appropriate funds for various renewable energy projects in Hawaii.

This measure appropriates \$3,000,000 for fiscal year 2007-2008, for the research and development of a five-acre pilot project, to be located at the Natural Energy Laboratory of Hawaii, to produce biodiesel from marine algae.

This measure also appropriates \$5,250,000 for fiscal year 2007-2008, to establish the Hawaii Renewable Energy and Biofuel Center in Maui, to equip the University of Hawaii at Hilo, College of Agriculture, Forestry and Natural Resources Management with an oil and feedmill building to house existing equipment to be used in processing oilseed and for research and demonstration of a germplasm collection.

Testimony in support of this measure was submitted by the University of Hawaii at Manoa, the University of Hawaii at Hilo, Hawaiian Electric Company, Inc., the World Business Academy, Enterprise Honolulu, Hawaii Biodiesel Consortium, the Sierra Club, Hawaii Chapter, Aloha Green, and Oceanic Institute.

Your Committees find that while ethanol can be used in cars, biodiesel or bio-jet fuel is needed for heavy transportation, ships, and jetliners. One means with excellent potential for producing biodiesel fuel is to extract it from algae, especially salt water or marine algae. Algae can produce vastly more biofuel oil per acre than any other source. Using current technology for producing marine algae, six thousand gallons per acre of biodiesel from algae is a realistic production target. This compares to a fuel yield of only fifteen hundred gallons per acre for sugarcane ethanol produced using the Brazilian method. Algae uses no fresh water and far less land than any other biofuel crop, and can be grown on any land that is near the ocean. Algae from sea water would have the added benefit of consuming excess carbon dioxide as an aid to algae growth, reducing a harmful greenhouse gas that contributes to global warming.

Your Committees further find that Maui county has declared that its top priority in renewable energy and biodiesel production is a facility to house the concerted research and demonstration activities needed for feedstock development. The facility would also be home to the development of supporting related technologies that will truly create a sustainable biofuel industry in the State of Hawaii.

Your Committees further find that while this measure, in part, appropriates funding for the research and development of a five-acre pilot project, to be located at the Natural Energy Laboratory of Hawaii in order to produce biodiesel from marine algae, private funding exists for this purpose. To this end, your Committees amended this measure by removing this appropriation and amending the purpose section to reflect this deletion.

It is the intent of your Committees to appropriate funds to establish the Hawaii Renewable Energy and Biofuel Center in Maui, to equip the University of Hawaii at Hilo, College of Agriculture, Forestry and Natural Resources Management with an oil and feedmill building to house existing equipment to be used in processing oilseed, and providing funding for research and demonstration of a germplasm collection.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1669, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1669, 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 (Chun Oakland, Hee, Kokubun, Taniguchi).

SCRep. 460 Energy and Environment on S.B. No. 1612

The purpose of this measure is to improve the environmental quality of the State by reducing greenhouse gas emissions.

Specifically, this measure establishes a greenhouse gas emissions reduction program in which the Department of Health is required to establish greenhouse gas emission limits and emission reduction standards to achieve the maximum technologically feasible and cost-effective reductions by January 1, 2008, regularly report and verify statewide greenhouse gas emissions, and monitor and enforce compliance. This measure authorizes the adoption of market based compliance mechanisms and requires the adoption of a statewide greenhouse gas emissions limit equivalent to the statewide levels in 1990 to be achieved by 2020.

Testimony in support of this measure was submitted by the Conservation Council for Hawai'i; Hawaii Solar Energy Association; Honolulu Seawater Air Conditioning, LLC; Life of the Land; Respiratory and Environmental Disabilities Association of Hawaii; Sierra Club, Hawai'i Chapter; Windward Ahupua'a Alliance; and twenty-three individuals. Testimony in opposition to this measure was submitted by the Department of Health and Western States Petroleum Association. Covanta Energy Group, operator of HPOWER; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; and Maui Electric Company, Inc. One individual submitted comments.

Your Committee finds that, given our precious and finite resources, it is essential that Hawaii continue its tradition of environmental leadership by moving forward in efforts to reduce emissions of greenhouse gases. In doing so, Hawaii will not only serve as an example, but will also position the State's economy, technology centers, financial institutions, and businesses to benefit from national and international efforts to reduce emissions of greenhouse gases.

Your Committee further finds that it is important to reduce greenhouse gas emissions and its global warming effect for the sake of preserving our native flora, fauna, and our community health. Failing to take action now could result in natural catastrophes in the not too distant future, including rising sea levels, salination of the State's aquifers, and other, as of yet unforeseen problems.

This measure was amended to:

- (1) Give the new chapter added by the bill the title of "Global Warming Solutions Act of 2007;"
- (2) Provide more information in the purpose section, including the recent predictions on the rise in sea level as per the United Nations Panel on Climate Change;
- (3) Require the Director of Health to consult with the Department of Business, Economic Development, and Tourism in making the determination of the 1990 greenhouse gas emissions level and for ongoing reporting of reduction plans, in order to ensure accuracy and consistency;
- (4) Postpone all start dates an additional six months, in order to give the State five full years to prepare for the new rules and regulations, and to push back the early action reduction items and scoping plan an additional six months accordingly;
- (5) Reflect the fact that, given the existing policies and rules that are in place, some duplication will be unavoidable with regard to the scoping plan, by changing the non-duplication requirement to one of minimizing duplication;
- (6) Provide an appropriation of an unspecified sum for each year of the 2007-2009 fiscal biennium for the purposes of carrying out this measure, including the hiring of any necessary staff;
- (7) Delete the establishment of the environmental justice and technological advisory committees;
- (8) Delete the section regarding the adoption of methodologies since these methodologies can be captured under the market mechanisms section; and
- (9) Postpone the effective date to July 1, 2020, to provide for further discussion of the measure.

Technical, nonsubstantive changes have also been made for the purposes of clarity and consistency.

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. 1612, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1612, 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 (Kokubun).

SCRep. 461 Education on S.B. No. 97

The purpose of this measure is to appropriate funds for the purchase of science textbooks and other teaching resources for public primary and secondary schools.

Testimony in support of this measure was submitted by the Department of Education (DOE) and the University of Hawaii System.

Your Committee finds that our public schools are in dire need of new science textbooks at the primary and secondary levels. In 2006, the Legislature appropriated \$2 million for school complex areas to purchase science textbooks and other related instructional materials pursuant to Act 160, Session Laws of Hawaii 2006. However, the fifteen complex areas subsequently requested moneys from the DOE for the purchase of science textbooks totaling approximately \$6 million.

Your Committee recognizes that a deficiency exists in the current funding and the current need for science textbooks throughout the public school system. Your Committee believes that additional funding is necessary to provide adequate learning materials for science courses in public schools throughout the State. Additionally, funding should only be provided to those schools that demonstrate the existence of a K-12 articulated science curriculum to ensure that students are able to achieve appropriate levels of knowledge and skills in science with respect to each grade

level. Your Committee further finds that to promote economic efficiency, the DOE should be required to take advantage of discounts for bulk purchases, when possible, and benefit from professional development support provided by vendors or publishers.

Your Committee is also concerned about monitoring the progress of students to ensure academic achievement and progress. Therefore, your Committee believes, that funding is necessary to provide for teacher assessments of the students' progress to determine their weaknesses as well as methods and resources that will help to ensure increased student learning and academic achievement.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the DOE to utilize discounts available through bulk purchasing;
- (2) Requiring the DOE to utilize professional development support provided by vendors or publishers;
- (3) Appropriating \$750,000 to assist public school teachers in conducting assessments of their students to determine their progress and areas of weaknesses, and to identify methods or resources necessary to support academic achievement and development; and
- (4) Making technical, nonsubstantive amendments for 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. 97, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 97, 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 (Hee).

SCRep. 462 Education on S.B. No. 1614

The purpose of this measure is to improve teacher recruitment and licensing by appropriating funds for the implementation of a new human resource management model for Waianae High School and its feeder elementary and middle schools.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, the Hawaii Teacher Standards Board, Waianae High School, and three individuals.

Your Committee finds that a critical teacher shortage currently exists in Hawaii. The State must focus on efforts to grow and develop a teacher workforce, as well as recruit and retain qualified teachers in the public schools today. The issue of recruitment and retention of qualified teachers is most apparent at Waianae High School where only slightly more than half of the teachers are fully licensed. Your Committee further finds that Waianae High School currently serves approximately two thousand students with only one hundred fifty teachers. Many of the students in Waianae are living at or below the poverty level, and the academic achievement of most Waianae public schools demonstrates a lack of learning.

Your Committee recognizes the need for action in the Waianae public schools and believes that the utilization of a human resource management model could be beneficial to the school, its students, and the community at large. However, your Committee notes that several other measures have been introduced this session that address the teacher shortage problem and provide incentives and programs to increase qualified teacher recruitment and retention. Your Committee believes that, to the extent that these alternative initiatives would duplicate similar efforts provided under this measure, any funding received by Waianae High School and its feeder elementary and middle schools to achieve similar results in increasing teacher proficiency should be off-set by the appropriation made in 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 S.B. No. 1614 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 (Nishihara, Gabbard).

SCRep. 463 Education on S.B. No. 1933

The purpose of this measure is to improve public school accountability for financial and academic performance.

Specifically, this measure:

- (1) Appropriates funds for complex area business managers, the purchase of business services, school community council training, arts education, physical education, and mathematics and science learning materials;
- (2) Establishes and appropriates funds for Applied Learning High School Academies within the Department of Education;
- (3) Appropriates funds for teacher preparation and professional development programs at the University of Hawaii;
- (4) Amends the law relating to statewide performance standards, the performance standards review commission composition, and assessment and reporting requirements;
- (5) Clarifies and amends provisions relating to the Hawaii Educator Loan Forgiveness Program;
- (6) Establishes and appropriates funds for an Early Educator Incentive Program;
- (7) Authorizes the issuance of general obligations bonds and makes appropriations to the University of Hawaii and the Department of Education for repair and maintenance projects; and
- (8) Appropriates funds for mathematics learning materials, professional development for math teachers, math coaching, and math assessments.

Testimony in support of this measure was submitted by the University of Hawaii, the College of Education of the University of Hawaii, the Hawaii Teacher Standards Board, the Hawaii State Teachers Association, the Hawaii Educational Policy Center, Kamehameha Schools, and the Early Learning Educational Task Force. Comments on the measure were also submitted by the Department of Education and the Department of Taxation.

Your Committee finds that the obligations and, in turn, the needs of schools and administrators have changed dramatically over the years, particularly with the advent of the No Child Left Behind Law and the Reinventing Education Act of 2004, Act 51, Session Laws of Hawaii 2004,

as amended. In this new environment, schools and school administrators are tasked with increased responsibilities for ensuring the provision of quality education and appropriate services to public school students. Your Committee further finds that these demands require the need for increased funding to provide greater autonomy within complex areas, to develop a more qualified teaching workforce, to improve and enhance early childhood education programs, and to address disciplines of import in the new millennium, including science, technology, engineering, and math (STEM) subjects.

This measure contains several components to address all of the foregoing needs. Many, if not all, of these components have been discussed and provided for in different measures which are also proceeding through the session. Your Committee is committed to the objectives of professional and workforce development for teachers, providing appropriate services and funds to maximize financial and academic efficiency and effectiveness in schools, and ensuring the provision of appropriate learning materials and resources. As a result, your Committee has included versions of simultaneously heard measures in this measure and removed other provisions from this measure that have already been provided for in other vehicles in its effort to meet its intended purpose.

Accordingly, your Committee has amended this measure by:

- (1) Amending the provisions establishing Applied Learning High School Academies;
- (2) Removing provisions establishing and funding complex area business manager positions;
- (3) Deleting changes to the statewide Performance Standards Review Commission composition, the requirement for the development of assessments, and reporting requirements;
- (4) Removing the appropriation for the Hawaii Educational Policy Center;
- (5) Establishing the Research Experiences for Teachers program to support the development of middle school teacher STEM skills and knowledge and develop middle school curriculum for STEM subjects and providing funding therefor;
- (6) Establishing a professional development program to provide practicing elementary, middle, and high school teachers of science and mathematics with opportunities to increase their knowledge and understanding in STEM subjects and providing funding therefor;
- (7) Amending provisions of the Early Educator Incentive Program to provide for criteria for scholarships and wage supplements;
- (8) Requiring dual credit to be given to high school students under the Running Start Program for Professional and Career Education for Early Childhood (PACE) courses offered in the University of Hawaii system;
- (9) Removing provisions authorizing the issuance of general obligation bonds and appropriating funds for the University of Hawaii and the Department of Education repair and maintenance projects;
- (10) Adding mathematics coaches and their training to the purposes of the unspecified appropriation; and
- (11) Making technical, nonsubstantive changes for the purposes of clarity, consistency, 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. 1933, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1933, 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 (Hee, Nishihara).

SCRep. 464 (Joint) Education and Judiciary and Labor on S.B. No. 96

The purpose of this measure is to ensure the safety of our public school students by requiring criminal background checks for all providers, subcontractors, and trainees from institutions of higher education.

This measure also:

- (1) Authorizes the Department of Education to pass along the fees charged for background checks to the individual being reported on; and
- (2) Removes the authority of the Department of Education to either refuse to issue or revoke a teaching or other educational certificate if it is discovered that the individual has been convicted of a crime that poses a risk to the safety of children.

Testimony in support of this measure was submitted by the Department of Education. Testimony in opposition to this measure was submitted by the University of Hawaii.

Your Committees find that the safety and well being of our children is of the utmost concern, particular within the Department of Education. Your Committees further find that when our children are at school, they should be provided with a healthy, safe, and positive environment to support high levels of academic achievement and success. Currently, the law requires criminal history background checks to be completed on all employees and prospective employees of the Department of Education. However, the law fails to contemplate other adults who may also come in direct contact with the children in public schools through the provision of other services necessary for the operations of the school system. This measure addresses certain individuals who may pose a danger to our students, should these individuals be found to possess criminal backgrounds.

Your Committees recognize that this measure covers trainees from an institution of higher education who may be placed within the public schools. Testimony was received that indicated that these individuals should be excluded from the criminal background check requirement because the University of Hawaii currently conducts extensive screening of individuals prior to their selection as teacher trainees. These trainees are also required to submit to fingerprint checks prior to their clearance to work in the public schools. Your Committees understand that the criminal history record checks for the teacher trainees by the Department of Education may not be necessary, but believe that they may also be warranted under certain circumstances depending upon the degree and length of contact the trainees will be having with the students. Thus, your Committees believe that the teacher trainees should remain a subject of this measure and, as the measure continues to proceed through the session, the Legislature can consider and the parties can confer to determine the necessity of their continued inclusion.

Additionally, your Committees find that the current language of the measure would seem to include entire organizations in its requirements and similarly preclude entire organizations from providing services to the Department of Education based on one individual's negative background

check. Your Committees determine that such application is too broad and the measure should be narrowed to apply only to those individuals who are providing services. Similarly, individuals that will not have direct contact with the children as part of their work should also not be made subject to the requirements of this measure.

Accordingly, your Committees have amended this measure by:

- (1) Amending the definition of "trainee from an institution of higher education" to mean only students in an institution of higher education training program that require public school observation, participation, or direct contact with children;
- (2) Amending the definition of "provider" to mean an individual that intends to or is employed by an organization that intends to enter into a contract with the Department of Education to provide services involving direct contact with children;
- (3) Amending the definition of "subcontractor" to mean an individual that enters into or is employed by an organization that enters into a contract or agreement with a provider to provide services involving direct contact with children;
- (4) Changing the effective date of the Act to July 1, 2050, to facilitate further discussion on the measure; and
- (5) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 96, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 96, 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, none. Excused, 4 (Chun Oakland, Hee, Inouye, Taniguchi).

SCRep. 465 (Joint) Education and Judiciary and Labor on S.B. No. 1139

The purpose of this measure is to ensure the health and safety of our children in public schools by requiring employees of the Department of Education to be subject to random drug testing.

Testimony in support of this measure was submitted by three individuals. Testimony in opposition of this measure was submitted by the Department of Education (DOE), the Hawaii State Teachers Association, the Drug Policy Forum of Hawaii, the Drug Policy Action Group, and one individual.

Your Committees find that substance abuse is one of the most severe problems that plagues our society today. The existence of drug abuse in the workplace poses a particularly harmful threat to the safety and security of employees, customers, and, in the case of the public schools, our children. Your Committees further find that individuals in certain positions require a higher level of scrutiny to ensure public safety and security.

Your Committees find that the safety and well being of our children is of great concern to the Legislature and should always be a priority in developing policies and legislation that affect them. Children today face many dangers, including the dangers of crime, violence, and illegal drug use. Parents and teachers play a huge role in influencing our youth to lead positive, productive, and drug-free lives. The exposure of our children to negative influences, particularly in the schools, is counterproductive to other home and community efforts to ensure a nurturing, safe, and drug-free environment. Your Committees are committed to providing our youth quality education in drug-free environments.

Similarly, our residents have placed their safety, liberty, economic well being, trust, and confidence in elected officials of the State. These individuals are authorized to determine public policy, including policies regarding the prohibition of and punishment for illegal drug use. Accordingly, these individuals must be highly scrutinized. Your Committees heard a related measure, Senate Bill No. 211, which addressed the need for drug testing for elected officials in Hawaii and believe that the inclusion of its provisions would be appropriate in this measure as they involve similar issues.

Your Committees entertained discussion on the potential costs to the State of conducting random drug testing of DOE employees. Although an estimate of up to \$2,000,000 was proffered by the DOE, your Committees believe that this may be an inflated cost that could be alleviated through the use of less costly and less-invasive or non-invasive tests and procedures.

Your Committees understand that constitutional issues may be raised regarding the use of random drug testing in situations where no systemic drug abuse problem currently exists. However, your Committees believe that the overriding concern regarding the health and safety of children in our public schools constitutes a compelling state interest that warrants drug testing of DOE employees, especially the teachers. Your Committees also understand that, based on testimony by the DOE, certain employees are subject to or will soon be subject to drug testing requirements provided under collective bargaining agreements. Additionally, a representative from the Hawaii State Teachers Association indicated that the issue is also currently being negotiated by that organization with the DOE. Your Committees believe that to the extent the issue is provided for through collective bargaining may be sufficient to address the concerns over those affected employees. Nonetheless, this measure should continue to proceed through the session to facilitate further discussion and to serve as a motivational factor to spur continued collective bargaining negotiations to address the issue, a fact that, your Committees note, was acknowledged as an appropriate action by the Hawaii State Teachers Association.

Accordingly, your Committees have amended this measure by:

- (1) Inserting the provisions of Senate Bill No. 211, requiring elected officials to be tested for illegal drugs and be subject to disqualification for or forfeiture of office upon testing positive for illegal drugs;
- (2) Exempting DOE employees from the random drug testing policy if they are already subject to drug testing requirements under collective bargaining agreements; and
- (3) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1139, as amended herein, and recommend 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 Chairs on behalf of the Committees. Ayes, 6. Ayes with Reservations, 2 (Nishihara, Tokuda). Noes, none. Excused, 3 (Chun Oakland, Inouye, Taniguchi).

SCRep. 466 (Joint) Education and Tourism and Government Operations on S.B. No. 79

The purpose of this measure is to repeal the transfer of duties and functions from the Department of Budget and Finance to the Department of Education pursuant to Act 51, Session Laws of Hawaii 2004, as amended (Act 51, as amended).

Testimony in support of this measure was submitted by the Department of Education, the Department of Budget and Finance, the Hawaii Government Employees Association, and one individual.

Your Committees find that pursuant to Act 51, as amended, the Department of Education was established as a separate jurisdiction of the State. As a result, the transfer of certain duties and functions from different departments to the Department of Education became necessary. Act 51, as amended, also established the Interagency Working Group, which was tasked with the responsibility of overseeing the transfers to the Department of Education. Your Committees further find that since the enactment of Act 51, as amended, the Interagency Working Group has been working towards the efficient transfer of duties and functions and recommended to the Legislature in its report that the transfer to the Department of Budget and Finance be repealed. In 2006, the effective date of the transfer of duties, functions, and personnel was extended to July 1, 2007.

In addition, the Interagency Working Group has facilitated the execution of a Memorandum of Understanding (MOU), effective June 28, 2006, between the Department of Education and the Department of Budget and Finance. The MOU allows the responsibility for funding of collective bargaining and the administration of federal funds to remain with the Department of Budget of Finance, but also provides for an improved capitol improvement projects allotment process and for the deposit of funds into the State Educational Facilities Improvement Special Fund. Your Committees appreciate the work that has been done by the Interagency Working Group and believes that it should honor the agreement forged between the departments by repealing the transfer of duties and functions from the Department of Budget and Finance. However, as no transfer has yet occurred under the law, it is currently unnecessary to require the return of transferred materials.

Accordingly, your Committees have amended this measure by:

- (1) Deleting Section 3 of the measure requiring the return of any materials transferred by the Department of Budget and Finance to the Department of Education under Act 51, as amended; and
- (2) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Tourism and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 79, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 79, 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 (Chun Oakland, Hee, Taniguchi).

SCRep. 467 (Joint/Majority) Transportation and International Affairs and Economic Development and Taxation on S.B. No. 1367

The purpose of this measure is to add duties to the Office of International Affairs (Office) to facilitate international educational program links and to expand the scope of its functions to foster Hawaii's worldwide presence.

This measure also appropriates funds for the Office to hire an executive director and administrative assistant, and for program operation and expenses.

Your Committees received testimony in support of this measure from the Governor; Department of Business, Economic Development, and Tourism; Department of Education; University of Hawaii System; East-West Center; Center for Chinese Studies; Hawaii English Language Program at the University of Hawaii at Manoa; International & Exchange Programs at the University of Hawaii at Manoa; Japan-America Society of Hawaii; Center for Global Education and Exchange at the University of Hawaii at Hilo; Pugwash Conferences on Science and World Affairs; Papa Ola Lokahi; Pacific and Asian Affairs Council; Hawaii Global Youth Center; Ambient Micro, LLC; Economic Development Alliance of Hawaii; and United Nations Association of the United States of America Hawaii Division.

Your Committees find that in order to advance Hawaii's global competitiveness through education, there needs to be coordination between the State, counties, and educational institutions, as well as private agencies engaged in international affairs. This measure would designate the Office as the central point for accountability serving as a portal of information and to leverage resources.

Realization of Hawaii's longstanding desire for economic diversification and sustainability turns on applying the State's high skilled resources to the creation and adoption of innovation across the economy.

Your Committees have amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion. Technical, nonsubstantive amendments were made for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Economic Development and Taxation 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, 8. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 468 (Joint) Transportation and International Affairs and Health on S.B. No. 1683

The purpose of this measure is to provide immediate regulatory relief from aircraft noise impacts on the urban population and recreational resources within airport flight control and noise abatement areas.

Your Committees received testimony in support of this measure from the Governor's Office, Department of Transportation (DOT), Waikiki Area Residents Association, Citizens Against Noise of Hawaii, and ten individuals.

Your Committees find that, in recent years, other states have actively addressed citizen concerns about aircraft noise that disrupt normal living conditions, and that these states have adopted comprehensive noise abatement regulations to improve and restore the health, welfare, and quality of life of their urban populations, and to sustain the general public's valued experience of natural and recreational resources. In Hawaii, aircraft noise is particularly acute because most airports are located near residential areas.

Your Committees are cognizant that the testimony of the Governor's Office and the DOT indicate that this measure is unnecessary because the DOT already monitors aircraft noise. However, the vehemence of the testimony condemning aircraft noise justifies the passage of this measure in response to the public's complaints.

Your Committees have amended this measure on the recommendation of the DOT to delete some noise control and reduction methodologies that are under the jurisdiction of the Federal Aviation Administration or are otherwise redundant of current DOT powers in other statutes. Technical, nonsubstantive amendments were made for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1683, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1683, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 9. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, 3 (Menor, Taniguchi, Tsutsui).

SCRep. 469 Education on S.B. No. 82

The purpose of this measure is to appropriate funds to provide training for school community councils of Department of Education high schools.

Testimony in support of this measure was submitted by the Department of Education, the Workforce Development Council, and one individual.

Your Committee finds that pursuant to Act 51, Session Laws of Hawaii 2004, as amended, School Community Councils were established in all public schools in the State to provide advisory support on each school's academic and financial plan. School Community Councils play an important role in shaping a school's goals, priorities, programs, activities, and overall direction.

Your Committee further finds that the School Community Councils are composed of school administrators and teachers, non-certificated personnel of the Department of Education, as well as members of the community, parents, and students. Thus, many members are unfamiliar with the operations and procedures of the Department of Education and would benefit greatly from appropriate training on basic operational information and on reform and redesign initiatives for all public schools. Likewise, all members could benefit from training with other schools within a complex, which will help to ensure that schools' academic and financial plans are consistent with the educational accountability system and to assist the School Community Councils and principals in obtaining support and services from the Department of Education.

Accordingly, your Committee has amended this measure by:

- (1) Extending its application to School Community Councils for all elementary, middle, and high schools within the Department of Education;
- (2) Specifying that the School Community Councils within a complex shall be trained together;
- (3) Requiring the training programs for School Community Councils to encourage school community councils to work collaboratively within each complex and include instruction on the basics of the operations of the Department of Education, including Department of Education terminology, procedures, and priorities;
- (4) Including unspecified appropriation and allocation amounts; 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 Education 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, 5. Noes, none. Excused, 2 (Hee, Nishihara).

SCRep. 470 Public Safety on S.B. No. 1490

The purpose of this measure is to limit the ability of detained or incarcerated individuals to file frivolous lawsuits through state courts.

Specifically, this measure:

- (1) Makes statutory provisions for and limitations on prisoners filing in forma pauperis (without liability for court costs or fees);
- (2) Requires prisoners to exhaust administrative remedies before bringing actions with respect to prison conditions; and
- (3) Limits recovery for prisoners in civil actions for injuries suffered while incarcerated.

Testimony in support of this measure was submitted by the Judiciary of the State of Hawaii, the Department of Public Safety, and the Department of the Attorney General. Testimony in opposition was submitted by the American Civil Liberties Union of Hawai'i and one individual.

Your Committee finds that frivolous lawsuits cost the State and its taxpayers a loss of valuable resources. However, it is important to ensure the availability of the courts to all people to address violations of their rights. Therefore, your Committee finds limitations on frivolous and malicious lawsuits are reasonable as long as these limitations do not preclude valid claims from being heard.

Your Committee further finds that juveniles committed to the care and custody of the Office of Youth Services, or youth correctional or detention facilities, are especially vulnerable and should be excluded from the limitations to court actions suggested in this measure.

Your Committee finds that many of the actions dismissed for failure to state a claim are brought by indigent prisoners appearing pro se who have no legal training and limited or no access to legal counsel. Your Committee is concerned that this may result in the dismissal of some valid claims that were not properly set forth before the court.

Your Committee further finds that the requirement of a showing of physical injury would preclude valid causes of action, including sexual assault.

Accordingly, this measure was amended in the following manner to:

- (1) Expressly exclude juveniles committed to the care and custody of the Office of Youth Services, or youth correctional or detention facilities, and deleting "or adjudicated delinquent" from the definition of "prisoner" to reflect that exclusion;
- (2) Exclude dismissals of actions for failure to state a claim as a basis for precluding subsequent litigation;
- (3) Increase the number of previously dismissed malicious or frivolous actions precluding the filing of in forma pauperis actions from three to four;
- (4) Delete the provision that the failure of the State to adopt or adhere to any administrative grievance procedure as a basis of action under any other state or federal law;
- (5) Add a showing of sexual assault as a basis for initiating civil actions for mental or emotional injury suffered while in custody;
- (6) Add the imminent danger of serious mental or emotional injury to the exception of the prepayment requirement for prisoners who have previously had four actions dismissed on the basis of frivolousness or maliciousness;
- (7) Exclude the provision relating to limitations on civil actions brought by incarcerated felons, since felons are included in the section limiting civil actions brought by prisoners confined in jail, prison, or other correctional facility, and would therefore be redundant; and
- (8) Delay the effective date to January 1, 2050, to allow for further discussion of the issues.

Various technical nonsubstantive changes were also made for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety 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 Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 471 (Joint/Majority) Public Safety and Intergovernmental and Military Affairs on S.B. No. 831

The purpose of this measure is to limit the use of consumer fireworks.

Specifically, this measure prohibits the use of consumer fireworks on the Fourth of July.

Testimony in opposition to this measure was submitted by the Hawaii Food Industry Association and Legislative Information Services of Hawaii.

Your Committees find that the widespread use of consumer fireworks in densely populated areas pose several health and safety risks. These risks include fire hazards, respiratory health hazards, and the danger of physical injuries.

Your Committees find that the Fourth of July is an especially dangerous holiday, as it is the one day on which many people celebrate with consumer fireworks.

This measure was amended to limit the application of the prohibition to counties with a population of 500,000, or more. Technical, nonsubstantive changes were also made for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 831, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 831, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees. Ayes, 4. Noes, 1 (Whalen). Excused, 2 (Sakamoto, Hemmings).

SCRep. 472 (Joint) Energy and Environment and Commerce, Consumer Protection and Affordable Housing on S.B. No. 988

The purpose of this measure is to reduce greenhouse gas emissions and raise public awareness of renewable energy.

Specifically, this measure establishes a photovoltaic rebate program to all grid-connected residential, community-center, and small business utility customers within electric utility service areas.

Testimony in support of this measure was submitted by DC Power Systems; Hawaii PV Coalition; Hawaii Solar Energy Association; Island Energy Solutions Inc.; ProVision Technologies, Inc.; Rising Sun Solar Electric; Sopogy, Inc.; SunEdison, LLC; The Vote Solar Initiative; and seven individuals. The Department of Commerce and Consumer Affairs, Division of Consumer Advocacy; Public Utilities Commission; and Hawaii renewable Energy Alliance submitted testimony supporting the intent of this measure. Testimony in opposition to this measure was submitted by Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company.

Your Committees find that to ensure the preservation and protection of our environment and natural resources, it is necessary to foster a more widespread use of sustainable energy resources and energy efficient technology and products. One type of renewable energy that should be used more widely is photovoltaic energy. However, the initial cost of installing photovoltaic energy systems is high.

Your Committees further find that a rebate program will lower the cost and encourage home and business owners to invest in this form of renewable energy.

It is the intent of your Committees to provide certainty to the marketplace by providing additional funds in subsequent fiscal biennia.

This measure was amended to:

- (1) Designate an appropriation in the amount of \$10,000,000 for each year of the 2007-2009 fiscal biennium;

- (2) Delete the requirement that the contractor installing photovoltaic energy systems have a C-13 license, and requiring instead that the contractor must be appropriately licensed;
- (3) Delete the provision that the Public Utilities Commission adopt rules pursuant to chapter 91, Hawaii Revised Statutes, and requiring instead that the commission shall carry out the purposes of this measure "by rule or order" to allow for flexibility;
- (4) Allow the Public Utilities Commission to adjust the rebates and caps specified in this measure, to ensure the amounts are appropriate and sufficient and carry out the purposes of this measure;
- (5) Delete the requirement that Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and Kauai Island Utility Cooperative match the State's appropriation by ratepayer funding to avoid the effect of increasing utility rates for consumers; and
- (6) Delay the effective date to provide for further discussion.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 988, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 988, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Ayes with Reservations, 2 (Slom, Trimble). Noes, none. Excused, 3 (Hooser, Kokubun, Sakamoto).

SCRep. 473 Energy and Environment on S.B. No. 597

The purpose of this measure is to authorize the issuance of \$10,000,000 in special purpose revenue bonds to assist Sopogy, Inc. with the planning, design, construction, equipping, and operation of a solar farm power plant at the Natural Energy Laboratory of Hawaii to produce electricity from solar power.

Testimony in support of this measure was submitted by the Department of Business, Economic Development and Tourism; Sopogy, Inc.; Hawaii Renewable Energy Alliance; and Enterprise Honolulu. Comments were submitted by the Natural Energy Laboratory of Hawaii Authority.

Your Committee finds that the development of clean electricity from a renewable and abundant resource, the sun, at a price lower than the market price and independent from oil price fluctuations is in the best interest of the public. Sopogy, Inc. specializes in the development, manufacture, and distribution of its proprietary concentrated solar power systems that generate electricity. The construction of a solar farm power plant would demonstrate how electricity could be produced by using solar power systems.

Your Committee further finds that Sopogy, Inc. is an industrial enterprise, meeting the qualifications for special purpose revenue bond assistance. The special purpose revenue bonds authorized under this measure will provide low interest rate bond financing for the construction of a solar farm power plant.

Your Committee amended this measure to clarify that the project location should be located at the National Energy Laboratory of Hawaii or other suitable sites. This broader language will provide Sopogy, Inc. with the ability to construct up to ten megawatts of solar electricity at the most economical and advantageous location or locations in order to help meet Hawaii's clean energy demands.

The intent of your Committee is to authorize the issuance of \$10,000,000 in special purpose revenue bonds to assist Sopogy, Inc. with the planning, design, construction, equipping, and operation of a solar farm power plant at the Natural Energy Laboratory of Hawaii or other suitable sites to produce electricity from solar power.

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. 597, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 597, 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 (Kokubun).

SCRep. 474 Economic Development and Taxation on S.B. No. 148

The purpose of this measure is to provide a mandatory tax credit to taxpayers pursuant to article VII, section 6 of the Constitution of the State of Hawaii.

Testimony in support of the concept of this measure was received from the Department of Taxation. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO submitted testimony in opposition.

Your Committee finds that the winter 2007 edition of "The People's Pulse" a quarterly public opinion newsletter sponsored by the Hawaii Business Roundtable and Pacific Resource Partnership reports that:

"...state residents consistently show a preference for investing the tax surplus rather than dispensing of the cash outright to tax-payers. Statistically more (65%) favor paying out part of the \$250 to \$300 cash rebate to taxpayers and investing the balance in a specific area that will benefit the public long term."

The newsletter goes on to note that this preference is consistent with past results, with over half the residents polled in winter 2006 favoring a split of the surplus between a tax credit and long term investment.

Your Committee believes that the opinions of Hawaii taxpayers should be considered in any decision on how to distribute the current surplus. Therefore, it is the intent of your Committee to continue discussion on how best to meet the constitutional mandate cited in this measure.

Your Committee received a revenue impact statement from the Department of Taxation that due to the unspecified amount of the credit in this measure, the revenue impact is indeterminate. However, if the tax credit is \$100 per qualified exemption and the bill takes effect on July 1, 2007, a projected revenue loss would be \$103,000,000 in fiscal year 2008. The Department was also asked to provide an estimate on the costs for postage and processing associated with distribution of a tax rebate, as opposed to a tax credit.

Your Committee has amended this measure by changing the applicability of the tax credit from taxable year 2006 to taxable year 2007.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 148, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 148, 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. 475 (Majority) Economic Development and Taxation on S.B. No. 1839

The purpose of this measure is to establish an Integrated Tax Services and Management Special Fund to receive revenues from the Integrated Tax Information Management Systems (ITIMS) post-implementation revenue-generating initiatives; provided that moneys in the fund will be used to pay for the Integrated Tax Information Management Systems.

Testimony in support of the intent of this measure was received from the Department of Taxation (Department). The Tax Foundation of Hawaii submitted comments.

Your Committee finds that Act 273, Session Laws of Hawaii 1996 (Act 273), authorized the Department to enter into a performance-based contract to acquire the ITIMS. A performance-based contract is one in which the State is liable to pay the vendor only if the promised "performance" is achieved, and in this case, the "performance" consisted of the State collecting more tax revenue than it would have collected if the vendor's services were not used.

As a result of Act 273, the Department saw an outstanding increase in the performance of Department responsibilities. The initial ITIMS initiatives were certified to have increased revenues by more than \$252,000,000 during the five-year project, a three hundred seventy-five per cent return on investment.

It is the intent of your Committee to support the continuation of ITIMS, particularly with respect to other tax collection efficiencies that can be achieved. Your Committee notes this second phase of ITIMS implementation will afford the Department of Taxation the ability to substantially upgrade its staffing capacity to provide increased customer service benefits.

Your Committee has amended this measure by:

- (1) Deleting the repeal of section 10, which refers to previous ITIMS legislation; and
- (2) Inserting an effective date of July 1, 2035, for the purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1839, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1839, 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, 1 (English).

SCRep. 476 Judiciary and Labor on S.B. No. 1380

The purpose of this measure is to provide an appropriate, cost-neutral adjustment of the base monthly contributions for retiree benefit plans, in the event the EUTF Board of Trustees adopts a revised rate structure for its retiree benefit plans.

Your Committee received testimony in support of this bill from the State Department of Budget and Finance and the Employers' Union Trust Fund (EUTF). This bill will allow EUTF to adjust the contribution caps to reflect the additional retiree benefit plan approved by the Board. This would benefit both employees and the employer.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1380 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 (Kokubun).

SCRep. 477 Judiciary and Labor on S.B. No. 609

The purpose of this measure is to create an advisory group to recommend to the legislature improvements to the administration of the employment and training fund and provide for transfer of reverted revenues to the employment and training fund.

Your Committee received testimony in support of this bill from the Workforce Development Council of the State Department of Labor and Industrial Relations. The Hawaii Business League opposed the bill.

The Workforce Development Council stated that "Between 2003 and 2005, several WDC members participated in a National Governors' Association project that focused on Hawaii's education and workforce development needs. One of its recommendations was that the state adopt a goal to 'Implement policies and practices designed to increase the number of incumbent workers involved in post-secondary education and training by developing support for companies who encourage such opportunities for their employees, including non-management workers.' . . . The result will be larger numbers of better-prepared workers available to support and maintain Hawaii's economy. It will also mean greater opportunity, higher pay, and an improved standard of living for Hawaii's people." This bill will help achieve this goal.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 609 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 (Kokubun).

SCRep. 478 Judiciary and Labor on S.B. No. 16

The purpose of this measure is to appropriate \$30,000 to the Department of Labor for a grant-in-aid to the Hawaii Institute for Public Affairs (HIPA) to implement the Hawaii Construction Workforce Action Plan and requires a dollar-for-dollar private sector match.

Your Committee received testimony in support of this bill from the University of Hawai'i System and the Workforce Development Council (Department of Labor and Industrial Relations). The State Department of Labor and Industrial Relations did not oppose the measure.

This measure will assist the Hawai'i Construction Workforce Plan which was created in 2004. An Action Plan was developed consisting of the following strategies:

1. Improve the readiness of persons interested in entering apprenticeship programs and increase the proportion of applicants who are accepted into apprenticeship programs;
2. Improve apprenticeship program retention and completion;
3. Increase the number of applicants applying to apprenticeship programs in general and to targeted trades through targeted marketing and outreach campaigns; and
4. Continue and expand efforts to develop, organize, coordinate, monitor, and report on workforce development initiatives outlined in this plan.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 16 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 (Inouye).

SCRep. 479 Judiciary and Labor on S.B. No. 1284

The purpose of this measure is to authorize the board of trustees of the employees' retirement system to set the salary scale assumptions based on recommendations from the actuary. Increase the employers' contributions to the employees' retirement system; bans benefit enhancements until the employees' retirement system becomes fully funded; and repeals the provision that allows the employer contribution rate to be reduced if the period required to amortize the unfunded actuarial liability falls below twenty-five years.

Your Committee received testimony in support of this bill from the State Department of Budget and Finance and the Employees' Retirement System. The Hawaii State Teachers Association supported the majority of the provisions in this bill that will allow the ERS to become fully funded except the provision that bans benefit enhancements until the ERS becomes fully funded.

This measure was amended by deleting the provision that "bans benefit enhancements until the ERS becomes fully funded." Your Committee believes that this decision is a legislative prerogative and as such should not be abrogated as a general matter. Therefore, the Legislature should not relinquish this responsibility to justify one issue while another may be left to flounder. Whether the Legislature uses this prerogative is a matter that should be left for the Legislature to decide on a case by case basis.

Your Committee also made one non-substantive technical change recommended by the Legislative Reference Bureau.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor 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 referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Kokubun).

SCRep. 480 Judiciary and Labor on S.B. No. 1106

The purpose of this measure is to appropriate moneys for the Hawaii state commission on the status of women for programming, travel, and office expenses.

Your Committee received testimony in support of this bill from the Commission on the Status of Women, Kokua Council, the Sex Abuse Treatment Center, and a private individual.

The Commission on the Status of Women explained that these funds were not included in the Executive budget but would provide funds to continue successful programs such as Women's Health Month which began in 1994, the Oral History Project, Women's History Month, Ready 2 Run to help women understand the political process. All of these programs are directed at helping women achieve economic self-sufficiency, the Commission's number one priority.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1106 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 (Inouye).

SCRep. 481 Judiciary and Labor on S.B. No. 1833

The purpose of this measure is to allow an employee to elect to use accrued paid leave, including vacation, personal, or family leave, for any part of the four-week period of family leave provided under the law.

Your Committee heard testimony in support of the bill from Hawaii Family Forum, the Roman Catholic Church in the State of Hawaii, HGEA, International Association of Aerospace Workers, ILWU, International Association of Machinist Union – Local Lodge 1979, and Hawaii State AFL-CIO. Those opposing the bill were the Chamber of Commerce of Hawaii and Retail Merchants of Hawaii. The Department of Labor and Industrial Relations did not oppose the bill at this time.

Hawaii has the highest longevity among all of the 50 States. Due to this distinction, employees with elderly family members are constantly called to provide emergency care for them as they age. This bill will allow employees to use their accrued paid leave to care for the elderly relatives in emergency situations. This will enable family caregivers to keep their elderly relatives at home and from seeking assistance from government programs and services. In the long run, we will all benefit from this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1833 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 (Inouye).

SCRep. 482 Judiciary and Labor on S.B. No. 1950

The purpose of this measure is to authorize the rehiring of retired state or county employees in critical-to-fill or labor shortage positions without affecting the receipt of retirement benefits and without accruing additional credit or benefits.

Your Committee heard testimony in support of this bill from the State Judiciary, Department of Human Resources Development, HGEA, County of Hawai'i, SHOPO, County of Hawai'i Police Department, County of Maui. The Superintendent of the Department of Education submitted supporting testimony with amendments to conform with Act 51, SLH 2004. The Employees Retirement System submitted comments and concerns.

The Judiciary echoed the problem that all public employers are facing now and in the future.

The Judiciary, like all other public employers, is charged with providing essential, uninterrupted services to the public. In order to effectively discharge our responsibility, we need a qualified and stable workforce to accomplish our mission. In the face of a robust economy which has brought unprecedented low unemployment, coupled with an aging workforce, we are in critical need of additional tools to manage our staffing and human resource requirements.

At the present time, 49 percent of the Judiciary's workforce will be eligible to retire within the next five to ten years. This is a staggering number when considering the challenges we will be facing to recruit and train qualified replacements.

Your Committee has recognized the changing times and has amended this bill as a preventive measure rather than to wait until the situation is at its worse. We agree with the HGEA where "the future of civil service depends upon active recruitment of those applicants with the skills, abilities and commitment to a government career . . . current employees who should be considered for promotional opportunities under the civil service merit system. Reliance upon retirees will not encourage the recruitment and promotion of these career employees."

Finally, the Employees Retirement System's actuary recommended requiring the employer to make retirement contributions on all positions filled by retirants. This will help reduce the ERS' \$5.1 billion unfunded liability and eliminate any adverse actuarial impact. This may also encourage the employer to continue their efforts to recruit new employees. Comments were also included to avoid any conflict with other existing statutes.

In consideration of the foregoing, your Committee has amended the bill with the following:

1. Enlarged the vacant position pool by deleting references to "critical-to-fill or labor shortage occupations";
2. Added a provision to require the employer to continue to make retirement contributions for all positions filled by retirants;
3. Cited appropriate statutes to avoid any conflict with the statutory provision of this Act;
4. Require a retirant to have been retired for at least five consecutive years from the retirant's date of retirement before as a condition for re-employment;
5. Added "medical retirement benefits" that shall continue without penalty to the retirant;
6. Require a retirant filling an included position to join the appropriate collective bargaining unit representing that position;
7. Created two new definitions for "Jurisdiction" and "Executive State Branch" to clarify the Act;
8. Requires annual reporting by jurisdictions that fill positions pursuant to this Act to the Legislature twenty days prior to its convening to include the number of positions filled, the job title, salary and length of time that the retirant was hired and other pertinent information; and
9. Provided a sunset provision of five years.

Your Committee has also made non-substantive technical changes as recommended by the Legislative Reference Bureau.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1950, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1950, 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 (Kokubun).

SCRep. 483 Judiciary and Labor on S.B. No. 1608

The purpose of this measure is to authorize the respective houses of the legislature to adjust employee benefits and privileges by rule of the respective houses.

Your Committee received no testimony for this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1608 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 (Inouye).

SCRep. 484 Health on S.B. No. 1406

The purpose of this measure is to ensure that all individuals, particularly self-employed individuals and part-time employees, have access to affordable health insurance.

This measure attempts to accomplish this goal by amending the State's Insurance Code to include within the definition of "employee" individuals who work full-time, part-time, and who are self-employed. Further, it clarifies that a self-employed individual is a person operating their own business, as a sole proprietorship or in any other legally recognized manner, and who has a general excise tax license for that business.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and the Hawaii Association of Realtors. The Chamber of Commerce of Hawaii submitted testimony supporting the intent of this measure with comments. Hawaii Medical Service Association and Kaiser Permanente submitted comments on this measure.

Your Committee finds that most health insurers do not provide a group health policy to sole proprietors unless they have become incorporated. The existing insurance statute does not clearly include the self-employed, such as sole proprietors, in the definition of "small business". Thus, many sole proprietors are without health insurance despite the fact that they are businesses just as any other business.

Your Committee has amended this measure by:

- (1) Reinstating the definition of employee to mean only those who work on a full-time basis with a normal work week of twenty hours or more;
- (2) Defining "qualifying event" as the date of issuance of a general excise tax license, the loss of a job, a reduction in hours of work, or the exhaustion of COBRA continuation coverage that results in a loss of health care coverage;
- (3) Adding an implementation date of September 1, 2007, by which issuers shall offer small group health plans to self-employed individuals;
- (4) Providing an option to group health issuers to limit periods of enrollment for self-employed individuals to a minimum of thirty calendar days; and that:
 - (A) Self-employed individuals who experience a qualifying event must enroll with a group health issuer within thirty days of the occurrence of the qualifying event; and
 - (B) Group health issuers shall be allowed to impose a one year waiting period against self-employed individuals who terminate coverage for any reason. In the event a self-employed individual terminates coverage and a one year waiting period is imposed against the individual, a group health issuer may not re-enroll the individual until the period of enrollment following the one year waiting period;
- (5) Changing the effective date to encourage further discussion and work on this measure; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity, consistency, 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. 1406, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1406, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 485 Health on S.B. No. 1407

The purpose of this measure is to impose regulatory oversight over prescription drug plans that are authorized to sell prescription drug benefits by the Centers for Medicare and Medicaid Services pursuant to Medicare Part D.

Your Committee received testimony in support of this measure from the State Insurance Commissioner and Hawaii Medical Service Association.

This measure provides for a process for licensing, establishes minimum solvency and financial reporting requirements, and allows the Insurance Commissioner to take control of an impaired plan. These are basic elements of insurance regulation to protect the public.

Your Committee finds that certain prescription drug plans are selling drugs in Hawaii pursuant to the Medicare Modernization Act, which established the drug benefit of Medicare Part D. Some companies selling drugs as prescription drug plans have a certificate of authority as a mutual benefit society, a health maintenance organization, or a for-profit insurer. However, other companies are operating solely as stand alone prescription drug plans under a limited authorization from the federal government. Under the Centers for Medicare and Medicaid requirements, these plans have a window of three years to become authorized under state law and must be licensed by December 31, 2009, unless the State chooses not to have a licensing process for prescription drug plans. In order to provide this process for authorization and to bring these entities under regulatory oversight, enabling legislation is required to license stand-alone prescription drug plans.

Your Committee has amended this measure 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1407, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1407, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 486 Health on S.B. No. 1643

The purpose of this measure is to require the Board of Dental Examiners to adopt rules to establish a process for licensure based upon credentials.

Testimony in support of this measure was received from two individuals. Your Committee received testimony in opposition to this measure from the Board of Dental Examiners and one individual.

Your Committee finds that this measure would amend chapter 448, Hawaii Revised Statutes, to allow the Board of Dental Examiners to establish a procedure for licensure based upon credentials. Your Committee notes that Hawaii is one of only three other states in the United States that does not currently allow for licensure by credentials.

Your Committee has amended the effective date of this measure for the purposes of promoting further discussion.

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. 1643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1643, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 487 Health on S.B. No. 12

The purpose of this measure is to protect Hawaii consumers against predatory and discriminatory pricing of health insurance premiums.

The measure accomplishes this purpose by re-establishing the health insurance rate regulation program by requiring oversight by the Insurance Commissioner to ensure fair and reasonable health insurance premiums.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Summerlin Life and Health Insurance Company, Hawaii State Teachers Association, Retail Merchants of Hawaii, the Kokua Council, and the Hawaii Coalition for Health. Your Committee received testimony in opposition to this measure from Hawaii Medical Service Association and Kaiser Permanente.

Your Committee finds that health insurance premiums continue to increase, making health insurance progressively more unaffordable, particularly for individuals and small businesses. Your Committee further finds that as of June 30, 2006, the Insurance Commissioner no longer had oversight over health insurance rules due to the sunset of Act 74, Session Laws of Hawaii 2002. As a result, the health insurance market may lapse into a period of very limited competition, which allows for excessive insurance premiums.

Your Committee further finds that reinstating health insurance rate regulation would encourage more health insurance carriers to enter the Hawaii market and enable them to compete, offering more choices for the residents of Hawaii. Most importantly, it would protect consumers against unfair business practices, such as predatory and discriminatory health insurance premiums.

Your Committee further finds that this measure will enable the Commissioner to be proactive in preventing insurer insolvencies by setting premiums at levels that will completely cover costs of health care, plus a reasonable rate of return, to ensure that insurance carriers will be able to pay claims when they come due.

Your Committee amended this measure by:

- (1) Clarifying that rates shall be reasonable in relation to the costs of the benefits provided;
- (2) Removing the language referencing the Commissioner's discretionary authority to keep filings confidential and adding a requirement that rates shall be open to public inspection upon filing with the Commissioner; provided that supporting and supplementary rating information filed with the Commissioner shall be treated as confidential, proprietary information and shall not be subject to public inspection;
- (3) Including a requirement that rates shall be established in accordance with actuarial principles, based on reasonable assumptions, and supported by adequate supporting and supplementary rating information;
- (4) Deleting the requirement that managed care plans shall provide the Commissioner with the information necessary for the calculation of investment income and accuracy of loss reserves;
- (5) Deleting the language that required all managed care plans to file initial rates within thirty days of the effective date of this measure;
- (6) Deleting the section regarding reserves that required managed care plans to return moneys in excess of fifty per cent of its annual net worth to enrollees or to apply excess to stabilize or reduce rates;
- (7) Deleting the provisions relating to third party administrator services, prepaid dental insurance offered by managed care plans, prepaid vision insurance offered by managed care plans, and disability insurers licensed under chapter 431;
- (8) Including a provision that for managed care plans with rates based totally or in part on the individual group's claims experience, insurers shall submit for Commissioner's approval descriptions of the methodology to be used in creating rates and every modification thereof that it proposes to use and that complete supporting and supplementary rating information for rates shall be maintained and made available to the Commissioner upon request;
- (9) Including provisions for interim rates that require the Commissioner, within ten days of disapproval, to specify interim rates sufficient to protect the interests of the managed care plan and its enrollees, ensure the solvency of the managed care plan, maintain the plan's health care delivery, and prevent any impairment of enrollees' health care benefits; provided that the interim rate shall be no less than the median between the existing rate and the disapproved rate;
- (10) Establishing that, when a new rate becomes legally effective and the new rate is higher than the interim rate, the Commissioner shall allow the managed care plan to exact a surcharge on premiums retroactive to the time when the interim rate was first imposed. If the new rate is lower than the interim rate, the Commissioner may order that the difference be applied to stabilize future rates or be refunded to current enrollees of the managed care plan; and
- (11) Changing the effective date to encourage further discussion.

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. 12, as amended herein, and recommends 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 Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 5. Ayes with Reservations, 1 (Menor). Noes, none. Excused, none.

SCRep. 488 Health on S.B. No. 1421

The purpose of this measure is to clarify the regulatory law regarding osteopathy.

Specifically, this measure, among other things, would:

- (1) Allow the Board of Medical Examiners (BME) to issue an educational teaching license to an osteopathic physician who is not licensed in this State and who is invited by the chief of service of a clinical department of a hospital to provide and promote professional education;
- (2) Allow the BME to issue a limited or temporary license to an osteopathic physician to maintain patient services for the purpose of substituting for another licensed osteopath in this State who is participating in specialized training at an out-of-state fully accredited medical teaching institution;
- (3) Require every osteopathy physician attending or treating certain wounds caused by violence or sustained in a suspicious or unusual manner or in certain motor vehicle collisions, or whenever the case is treated in a hospital, clinic, or other institution the manager, superintendent, or person in charge, to report to the county chief of police certain information about the person sustaining the injury and the nature of the injury;
- (4) Allow a pathologist or any licensed osteopathic physician to conduct a postmortem examination upon written consent of specified persons who have custody of the body for purposes of burial;
- (5) Allow abortions to be performed by licensed osteopathic physicians in a licensed hospital; and
- (6) Make other clarifying amendments to the regulated profession of osteopathy.

Your Committee received testimony in support of this measure from the Board of Medical Examiners and the Hawaii Medical Association.

Your Committee finds that the regulatory laws of osteopathy should be very similar to the regulatory laws of physicians and surgeons, inasmuch as both professions are alike in the scope of practice. This measure accomplishes that parallelism.

Your Committee has amended this measure 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 Health 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 Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 489 Health on S.B. No. 1171

The purpose of this measure is to make it easier for minors without support to obtain medical care.

Specifically, this measure allows a minor who is at least fourteen years old and not under the care, supervision, or control of a parent, custodian, or legal guardian, to consent to primary medical care and services.

Testimony in support of this measure was submitted by Community Clinic of Maui, Hale Kipa, Hawaii Medical Association, Hawai'i Primary Care Association, Hawaii Youth Services Network, Kaiser Permanente Hawaii, The Queen's Medical Center, Volunteer Legal Services Hawai'i, Waikiki Health Center, and six individuals. The Hawaii Medical Service Association submitted comments.

Your Committee finds this measure will allow the approximately 1,000 youth living on their own to obtain needed medical care for acute illness or injury. This group of minors is very vulnerable and many of them are homeless, running away from abusive situations or drug addicted parents. Under existing law, these youths are unable to obtain medical care because physicians and clinics require parental consent for the treatment of minors because of concerns about liability.

Your Committee finds that the measure provides clear definitions and a clear explanation of the scope and nature of medical care to which the minor can consent to and under what circumstances.

Your Committee notes that the subject of physician liability in situations where a minor misrepresents that the minor is living on their own was raised in testimony at the hearing. Your Committee suggests that the Committee on Judiciary and Labor may want to explore that issue further.

Your Committee amended this measure to provide for a process for handling the minor's information when submitting claims for treatment to a health care plan. Technical nonsubstantive changes were also made for the purposes of 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. 1171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1171, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 490 Health on S.B. No. 813

The purpose of this measure is to encourage open communication between physicians and patients to improve patient safety and protect health care providers in medical malpractice actions.

The measure attempts to accomplish this goal by adding a new rule to the Hawaii Rules of Evidence that makes expressions of sympathy or benevolence by a health care provider inadmissible as evidence of an admission of liability in a civil court proceeding.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Healthcare Association of Hawaii, The Queen's Medical Center, Kaiser Permanente, Hawaii Association of Health Plans, Consumer Lawyers of Hawaii, the Medical Insurance Exchange of California, Hawaii Medical Association, and seven individuals. The Department of Commerce and Consumer Affairs submitted testimony supporting the intent of this measure. The Judiciary of the State of Hawaii submitted comments on this measure.

Your Committee finds that it is imperative that the health care system in Hawaii be built on trust. Physicians and patients need to be able to communicate openly with each other without the fear of legal proceedings. Your Committee finds that this measure would encourage health care providers to express sympathy and engage in humane conduct at a time when the patient or the patient's family most need emotional support, without fear that such benevolent conduct will be used against them as an admission of liability.

Your Committee notes that the Judiciary raised concerns that a general apology bill that governed apologies and benevolent gestures by "individuals, corporations, or government entities" would be more inclusive and would cover "health care providers" as stated in this measure. In addition the Judiciary's testimony suggested that the common expressions of condolence: "I apologize" and "I am sorry" need to be classified in the law.

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. 813 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 491 Health on S.B. No. 1326

The purpose of this measure is to add law enforcement officers to the list of persons who are considered to have a direct and tangible interest in public health statistic records so that they may more efficiently conduct criminal investigations.

Your Committee received testimony in support of this measure from the Department of the Attorney General, the Department of Public Safety, the Honolulu Police Department, and the Hawai'i Police Department.

Your Committee finds that permitting law enforcement officers to have access to public health statistic records in certain situations would allow for more timely criminal investigations, while protecting the privacy of those records. In addition, your Committee notes that allowing law enforcement officers to have access to these records may assist with the back log of arrest warrants.

Your Committee has amended this measure, upon the recommendation of the Department of the Attorney General, to add language to specify that law enforcement officers will not be required to pay fees when requesting certified copies of vital statistic records. Your Committee has also amended this measure to 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 Health 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 referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 492 Health on S.B. No. 1487

The purpose of this measure is to amend Hawaii's controlled substance schedules to conform to changes made in federal law.

Specifically, this measure clarifies the definition of schedule II depressants and adds pregabalin as a schedule V depressant.

Your Committee received testimony in support of this measure from the Department of Public Safety.

Your Committee finds that the Hawaii controlled substances schedule II and schedule V need to be updated to conform to federal laws. Your Committee further finds that the Federal Combat Methamphetamine Epidemic Act of 2005 did not exempt liquid and gel capsule forms of pseudoephedrine products from the reporting and recording requirements.

Accordingly, your Committee amended this measure by removing the exemption of pseudoephedrine products in liquid, liquid capsule, or gel capsule form from the reporting and record keeping requirement.

Your Committee further amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, 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. 1487, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1487, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 493 Health on S.B. No. 1802

The purpose of this measure is to provide an exception to the confidentiality of mental health records and to allow disclosure if it is made by the patient's healthcare provider to another healthcare provider for the purpose of continued treatment or care.

Testimony in support of this measure was submitted by Kaiser Permanente Hawaii, the Health Information Management Association of Hawaii, Hawaii Pacific Health, The Queen's Medical Center, the Hawai'i Primary Care Association, and one individual. The Hawaii Association of Health Plans submitted comments on this measure.

Your Committee finds that the existing law does not permit the disclosure of information for the continued care of a patient being treated for a mental illness unless the patient consents to the disclosure. Often times, this can have negative consequences for the patient because doctors do not have all the information they need to continue the patient's treatment. This measure will provide an exception to the consent requirements if the disclosure is made from one healthcare provider to another for the continued treatment or care of the patient.

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. 1802 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 494 Health on S.B. No. 1329

The purpose of this measure is to clarify that the deadline for the Attorney General to review and either approve or disapprove an application for the acquisition of a hospital is ninety days after the submission of a complete application.

Your Committee received testimony in support of this measure from the Attorney General.

Your Committee finds that section 323D-75(c), Hawaii Revised Statutes, currently requires that the Attorney General to decide to either approve or disapprove an application for the acquisition of a hospital within ninety days of receiving the application. If the Attorney General does not decide within ninety days, the application is deemed approved. This creates a problem when the Attorney General receives an incomplete application. This measure will clarify that the Attorney General has ninety days to decide whether to approve or disapprove an application after receiving a complete application.

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. 1329 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 495 Health on S.B. No. 1346

The purpose of this measure is to restore the statutory provision allowing pre-sentence mental or medical examinations of defendants for the purposes of sentencing.

Your Committee received testimony in support of this measure from the Department of the Attorney General and the Department of the Prosecuting Attorney for the City and County of Honolulu.

Your Committee finds that the intent of this measure is to restore language that was previously codified in section 706-603, Hawaii Revised Statutes, authorizing a court to order pre-sentence mental or medical examinations of defendants. This authorization was inadvertently repealed by Act 112, Session Laws of Hawaii 2005, and should be restored.

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. 1346 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 496 (Joint) Health and Education on S.B. No. 1437

The purpose of this measure is to alleviate the nursing shortage.

Specifically, this measure would:

- (1) Establish a Geriatric Nursing Institute at the University of Hawaii at Manoa School of Nursing and Dental Hygiene;
- (2) Establish a University of Hawaii statewide nursing consortium to implement and evaluate a program to support educational mobility between the community colleges and four-year degree university programs; and
- (3) Increase the undergraduate faculty and academic support capacity at the University of Hawaii Manoa School of Nursing and Dental Hygiene to increase the number of nursing graduates.

Your Committees received testimony in support of this measure from the Governor's Office, Department of Health, University of Hawaii System, Hawaii State Center for Nursing, Healthcare Association of Hawaii, The Queen's Medical Center, Hawaii Medical Service Association, Hawaii Pacific Health, Leahi Hospital, and eleven individuals.

Your Committees find that Hawaii's nurses are the primary providers of hospital patient care and deliver much of the State's long term and community-based care. An investment in nursing is an investment in the health and well-being of the State.

Health statistics indicate that older adults consume the majority of health care services, comprising fifty-seven to sixty-three per cent of the physician visits, fifty per cent of hospital expenditures, eighty per cent of home health care visits, and ninety per cent of long term care. Ironically, many of the aging baby boomers are nurses, and it is projected that by 2020, sixty-one per cent of Hawaii's nursing workforce will have retired.

Your Committees have amended this measure by deleting the specific amounts appropriated, but urge the Committee on Ways and Means to restore the original appropriated amounts for each fiscal year of \$675,000 to establish a University of Hawaii Statewide Nursing Consortium; \$275,000 to establish a nursing workforce development initiative; and \$550,000 to increase the number of nursing graduates by twenty-five. Technical, nonsubstantive amendments were made for purposes of clarity, style, and to conform to preferred drafting conventions.

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. 1437, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1437, 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 (Hee, Nishihara, Taniguchi).

SCRep. 497 (Joint/Majority) Health and Tourism and Government Operations on S.B. No. 1253

The purpose of this measure is to provide quality health care in the State's community hospital system by enabling Hawaii Health Systems Corporation to operate efficiently and autonomously.

The measure attempts to accomplish this purpose by exempting Hawaii Health Systems Corporation from the Procurement Code.

Your Committees received testimony in support of this measure from Hawaii Health Systems Corporation and one individual. Your Committees received testimony in opposition to this measure from the Department of Accounting and General Services, the State Procurement

Office, the Coalition of Hawaii Engineering and Architectural Professionals, Diagnostic Laboratory Services, Inc., and the American Institute of Architects.

Your Committees find that the Hawaii Health Systems Corporation public health facilities provide essential safety-net hospital and long term care services throughout the State and are often the only hospitals in many rural communities. Conflicts between the current required Procurement Code process and federal laws and regulations hinder the ability of Hawaii Health Systems Corporation to receive the full benefits of federal healthcare reimbursements. Your Committees further find that Hawaii Health Systems Corporation must have the authority to operate with appropriate flexibility and autonomy in order to remain viable and respond to the needs of the specific communities served.

As affirmed by the records of votes of the members of your Committees on Health and Tourism and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1253 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. Ayes with Reservations, 1 (Kim). Noes, 1 (Trimble). Excused, none.

SCRep. 498 Health on S.B. No. 900

The purpose of this measure is to expand mental health services available in Hawaii.

Specifically, this measure establishes a psychiatric health services pilot project to enable psychiatrists to collaborate with primary care physicians at federally qualified health centers to provide patients with needed psychiatric health care. The pilot project is to provide up to four psychiatric residents for Oahu and one psychiatrist in each of the following areas: East Hawaii, West Hawaii, Maui County, Kauai, and Oahu. This measure makes an appropriation of an unspecified amount for the 2007-2008 fiscal year.

Testimony in support of this measure was submitted by the Counseling Center at the University of Hawaii, Hilo; Hamakua Health Center; Hawaii Disability Rights Center; Hawai'i Primary Care Association; Hawaii Psychiatric Medical Association; National Alliance on Mental Illness-O'ahu; and five individuals. The Department of Health and the Department of Human Services submitted testimony supporting the intent of this measure. The Waianae Coast Comprehensive Health Center submitted testimony in opposition.

Your Committee finds that mental health is an essential component of the overall health and well-being of every resident of the State. Your Committee notes there is a shortage of mental health specialists available, especially in rural communities and neighbor islands. The result is that many people do not get treatment or do not stick with their treatment. Another consequence is that primary health care providers are forced to deal with issues that require the help of a specialty in psychiatry.

Your Committee suggests that the appropriation for the fiscal year be in the amount of \$200,000, and used to fund one position for East Hawaii and another position for West Hawaii. Your Committee recommends to your Committee on Ways and Means an appropriation of \$500,000, for the 2008-2009 fiscal year to continue the two positions on the island of Hawaii and one additional position in each of the following areas: Maui, Kauai, and Oahu.

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. 900 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. 499 Health on S.B. No. 1050

The purpose of this measure is to ensure the continued viability of Hana Health.

Specifically, this measure appropriates \$2,200,000 for fiscal year 2007-2008, and \$2,200,000 for fiscal year 2008-2009, for operational expenses and commercial kitchen equipment and installation costs at Hana Health.

Your Committee received testimony in support of this measure from Hana Health, Hawaii Primary Care Association, and one hundred two individuals.

Your Committee finds that Hana Health is a vital part of the Moku of Hana. It has provided culturally sensitive health care, social services, employment training, and economic development projects to the community, which has been federally designated as a medically-underserved population. Sixty-two per cent of Hana's residents are Native Hawaiian and many other residents are underserved due to financial, cultural, and geographic barriers. Your Committee further finds that providing financial support to Hana Health is necessary to ensure quality health, social, and economic conditions of this fragile 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. 1050 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 (Menor).

SCRep. 500 Health on S.B. No. 1038

The purpose of this measure is to ensure continuing health care services for the people of Moloka'i.

Specifically, this measure appropriates \$2,000,000, in each year of the 2007-2009 fiscal biennium for the operating expenses of Moloka'i General Hospital.

Testimony in support of this measure was submitted by a member of the Maui County Council, Hawai'i Primary Care Association, Healthcare Association of Hawaii, and Moloka'i General Hospital.

Your Committee finds that Moloka'i General Hospital, the only hospital on the island of Moloka'i, is a critical resource to approximately 7,500 residents of that island as well as visiting tourists. It is the only twenty-four-hour medical emergency facility on the island that provides essential health care services meeting a wide variety of patients' needs.

Your Committee further finds that medical costs are increasing while hospitals are experiencing reductions in health care payments from both government programs, such as Medicaid and Medicare, and health care insurance plans. This financial strain is most felt in rural communities

where patient volume and revenues do not necessarily meet the financial needs of the facility so that it may maintain the broad array of services and retain community health and hospital accreditation. Therefore, your Committee finds the appropriation made by this measure is an important and valid use of State resources.

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. 1038 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 (Menor).

SCRep. 501 Health on S.B. No. 1817

The purpose of this measure is to make various appropriations for the provision of palliative care.

Specifically, the measure appropriates:

- (1) \$60,000 for each year of the 2007-2009 fiscal biennium to integrate palliative care into long-term care settings;
- (2) \$75,000 for fiscal year 2007-2008, and \$50,000 for fiscal year 2008-2009, to implement statewide physician orders for life-sustaining treatment;
- (3) \$75,000 in fiscal year 2007-2008, and \$50,000 in fiscal year 2008-2009, to implement a hospice and palliative care resource center demonstration project; and
- (4) \$15,000 for fiscal year 2007-2008 to implement a statewide assessment of benchmark indicators to follow up on surveys dealing with end of life issues and indicators.

Your Committee received testimony in support of this measure from Healthcare Association of Hawaii; Hawaii Medical Service Association; Hawaii Long Term Care Association; Hawaii Family Forum; Roman Catholic Church in the State of Hawaii; Hawaiian Islands Hospice Organization; Hospice Hawaii; Policy Advisory Board for Elder Affairs; Kōkua Mau; and five individuals.

Your Committee finds that skilled and empathetic palliative and end-of-life care are essential components of quality long-term care. This measure would be of immeasurable value to providers of palliative care and those to whom they minister. Partnering to optimize palliative care competency in long-term care settings and having available a hospice and palliative care resource center, augment the concept of “quality of care, quality of life.”

Hawaii citizens have the longest life expectancy in the nation, and the fastest growing population of elders. The rapidly aging community forces the State to confront and address the challenge of providing the best end-of-life care to elders.

Your Committee has amended this measure by deleting the amount appropriated, but recommends to the Committee on Ways and Means that the original amounts be appropriated.

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. 1817, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1817, 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. 502 Health on S.B. No. 1258

The purpose of this measure is to increase access to health care and improve the detection, prevention, treatment, and education of chronic kidney disease.

This measure accomplishes this goal by appropriating funds to support the modified home care and community health demonstration project for chronic kidney disease patients.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, the National Kidney Foundation, and St. Francis Healthcare System of Hawaii. The Department of Health submitted comments on the measure.

Your Committee finds that there is an increasing need for kidney dialysis services, especially on the neighbor islands and rural areas of the State. Your Committee further finds that establishing full-scale dialysis facilities within each of the communities is not cost-effective. The demonstration project to be supported by this measure will implement a modified home care and community health approach; whereby patients can place their personal dialysis machines in a common facility. Initially, two facilities will be operated, one in Kahuku on Oahu and the other in Hana on Maui. Additionally, patients living in remote areas who have available space in their homes for hemodialysis will have the opportunity to have a trained caregiver work with them.

Your Committee further finds that a recommended appropriation in the amount of \$1.9 million will support both the Kahuku facility and the Hana facility, provided that the Office of Hawaiian Affairs matches the appropriation for a total funding amount of \$3.8 million.

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. 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, 5. Noes, none. Excused, none.

SCRep. 503 Health on S.B. No. 753

The purpose of this measure is to develop a health plan that provides health insurance coverage to all residents of Hawaii.

This measure attempts to accomplish this goal by establishing the Hawaii Health Authority to be responsible for overall health planning for the State and for determining future capacity needs of health providers, facilities, equipment, and support services providers.

Your Committee received testimony in support of this measure from the National Association of Social Workers Hawaii Chapter, the Hawaii Government Employees Association, and four individuals. Your Committee received testimony in opposition to this measure from the

Department of Commerce and Consumer Affairs, the Department of Budget and Finance, Hawaii Medical Association, Healthcare Association of Hawaii, and State Farm Mutual Automobile Insurance Company.

Your Committee finds that nearly ten per cent of Hawaii's population is without health insurance. Your Committee further finds that a single-payer or universal health care system will be a cost-effective method of delivering quality health care to all residents of Hawaii.

However, your Committee finds that in order for this system to be effective and therefore successful, it needs to be comprehensively developed.

Accordingly, you Committee amended this measure by removing the establishment of the Hawaii Health Authority because its functions are duplicative of the State Health Planning and Development Agency.

Your Committee further amended this measure by making an appropriation for the continuation of the Hawaii health care task force created by Act 223, Session Laws of Hawaii 2005, regarding the single-payer health care concept, for an additional two years. The appropriations are to be expended by the Insurance Division of the Department of Commerce and Consumer Affairs.

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. 753, as amended herein, and recommends 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 Chair on behalf of the Committee. Ayes, 5. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, none.

SCRep. 504 Health on S.B. No. 1855

The purpose of this measure is to make an appropriation for the Organ Donor Center of Hawaii to increase the number of individuals consenting to organ and tissue donation by expanding and promoting public education and awareness programs on organ, tissue, and eye donations, including the minority organ tissue transplant education program.

Your Committee received testimony in support of this measure from the National Kidney Foundation of Hawaii; Surgical Associates, Inc.; Filipino Nurses' Organization of Hawaii; Philippine Nurses Association-Hawaii; San Manuel Pangasinan Association of Hawaii; Nursing Advocates & Mentors, Inc.; Chinese General Hospital Nursing Alumni Association International; Congress of Visayan Organizations; Hawaii Living Donor Council; Asian American Network for Cancer Awareness Research and Training; Oahu Filipino Community Council; and Minority Organ Tissue Transplant Education Program. Comments were received from the Department of Health.

Your Committee finds that there is a critical shortage of organ and tissue donors in the State. Many patients are on waiting lists for kidney, liver, heart, lung, and other organ and tissue transplants. The number of people requiring a life-saving transplant continues to rise faster than the number of available donors, especially among minority ethnic groups. As of January 5, 2007, there were more than ninety-four thousand patients awaiting transplants on the national waiting list. Every thirteen minutes, a new name is added to the waiting list and every day, an average of seventeen patients die while waiting.

In Hawaii, there are three hundred seventy eight patients waiting and for the past five years, an average of nineteen patients have died while waiting for a second chance at life. For various reasons, minority ethnic groups appear to be at increased risk of suffering illnesses such as diabetes and high blood pressure that can lead to organ failure, resulting in the need for organ transplants. The success rate of organ transplants is often improved when the donor and the recipient are of the same ethnic or racial group. Therefore, a shortage of organ donors among certain minority ethnic groups may disproportionately impact patients belonging to that minority ethnic group.

Your Committee has amended this measure by deleting the amount appropriated to ensure further discussion, but your Committee recommends to the Committee on Ways and Means that the original funding in this measure of \$175,000 be restored. Technical, nonsubstantive amendments for purposes of clarity and style were also made.

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. 1855, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1855, 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. 505 Health on S.B. No. 1454

The purpose of this measure is to rename the Hospital and Medical Facilities Special Fund to the Office of Health Care Assurances Special Fund (Fund) to reflect the current name of the Office of Health Care Assurances (OHCA).

In addition, this measure requires that all moneys collected by the OHCA in the form of fees and fines be deposited into the Fund and allows the moneys deposited to be used to offset the OHCA's operational expenses.

Testimony in support of this measure was submitted by the Department of Health.

Your Committee finds that there is a need to re-name the Hospital and Medical Facilities Special Fund to reflect the change in the office's name to the Office of Health Care Assurance in 1998. Your Committee further finds that allowing fees and fines to be deposited into the fund and allowing the moneys to be used for OHCA's operational expenses will allow the OHCA to continue to carry out its functions by offsetting operational costs, in lieu of annual general fund budget requests.

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. 1454 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. 506 Health on S.B. No. 1747

The purpose of this measure is to appropriate funds, in addition to the \$1,200,000 submitted in the Department of Health's 2007-2009 fiscal biennium budget request, to continue the maintenance and operation of developmental disabilities domiciliary homes and developmental disabilities apartment complexes.

Your Committee received testimony in support of this measure from the Department of Health (DOH); State Council on Developmental Disabilities; The Arc in Hawaii; Opportunities for the Retarded, Inc.; and the Arc of Kona.

Your Committee finds that providers of developmental disabilities residential services perform a vital service to the State by providing important residential services to persons with developmental disabilities or mental retardation. Section 321-15.9, Hawaii Revised Statutes, authorizes the DOH to make additional payments for residential services to the providers of developmental disabilities domiciliary homes and payments to the operators of developmental disabilities apartment complexes.

The intent of this measure is to make up for funding shortfalls in 2005 and 2006. According to the testimony, there have been closures of developmental disability domiciliary homes in the past several years due to operational funding deficits. Without additional funding, the prospect looms real for other closures, leaving the State with the prospect of diminished residential alternatives.

Your Committee has amended this measure by deleting the specific amount appropriated, but recommends to the Committee on Ways and Means that the funding for the program contained in the measure be \$600,000 in each of the next two fiscal years.

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. 1747, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1747, 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. 507 (Majority) Health on S.B. No. 1804

The purpose of this measure is to provide quality health care to trauma patients by ensuring the viability of trauma centers in the State.

The measure accomplishes this purpose by:

- (1) Establishing surcharges for traffic violations, use of intoxicants while operating a vehicle, crimes of violence, and offenses related to drugs and intoxicating compounds;
- (2) Establishing surcharges for violations that result in accidents involving death or any degree of bodily injury;
- (3) Clarifying that the Trauma System Special Fund established under section 321-22.5, Hawaii Revised Statutes, consists of, among other things, trauma system surcharges, and cigarette tax revenues;
- (4) Providing the methodology used in calculating costs incurred by hospitals providing care to trauma patients takes into account:
 - (A) Physician on-call coverage that is demonstrated to be essential for trauma services within the hospital;
 - (B) Equipment that is demonstrated to be essential for trauma services within the hospital; and
 - (C) The creation of overflow or surge capacity to allow a trauma center to respond to mass casualties resulting from an act of terrorism or natural disaster;
- (5) Defining "trauma center"; and
- (6) Making appropriations to and out of the Trauma System Special Fund.

Your Committee received testimony in support of this measure from Healthcare Association of Hawaii, Kaiser Permanente, The Queen's Medical Center, and Hawaii Pacific Health. The Judiciary of the State of Hawaii, the Department of Health, and the Department of Budget and Finance submitted comments on this measure.

Your Committee finds that trauma is one of the most serious public health problems we face. Trauma is the leading cause of death of people between the ages of one and forty-four years. A comprehensive statewide trauma system built on public health principles can reduce death and disability from injuries. Therefore, your Committee finds that providing alternative funding mechanisms that will increase the trauma system special fund is necessary to ensure the viability of the State's trauma system.

Your Committee amended this measure by enabling the Department of Health to use the American College of Surgeons recommendations for guidelines in determining the levels of the trauma centers; provided that a yearly on-site verification visit is conducted by the department and for level I or level II trauma centers, an on-site verification by the American College of Surgeons every three years.

Your Committee adopted the recommendations of the Judiciary and amended this measure by implementing the surcharges as of January 1, 2008.

Your Committee further amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, 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. 1804, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1804, 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, none.

SCRep. 508 Health on S.B. No. 1108

The purpose of this measure is to appropriate funds to the Department of Health and the Women's Caucus of the Legislature to conduct a comprehensive educational media and speaking campaign about the causes and prevention of cervical cancer in the State.

Your Committee received testimony in support of this measure from the Department of Health and the American Cancer Society Hawai'i Pacific, Inc.

Your Committee finds that cervical cancer is the second most common cancer among women and it is fully preventable, if pre-cancerous cell changes are detected and treated early enough. Your Committee further finds that education about cervical cancer can be a significant factor in

helping with the early detection of this illness. This measure will allow the Department of Health and the Women's Caucus of the Legislature to disseminate information about the causes and methods of prevention.

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. 1108 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. 509 Health on S.B. No. 1728

The purpose of this measure is to provide funding for a two-year demonstration project at the Waikiki Health Center and the West Hawaii Community Health Center, that includes hepatitis C testing, case management, and treatment.

Your Committee received testimony in support of this measure from the Drug Policy Action Group; Philippine Nurses Association-Hawaii; United Filipino Council of Hawaii; Nursing, Advocates & Mentors, Inc.; Filipino Coalition for Solidarity; Oahu Filipino Community Council; Asian American Network for Cancer Awareness Research and Training; Waikiki Health Center; Hepatitis Prevention, Education, Treatment & Support Network of Hawaii; Hawaii Disability Rights Center; and seven individuals. Comments were received from the Department of Health.

Your Committee finds that Hawaii has the highest rate of liver cancer in the United States due to the high rate of chronic viral hepatitis in our State. There are over fifteen thousand people that have tested positive for hepatitis C in Hawaii. Hepatitis C is also the leading cause of liver transplant in the United States. Many people who are infected with this silent epidemic wait until they feel ill before being tested, when it can be more difficult, extremely expensive, or may even be too late to be treated.

Your Committee further finds that testing, early medical follow-up, and treatment are needed to save lives. Proactive public health intervention is needed to reduce costs to our public health system instead of the high costs that can occur without proactive public health intervention.

Your Committee has amended this measure by deleting the specific amount appropriated. Your Committee recommends to the Committee on Ways and Means that the original appropriation amount of \$120,000 be restored.

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. 1728, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1728, 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. 510 Health on S.B. No. 1111

The purpose of this Act is to provide an integrated and comprehensive approach to family planning and contraceptive services for Hawaii's women, teens, and men by:

- (1) Providing funding for family planning and contraception services; and
- (2) Providing funding for family planning health education and outreach services.

Your Committee received testimony in support of this measure from the Department of Health (DOH); Hawaii State Commission on the Status of Women; Planned Parenthood of Hawaii; Hawaii Youth Services Network; March of Dimes Hawaii Chapter; Hawaii Primary Care Association; Bay Clinic, Inc.; Kalihi-Palama Health Center; Waianae Coast Comprehensive Health Center; Sestak Rehabilitation Services; Family Support Services of West Hawaii; Healthy Mothers, Healthy Babies Coalition of Hawaii; Hawaii State Democratic Women's Caucus; Planned Parenthood of Hawaii Action Network; and seven individuals. Testimony in opposition was received from Pro-Family Hawaii; Hawaii Right to Life; Maui Chapter of Hawaii Right to Life; Christian Voice of Hawaii; and two individuals.

In 2006, H.C.R. No. 226, H.D. 1, requested the DOH to convene a working group to determine family planning funding needs for legislative consideration. To effectively improve the State's reproductive health services and reduce unintended pregnancies in Hawaii, the working group recommended that clinical services, health education, and outreach services be expanded and upgraded as a system to improve access to these currently fragmented services.

The working group found that Hawaii reduced its state funds for publicly supported family planning services by ninety per cent in the mid nineties and has never reinstated this funding. In addition, Hawaii currently has the twelfth highest teen pregnancy rate in the nation. The working group also recommended that increased public awareness of the health benefits of planned pregnancy, use of contraceptives, child spacing, and clinic locations is crucial to reducing Hawaii's unintended pregnancy rate.

Your Committee has amended this measure by deleting the specific amount appropriated, but recommends that the original amounts of \$2,443,750, for contraceptive services and \$1,540,000, for family planning health education and outreach services be reinstated by the Committee on Ways and Means. Technical amendments were also made for the purpose 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 S.B. No. 1111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1111, 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. 511 Health on S.B. No. 1119

The purpose of this measure is to provide funding for a comprehensive study to provide the information to develop effective drug policies.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawaii; Hawaii State Democratic Women's Caucus; the Drug Policy Action Group; the Drug Policy Forum of Hawaii; The League of Women Voters of Hawaii; Oahu County Democratic Party of Hawaii; and four individuals.

Your Committee finds that developing and implementing an effective and comprehensive drug policy is vital to improving the health and safety of the citizens of the State. Drug addiction is a public health issue and accurate data to develop effective and fiscally responsible policies have not

been available. Drug issues intersect with many other issues in the community, including homelessness, violence in the home, after-school programs, incarceration, property crime, health care, employment, foster care, and judiciary costs.

Your Committee further finds that a comprehensive state drug policy is needed. The policy should be based on accurate data and an expert assessment of the effectiveness of current programs.

Your Committee has amended this measure by deleting the specific amount appropriated and designating the Department of Health as the expending agency. Your Committee recommends to the Committee on Ways and Means that the original appropriation amount of \$88,090, be restored.

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. 1119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1119, 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. 512 Health on S.B. No. 1481

The purpose of this measure is to establish a pilot program for screening, brief intervention, and referral to substance abuse treatment.

The Lieutenant Governor, the Department of Health, Mothers Against Drunk Driving, the Hawaii Substance Abuse Coalition, and one individual submitted testimony in support of this measure. The University of Hawai'i System submitted testimony in support of the intent of this measure, provided that its passage does not replace or adversely impact priorities of the University as expressed in its Board of Regents-approved Executive Biennium Budget.

Your Committee finds that medical personnel, particularly in emergency rooms and trauma centers, regularly encounter patients who have sustained injuries, loss, or trauma resulting from the use of alcohol or other drugs. This initial point of contact in a medical setting is a recognized window of opportunity where patients are most vulnerable and open to intervention and dialogue that address their underlying alcohol or illegal drug issues.

This measure will help capitalize on this "teachable moment" in medical settings by offering screening, brief intervention, education, and, if necessary, referrals to appropriate care or treatment for individuals at risk for, or diagnosed with, alcohol and other substance use disorders.

It is your Committee's intent to establish a pilot program for screening, brief intervention, and referral to substance abuse treatment. Your Committee has amended this measure by:

- (1) Appropriating an unspecified sum instead of \$1,333,513; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, 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. 1481, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1481, 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. 513 Health on S.B. No. 167

The purpose of this measure is to address the healthcare workforce shortage in Hawaii.

Specifically, this measure establishes interest-free home purchase loan programs for physicians and advanced practice registered nurses to provide them with an incentive to work in hard-to-staff rural areas.

Testimony in support of this measure was submitted by the Consumer Lawyers of Hawaii, Hawai'i Association of Professional Nurses, Hawaii Health Systems Corporation, and Hawaii Psychiatric Medical Association. The Department of Health submitted testimony supporting the intent of this measure.

Your Committee finds that the shortage of healthcare professionals in rural areas is a major problem that has a huge impact on the health of Hawaii's rural residents and communities. The high cost of obtaining a medical education prevents many professionals from being able to take positions in rural areas that usually provide lower compensation than what is generally paid in urbanized areas. Providing interest-free home loans to physicians and advanced practice registered nurses working at least forty hours a week in a rural health facility will provide meaningful incentives to bring much needed health care providers to the State's rural areas.

Your Committee notes the concern that the administration of the loan program established in this measure is not within the expertise of the Department of Health and finds the Hawaii Health Systems Corporation is a more suitable entity to oversee the program.

Your Committee amended this measure to place the loan program under the administration of the Hawaii Health Systems Corporation.

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. 167, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 167, 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. 514 Judiciary and Labor on S.B. No. 1928

The purpose of this measure is to authorize the establishment of an investigative unit within the office of the auditor to conduct investigations involving alleged or suspected government waste, fraud, abuse, or malfeasance at the request of the legislature or upon the auditor's initiative; expands the powers of the office of the auditor; appropriates funds for the investigative unit.

Article VII, Section 10, of the Hawaii State Constitution authorizes the Auditor to conduct such investigations as may be directed by the Legislature. However, the Auditor has not conducted investigations in the past and has never been provided funds for this purpose.

Your Committee found that several states have auditor's offices doing investigations as well as audits for their legislatures and two particular states, North Carolina and Delaware have had this structure for over twenty years. The United States Congress has an investigative arm called the Government Accountability Office (GAO) which does the investigative work for Congress.

Your Committee finds that there is a need for an independent agency to do investigative work for the Legislative branch of government. The Attorney General's Office is the investigative arm of the Executive Branch. This point became more evident during a review of the Ka Loko Dam investigation being done by the Attorney General's Office. It was pointed out that in a report by a special investigator that there may be some liability on the part of the state but no agency is investigating whether there is possible liability. The Attorney General does represent the state on civil liability issues or would contract legal representation. An Auditor's investigation would represent an independent and objective perspective that could be reported to the Legislature which makes decisions on funding and enactment of laws.

In addition, your Committee finds that the Auditor's Office receives many complaints and information of government fraud and abuses that go beyond the scope of a management or financial audit.

Your Committee heard testimony from the Attorney General's Office in opposition to the bill. The Department of Taxation took no position to the forming of the investigative unit but opposed allowing the Auditor to have access to confidential tax information.

Your Committee amended the bill to delete the provisions allowing for access to confidential tax information and confidential child support enforcement information.

Your Committee also amended the bill to include nonfeasance as an additional area to be investigated since government efficiency may be affected by inaction.

Your Committee further amended the bill to condition an investigation initiated by the Auditor upon concurrence of the President of the Senate or the Speaker of the House of Representative. This is to keep in conformance with the Auditor's Office being the investigative arm of the Legislature.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1928, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1928, 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 (Kokubun).

SCRep. 515 (Joint/Majority) Tourism and Government Operations, Education and Judiciary and Labor on S.B. No. 602

The purpose of this measure is to establish a procurement preference for bids for public school repair and maintenance that include an experiential learning opportunity for students.

Your Committees received testimony in support of this measure from the Workforce Development Council. Comments were received from the Department of Accounting and General Services and State Procurement Office.

Your Committees find that there is a critical need to provide students with first hand opportunities to explore careers, and to gain a better understanding of workplace expectations. There is also an unprecedented amount of work being done on school property for repair and maintenance.

The intent of this measure is to increase the number of learning opportunities in the building trades that are available to public school students. Construction is a strong component of Hawaii's economy. The supply of building trade artisans needs to be augmented in order to meet the needs of Hawaii's growing and booming construction industry.

Your Committees have amended this measure by:

- (1) Changing the credit a bidder would receive for offering experiential learning opportunities from a preference to giving greater favorable consideration to a bid or proposal, in recognition of the complexities and inequities of estimating the costs of providing an experiential learning opportunity;
- (2) Defining "giving greater favorable consideration" as a bid or proposal that is given an advantage over a bid or proposal that does not include a learning opportunity, in the consideration of the entire bid or proposal, including but not limited to, price and quality; and
- (3) Adding students in the construction academies, as a means of strengthening the curriculum.

As affirmed by the records of votes of the members of your Committees on Tourism and Government Operations and Education and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 602, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 602, 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 (Inouye, Trimble). Excused, 3 (Chun Oakland, Taniguchi, Tsutsui).

SCRep. 516 (Joint) Tourism and Government Operations and Intergovernmental and Military Affairs on S.B. No. 679

The purpose of this measure is to establish procedures for the Governor to declare a tourism emergency and to establish a Tourism Emergency Trust Fund.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Tourism Authority; Hawai'i Hotels and Lodging, Association; and The Chamber of Commerce of Hawaii.

Your Committees find that a real threat exists to Hawaii's tourism industry. These threats are different in many ways from a civil defense emergency. World conflict, terrorism, natural disaster, or an outbreak of disease can pose a real and substantial detrimental economic impact on the overall financial well-being of Hawaii's tourism industry, thereby causing an adverse ripple effect across the State's entire economy.

Under this measure, the initial determination of whether a tourism emergency exists would be made by the Board of Directors of the Hawaii Tourism Authority. Upon making a determination that an emergency exists, the board would then submit a request to the Governor to declare a tourism emergency.

The Tourism Emergency Trust Fund would be used exclusively to provide for the development and implementation of emergency measures to respond and mitigate to any adverse effects on the tourism industry resulting from world conflict, terrorism, natural disaster, or an outbreak of a disease that may result in a substantial interruption of commerce and adversely affect the welfare of the people of Hawaii. The fund would hold moneys derived from unused residual revenues after the required statutory percentage allocations into the Tourism Special Fund's subaccount for a safety and security budget are made.

The intent of this measure is to be proactive and prepared to protect Hawaii's vital economic engine--tourism. As such, this measure is a wise and prudent step toward meeting the challenges of any catastrophe that has the potential to devastate the State's tourist industry and derail the State's economy. It is not the intent of your Committees that this measure effect organized labor.

Your Committees have amended this measure by:

- (1) Clarifying that the specified events must result in a substantial interruption of commerce that results from a statewide emergency in order for the Governor to declare a tourism emergency;
- (2) Excluding organized labor from the purview of emergency measures; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Tourism and Government Operations and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 679, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 679, 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, none. Excused, 1 (Hemmings).

SCRep. 517 Tourism and Government Operations on S.B. No. 17

The purpose of this measure is to amend the existing state contract requirement for an entity providing design professional services to defend the State in legal action.

Specifically, this measure:

- (1) Prohibits provisions in government procurement contracts that require the contractor to defend the governmental body; and
- (2) Allows government procurement contracts to require a contractor to indemnify and hold harmless the governmental body from the negligence, errors, omissions, and other wrongful acts of the contractor in the performance of the contractor's professional services.

Your Committee received testimony in support of this measure from the Small Business Regulatory Review Board; SSFM International, Inc.; Coalition of Hawaii Engineering and Architectural Professionals; ECS, Inc.; Engineering Concepts, Inc.; Fukunaga & Associates, Inc.; Gray Hong Nojima & Associates, Inc.; Consulting Structural Hawaii, Inc.; The Limtiaco Consulting Group; KAI Hawaii Inc.; Moss Engineering, Inc.; ACEC of Hawaii; Masa Fujioka & Associates; and Sam O. Hirota, Inc. The Department of the Attorney General testified against the measure.

This measure addresses the problems that arise from the fact that a great majority of architectural businesses are small businesses that cannot afford to absorb the unpredictable costs of defending the State against claims that could be frivolous. Testimony indicated that the existing procurement code contract requirement to defend the State survives the life of the contract and runs concurrent with the life of the building, which could last for decades. This places an onerous burden upon elderly and retired architects.

Your Committee finds that design professional service contracts are used by governmental bodies to construct public works that endure and are used by the public for a significant period of time beyond the life of these contracts. It is not uncommon for public works to survive their designers. Your Committee recognizes that design professionals have an extended period of personal liability that cannot be avoided by ways often used by other public contractors.

Testimony further indicated that obtaining professional liability insurance is a problem inasmuch as traditional errors and omissions policies cover negligence caused by the insured rather than cover the likelihood of having to defend against an unknown future claim.

Your Committee has amended this measure by:

- (1) Applying the provisions of the measure to contracts affected by this measure of less than \$5,000,000, entered into beginning July 1, 2007; and
- (2) Imposing a ten-year statute of limitations for contracts affected by this measure, entered into prior to July 1, 2007.

The intent of this measure, as amended, is to achieve an equitable compromise of competing interest in the interests of preserving and promoting the architectural and construction industries of this State.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations 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 Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Trimble). Noes, none. Excused, none.

SCRep. 518 Tourism and Government Operations on S.B. No. 1438

The purpose of this measure is to establish a Fiftieth Anniversary of Statehood Commission.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and one individual.

The intent of this measure is to plan and coordinate the celebration of the fiftieth anniversary of Hawaii's admission to statehood in August 1959. Your Committee finds that Hawaii has benefited greatly from statehood, particularly the rights, privileges, and protections that statehood and citizenship under the United States provide.

Your Committee has amended this measure by:

- (1) Including in the membership of the commission, the Office of Hawaiian Affairs, Hawaii Tourism Authority, and State Foundation on Culture and the Arts;
- (2) Clarifying the qualification of the members to include some knowledge about the history and culture of Hawaii, and experience in event planning and in developing community partnerships; and
- (3) Providing that, with respect to the composition of the commission:
 - (A) The selection of the chair shall be by commission members;
 - (B) Two members are to be selected by the Governor;
 - (C) The representation by the faith-based community has been deleted; and
 - (D) The process to fill a vacancy by appointment by the Governor has been deleted;

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1438, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1438, 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, none.

SCRep. 519 (Joint) Tourism and Government Operations and Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1052

The purpose of this measure is to require that all state and county letterheads, when newly created or reprinted, contain the accurate, appropriate, and authentic Hawaiian names and language printed above the English translations.

This measure also establishes a Hawaiian Language Interim Task Force to develop an implementation plan to achieve the aims of this measure.

Your Committees received testimony in support of this measure from one individual. Testimony in opposition was received from the Department of Accounting and General Services. Comments were received from the State Attorney General.

Your Committees find that Hawai'i is the only state in the United States that has a designated native language, Hawaiian, as one of its two official state languages. The Hawaiian language is a beautiful, flowing tongue, capturing the natural beauty of the Islands in its tones and phrases. After being suppressed for many years, the Hawaiian language is making a strong revival. The number of fluent speakers is rising dramatically, and it is not uncommon to hear Hawaiian spoken in public. Most street names and places are Hawaiian, and it is a sign of respect to the native culture to pronounce and spell Hawaiian words correctly. This measure is in recognition of that respect.

Your Committees note that existing law provides for the use of Hawaiian words in official government documents, and that the Hawaii State Constitution provides for the promotion of Hawaiian culture, history, and language. The Hawaiian language immersion schools and the Hawaiian Culture Program of the Hawaii Tourism Authority are but two of the established Hawaiian language and culture programs, in addition to the College of Hawaiian Language at the University of Hawai'i at Hilo and its Hawaiian Language Center (Hale Kuamo'o).

Your Committees view this measure as a recognition of the extent to which the Hawaiian language and culture have been reasserted in all aspects of life in Hawai'i.

Your Committees have amended this measure by:

- (1) Clarifying that the authentic Hawaiian language requirement does not apply to state artwork or to the hanging state emblems in the rotunda of the state capitol; and
- (2) Requiring the Hawaiian Language Interim Task Force to report on recommendations to expand the proper usage of the Hawaiian language in government, the community, and the greater society of Hawai'i.

As affirmed by the records of votes of the members of your Committees on Tourism and Government Operations and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1052, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1052, 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, none.

SCRep. 520 Tourism and Government Operations on S.B. No. 1993

The purpose of this measure is to provide tax incentives for the development of intellectual property and performing arts, and to repeal the Ko Olina Resort and Marina and Makaha Resort tax credit.

This measure establishes an:

- (1) Income tax exemption for performing arts royalties derived from patents, copyrights, and trade secrets;
- (2) Income tax credit for performing arts investments;
- (3) Income tax credit for performing arts research activities; and
- (4) Tourism training facility tax credit.

This measure also creates a tourism training curriculum committee to be responsible for certifying the curriculum of any tourism training facility in the State that is eligible for a tourism training facility tax credit.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawai'i Tourism Authority; Hawai'i Hotel & Lodging Association; Rigel Entertainment Corporation; and one individual. Comments were received from the Department of Taxation.

Your Committee finds that the attractions and educational facilities tax credit for Ko Olina Resort and Marina and the Makaha Resort are no longer necessary.

Your Committee further finds that the Leeward Coast of Oahu has levels of poverty in excess of twenty per cent in each of the census tracts comprising this region. This condition has existed for over forty years, despite the efforts of federal, state, and county programs to alleviate the suffering or reduce the numbers of individuals and families impacted.

The continued development of Ko Olina and the continued strength of the State's visitor industry has expanded the need for affordable workforce housing and training to prepare for the State's future economic growth. Because of the success of Ko Olina, the Ko Olina Resort is amenable to the redesignation of the tax credits, if the tax credits will continue to be used to serve and revive the Leeward Coast through affordable rental housing and visitor industry education and training opportunities within the region.

Your Committee has amended this measure by:

- (1) Deleting the:
 - (A) Income tax exclusion for performing arts royalties derived from patents, copyrights, or trade secrets, the income tax credits for performing arts investments and tax research activities; and
 - (B) Tourism training curriculum committee, and the tourism training facility tax credit; and
- (2) Establishing a Leeward Coast revitalization tax credit for affordable rental housing and educational and training facilities.

The intent of this measure, as amended, is to provide an economic stimulus to the development of the Leeward Coast, similar to the intent of Act 100, Session Laws of Hawaii 2003, which provided the Ko Olina Resort and Marina and Makaha Resort tax credit. What the Leeward Coast needs now is affordable rental housing and educational and training projects, both of which would serve to revitalize the region and provide greater employment opportunities and a higher standard of living for the region.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1993, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1993, S.D. 1, and be referred to the Committees on Economic Development and Taxation and Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Tsutsui). Noes, none. Excused, none.

SCRep. 521 Education on S.B. No. 1155

The purpose of this measure is to appropriate funds to address the teacher shortage problem in the State.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association. Comments on the measure were also submitted by the Department of Education.

Your Committee finds that a teacher shortage problem continues to plague our State. Your Committee further finds that the problem will only continue to worsen with the aging and retirement of the baby-boomer teachers. High-quality teachers are instrumental in providing for high student achievement. Therefore, increased efforts are needed to help to grow a teaching workforce. In 2005, the Legislature established the Hawaii Teacher Cadet Program to identify, support, and encourage prospective teachers while they are still in high school. Your Committee believes that continued efforts to provide incentives and support persons pursuing a teaching career will help to address the teacher shortage problem and ensure high quality education for our children.

Accordingly, your Committee has amended this measure by:

- (1) Deleting portions of the purpose section to clarify the intent of the measure to provide funding for the Hawaii Teacher Cadet Program;
- (2) Making an appropriation of general revenues to the Hawaii Teacher Cadet Program Fund; and
- (3) Making an appropriation out of the Hawaii Teacher Cadet Program Fund for the Hawaii Teacher Cadet Program to provide programs to encourage students to become 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. 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, 5. Noes, none. Excused, 2 (Hee, Nishihara).

SCRep. 522 Education on S.B. No. 603

The purpose of this measure is to improve the public charter school system by clarifying duties, functions, and roles of the charter schools system and the Board of Education.

Testimony in support of this measure was submitted by the Charter School Administrative Office, the College of Education of the University of Hawaii, Kamehameha Schools, the Hawaii Charter Schools Network, Ho'okako'o Corporation, Connections Public Charter School, The League of Women Voters of Hawaii, Hale Kipa, Inc., Halau Ku Mana Public Charter School, Ka Waihona o ka Na'auao, Public Charter School, West Hawaii Explorations Academy, Public Charter School, Volcano School of Arts and Sciences, Voyager Public Charter School, and five individuals. Testimony in opposition to this measure was received from the Board of Education, Hawaii State Teachers Association, and one individual.

Your Committee finds that public charter schools throughout the State serve an important function by creating choices for parents and students within the public school system, while providing a system of accountability for student achievement. Charter schools encourage innovation and provide opportunities for parents to play powerful roles in shaping and supporting the education of their children. Pursuant to Act 298, Session Laws of Hawaii 2006, the Legislature sought to improve the charter school system by adopting proposals recommended by the Task Force on Charter School Governance that was established by Act 87, Session Laws of Hawaii 2005. However, additional reform is necessary to allow charter schools in the State to continue to strive for excellence through effective and efficient operations.

This measure contains several changes to the law relating to charter schools and was heard in conjunction with other charter school measures. Upon further consideration of all of the charter school measures heard, as well as the testimony provided, your Committee determines that this measure provides an appropriate vehicle to present necessary changes to the charter school system. Your Committee determines that, although providing the Charter School Review Panel and the local school boards with increased authority is reasonable, certain functions should continue to remain within the purview of the Board of Education at this time.

Additionally, your Committee believes that the Charter School Review Panel should have control over the hiring of the Executive Director of the Charter School Administrative Office, as the decision should be brought closer to its constituency. This process will also be aided by the requirement of at least two-year contracts to attract and retain qualified individuals and to promote consistency in operations. Consequently, it would be inappropriate for the Executive Director to sit as a member of the body that makes decisions on the Executive Director's position.

This measure also allows for the establishment of agency sponsored charter schools that will be co-sponsored by a state agency or University of Hawaii campus, and includes a significant contribution of land, facilities, personnel, or other resources by that agency or campus. Your Committee believes that the inclusion of these new charter schools will provide charter schools that are ensured necessary and valuable agency support.

Your Committee also heard testimony regarding the need for facilities funding for the charter schools. In an effort to address this need, your Committee determines that additional funding should be provided based on a per pupil amount that is a percentage of the Department of Education's averaged debt service to offset facility, infrastructure, and repair and maintenance costs, and other requested amounts.

Accordingly, your Committee has amended this measure by:

- (1) Removing changes to the definitions of "charter school", "charter school review panel" or "panel", and "detailed implementation plan";
- (2) Amending the definition of "local school board" to include the authority to enter into long-term lease agreements;
- (3) Authorizing local school boards to enter into long-term lease agreements;
- (4) Changing the composition of the Charter School Review Panel to eleven members;
- (5) Removing the Executive Director of the Charter School Administrative Office from the Charter School Review Panel;
- (6) Removing changes that authorized the Charter School Review Panel to approve or deny charter applications and its corresponding appeal process;
- (7) Clarifying that agency sponsored charter schools shall be subject to the limit on the authorization for new charter schools;
- (8) Authorizing the establishment and procedures for the establishment of agency sponsored conversion charter schools;
- (9) Requiring the Charter School Administrative Office to include in its annual budget request, in addition to the per pupil allocations for all charter schools:
 - (A) Costs associated with administrative and staff support for the Charter School Review Panel; and
 - (B) A per pupil allocation to offset facility, infrastructure, and repair and maintenance costs, and other requested amounts;
- (10) Including an appropriation for the estimated costs of accrued vacation and sick leave for transferring employees, substitute teachers, adjustments to enrollment, arbitration, costs associated with administrative and staff support for the charter school review panel, and a per pupil allocation to offset facility, infrastructure, and repair and maintenance costs, and other requested amounts; and
- (11) Making technical, nonsubstantive changes for 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. 603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 603, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 5. Ayes with Reservations, 1 (Taniguchi). Noes, none. Excused, 2 (Hee, Nishihara).

SCRep. 523 Education on S.B. No. 93

The purpose of this measure is to appropriate funds to expand and establish healthcare workforce simulation resource laboratories throughout the University of Hawaii system for healthcare workforce development and training.

Testimony in support of this measure was submitted by the Hawaii State Center for Nursing of the University of Hawaii, the Hawaii Health Systems Corporation, the Hawaii Primary Care Association, the Healthcare Association of Hawaii, the Hawaii Government Employees Association, the Hawaii Association of Professional Nurses, and four individuals. Comments on the measure were submitted by the University of Hawaii System.

Your Committee finds that a nursing shortage in Hawaii currently exists and is only expected to worsen as our population ages and nurses continue to retire. According to the Hawaii State Center for Nursing of the University of Hawaii, the University of Hawaii's ability to graduate a sufficient supply of nurses will continue to fall well short of the anticipated demand. The shortage is exacerbated by the shortage of nursing faculty, a lack of adequate infrastructure and facilities, and a deficiency in the availability of clinical training for students to acquire practical

knowledge, skills, and competence. Your Committee further finds that simulation learning offers nursing students additional clinical experiences, expands the teaching capacity for students, and prepares them with a hands-on learning experience without suffering real-world consequences.

Your Committee believes that although the University of Hawaii at Manoa currently supports a simulation resource laboratory, that facility should be expanded to offer greater services and to also be utilized by Kapiolani Community College students. Your Committee also believes that additional facilities should be established to provide training for students of the University of Hawaii at Hilo, Hawaii Community College, Kauai Community College, and Maui Community College. The expansion and establishment of additional healthcare workforce simulation resource laboratories will provide necessary training to nursing students and help to grow a skilled and competent healthcare workforce within the State.

Your Committee has amended this measure 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 Education 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 Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 1 (Hee).

SCRep. 524 Education on S.B. No. 80

The purpose of this measure is to establish a revolving fund for the collection of moneys received as repayments due to the breaches of contractual agreements between the Department of Education and students who received moneys pursuant to the Felix Consent Decree recruitment and retention program.

Testimony in support of this measure was submitted by the Department of Education and the University of Hawaii. Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Your Committee finds that during the 1999-2000 academic school year, a Memorandum of Agreement (MOA) was executed between the Department of Education (DOE) and the University of Hawaii, as a result of the Felix Consent Decree. The MOA authorized the provision of tuition assistance or stipends to qualified students in pursuit of bachelor degrees in education or master's degrees in special education. Stipends were predicated on a recipient's employment with the DOE as a special education teacher for three years, for a bachelor's degree student, and five years, for a master's degree student. Your Committee further finds that if a recipient fails to fulfill the teaching requirement for the specified durations, the recipient must repay a prorated amount of the tuition assistance received.

Your Committee determines that a revolving fund should be established to collect the repayment moneys and that such funds should be used to address the current shortage of qualified special education teachers in the State. Your Committee believes that this objective is best accomplished by specifying that the funds shall be used for the provision of tuition assistance or stipends to other students under the DOE's Felix Consent Decree recruitment and retention program.

Accordingly, your Committee has amended this measure by specifying that moneys in the revolving fund shall be used to provide for the funding of stipends pursuant to contractual agreements between students and the DOE under the DOE's Felix Consent Decree recruitment and retention program, or any successor 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. 80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 80, 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 (Hee).

SCRep. 525 (Majority) Economic Development and Taxation on S.B. No. 1962

The purpose of this measure is to provide an income tax deduction to residential unit owner occupants for qualifying costs of installation of an automatic fire sprinkler system installed after December 31, 2007.

Testimony in opposition to the measure was submitted by the Department of Taxation (Department).

In its testimony, the Department stated that the revenue loss was indeterminate because the amount of the deduction was not specified. Subsequently, the Department submitted an annual revenue loss of \$602,000; \$420,000 for multi-family residential condominiums, and \$182,000 for single family residences.

In its methodology, the Department stated that there are an estimated three hundred twelve buildings that will need to be retrofitted with a sprinkler system. It is assumed that five per cent of the three hundred twelve buildings will be retrofitted with a sprinkler system per year, and that each building has one hundred units. Approximately six per cent of the units are owner-occupied. With a maximum deduction of \$7,000 applied, the total deduction is \$7,000,000. At the average tax rate of six per cent, the revenue loss is estimated to be \$420,000 for multi-family residential condominiums.

Your Committee also notes that according to the Hawaii Council of Association of Apartment Owners, the cost of retrofitting a unit in a multi-family residence is estimated to be \$8,500 to \$13,000.

Your Committee believes that fire safety is a greater issue in multi-family dwellings -- such as condominiums -- and particularly in those built before sprinkler systems were routinely installed. Therefore, it is the intent of your Committee to begin with a fire sprinkler tax deduction for units in older condominiums, and for a five-year period.

Your Committee has amended this measure accordingly, by:

- (1) Restricting the tax credit to qualifying costs of the installation of an automatic fire sprinkler system to serve the entire residential or mixed use condominium that was constructed before December 31, 1975; and
- (2) Making the tax deduction applicable for costs incurred between July 1, 2007, and June 30, 2012.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1962, 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. 1962, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Slom). Excused, 1 (English).

SCRep. 526 (Joint) Economic Development and Taxation and Commerce, Consumer Protection and Affordable Housing on S.B. No. 600

The purpose of this measure is to exempt from taxation, one hundred per cent of the capital gains realized during taxable years 2008-2012, from a sale of the leased fee interest in condominium units to an association of apartment owners or residential cooperative corporations.

Testimony in support of this measure was received from the Hawaii Association of REALTORS; Hawai'i Legislative Action Committee of the Community Associations Institute; Hawaii Council of Associations of Apartment Owners; Hawaii Independent Condominium and Cooperative Owners; Monarch Properties; Kuilima Estates West; Kuilima Estates East; Association of Apartment Owners at the Lauloa Condominium, and at the Diamond Head Beach Hotel and Residences Condominium; and two individuals. The Department of Taxation (Department) and the Tax Foundation of Hawaii submitted comments.

Your Committees received a revenue impact statement from the Department that the revenue loss would be approximately \$900,000 annually. However, the fiscal impact statement did not specify the methodology used to determine the loss.

Your Committees find that in 2004, the City and County of Honolulu's Leasehold Task Group was charged with finding voluntary solutions that would allow apartment owner-occupants to acquire their leased-fee interest. One of the recommendations of the Task Group was for tax legislation that would motivate lessors to sell their leased-fee interest to lessee owner-occupants, and specifically, that would exempt the lessor's sale proceeds from the capital gains tax. This would also avoid a 1031 tax-deferred exchange, which is both time consuming and expensive, and therefore out of the reach of some lessors.

Your Committees note that the Department's revenue loss is quite modest, and have heard in testimony that the State will benefit from the increased sales of leasehold property by way of increased conveyance tax fees and income taxes on commissions earned by the brokers involved in such transactions. More importantly, these sales could result in voluntary conversion of leasehold to fee simple ownership for residential lessees throughout the State, preventing the anticipated displacement of many older residents whose leasehold terms will soon expire.

Your Committees believe that this will be the only opportunity to be fee simple homeowners for many residents faced with an increasingly expensive and competitive housing market, and it is the intent of your Committees to support this modest option.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 600 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, 2 (English, Ihara).

SCRep. 527 (Joint) Economic Development and Taxation and Education on S.B. No. 1922

The purpose of this measure is to create financial incentives for, and appropriate funds to, the Academy for Creative Media for plans for a permanent facility in Hawaii.

Prior to the hearing, your Committees circulated a Proposed S.D. 1.

The purpose of the Proposed S.D. 1 of this measure is to support Hawaii's creative media by:

- (1) Creating financial incentives for, and appropriating funds to, the Academy for Creative Media at the University of Hawaii to develop plans for a permanent facility in Hawaii;
- (2) Appropriating funds for a digital media incubator facility; and
- (3) Establishing and appropriating funds for the Music and Enterprise Learning Experience (MELE) program at the University of Hawaii Honolulu Community College to develop the technical business skills required by Hawaii's music artists and music industry.

Testimony in support of the Proposed S.D. 1 was received from the Department of Business, Economic Development, and Tourism; University of Hawai'i at Manoa; Honolulu Community College; the Mayor of the City and County of Honolulu; Enterprise Honolulu; International Alliance of Theatrical and State Employees Union, Local 665; Aloha Agency; COJODA Productions LLC; Ho'ike Technology; Island Insurance Company, Ltd.; Juniroa Productions; Kinetic Productions; KUD International LLC; Mountain Apple Company; Pacific Islanders in Communications; Pacific Artists Image Exchange; Searider Productions and three of its students; five faculty members and thirty-two students of the Academy for Creative Media at the University of Hawai'i at Manoa; and nine individuals affiliated with film and creative media. The Department of Taxation submitted comments.

Your Committees have heard strong support for Hawaii's dynamic creative media sector, the positive impact it has had on Hawaii's workforce, and the creative options it offers for so many of the State's students.

Combining creative media proposals from other measures into the Proposed S.D. 1, has given your Committees the opportunity to review the proposals in totality, and in doing so has raised a number of issues to be addressed.

First, Committee members applaud the Academy for Creative Media's efforts to focus on the needs of K-12 students, as its affiliations with the successful Waianae Searider Productions and other K-12 students demonstrates. Your Committees urge the University of Hawai'i to expand its planning focus to embrace Hawaii's K-12 schools in its MELE initiatives, and to consider additional ways to involve the schools in planning for and implementing new programs. In doing so, your Committees stress the importance of establishing realistic benchmarks for outcomes, with measurable timelines for these creative enterprises.

Second, your Committees strongly support the development of additional facilities and programs for the creative media. Committee members are concerned, however, that some of the approaches outlined appear to be piecemeal and may duplicate existing projects and facilities.

Committee members advise a coordinated effort by the Administration, the University of Hawai'i – both Manoa and the Community Colleges – and industry representatives to develop short-range and long-term plans and cost estimates to accomplish their goals.

It is the intent of your Committees to continue legislative discussions on these very worthwhile initiatives designed to build a creative media industry in Hawaii.

Your Committees have amended the Proposed S.D. 1, by changing all the appropriations to unspecified amounts, in anticipation of additional financial and other information, and for the purposes of further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1922, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1922, 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, 1 (English).

SCRep. 528 (Joint) Economic Development and Taxation and Energy and Environment on S.B. No. 853

The purpose of this measure is to direct the:

- (1) Auditor to conduct a financial and management audit of the Natural Energy Laboratory of Hawaii Authority's (NELHA) deep sea water pumping system, and consider the establishment of a reasonable rate structure; and
- (2) NELHA to freeze the rates for pumped seawater until the audit is complete.

Testimony in support of this measure, with amendments, was received from the Office of Hawaiian Affairs. The Natural Energy Laboratory of Hawaii Authority submitted comments.

Your Committees understand that this audit would address concerns raised by NELHA tenants. As such, it would provide an important gauge in verifying and confirming costs, which would benefit both NELHA and its tenants.

It is the intent of your Committees to support this audit as a means of assisting NELHA in moving beyond divisive issues with tenants, and moving forward with its important work.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 853 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 (English, Hooser, Trimble).

SCRep. 529 Economic Development and Taxation on S.B. No. 188

The purpose of this measure is to clarify the Small Business Regulatory Flexibility Act, chapter 201M, Hawaii Revised Statutes (HRS).

Specifically, this Act:

- (1) Provides that a small business impact statement will be prepared and submitted to the Small Business Regulatory Review Board as early as practicable in the rule drafting process;
- (2) Provides that adopted rules affecting small business will be reviewed to determine if they are still appropriate within five years after adoption; and
- (3) Makes nonsubstantive changes to chapter 201M, HRS, to clarify the definition of a rule and to remove outdated sections of the chapter.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism; Small Business Regulatory Review Board; and The Hawaii Business League.

Your Committee finds that the Small Business Regulatory Flexibility Act, Act 168, Session Laws of Hawaii 1998, serves as a model for many other states in helping local small businesses through a fair and equitable regulatory process. It has been particularly successful in the past three years with regard to rulemaking by public agencies, and their effects on small businesses.

Your Committee is in strong support of the work of the Small Business Regulatory Review Board and believes the amendments in this measure will further assist their work.

Your Committee has considered a concern regarding the proposed changes to section 201M-8, HRS, regarding violations related to safety or environmental impact, and believes that this issue may need further review.

Your Committee has amended this measure accordingly, by:

- (1) Requiring that a petition for regulatory review under section 201M-6, HRS, and the list of rules adopted in the previous five years under section 201M-7, HRS, be sent to the Ombudsman;
- (2) Deleting the proposed changes to section 201M-8, HRS; and
- (3) Making technical amendments for the purposes of clarity and to conform the measure to the preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 188, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 530 Economic Development and Taxation on S.B. No. 1360

The purpose of this measure is to appropriate \$500,000, for grants and loans to community-based organizations on the Leeward (Waianae) Coast of Oahu for community economic development.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism (DBEDT) and the Office of Planning, DBEDT.

Your Committee finds that some regions, particularly in more rural areas like the Waianae Coast, are less able to take advantage of a strong economy due to remote location, lack of access to traditional business opportunities and financial capital, and limited workforce training opportunities. In addition, the people who live in these areas desire community economic development that supports their community values, which may be quite different from urban areas.

Your Committee further finds that the Community-Based Economic Development (CBED) program in DBEDT has a long history of supporting such programs, many along the Waianae Coast. And while the initiative in this measure focuses initially on the Leeward Coast of Oahu, the ultimate goal is to develop a successful partnership model that may later be adapted to work in communities throughout the State.

Your Committee is in strong support of the assistance opportunities outlined in this measure, but notes that the biennium budget request also sought additional funds for existing CBED initiatives. Your Committee has asked for detailed information from DBEDT regarding financial resources necessary for existing and new CBED programs, and it is the intent of your Committee to defer decisions on the appropriation amounts until that information is received.

Your Committee has amended this measure accordingly, by replacing the \$500,000 appropriation with an unspecified amount.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation 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 Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 531 (Majority) Health on S.B. No. 1004

The purpose of this measure is to ensure that individuals living in rural areas of the State have access to appropriate mental health care services.

The measure attempts to accomplish this purpose by authorizing appropriately trained and supervised licensed medical psychologists to prescribe psychotropic medications for the treatment of mental illness.

Your Committee received testimony in support of this measure from the Hawai'i Psychological Association; the American Psychological Association; Hawaii Medical Service Association; Hawai'i Primary Care Association; Na Pu'uwai; Papa Ola Lokahi; Ho'ōla Lāhui Hawai'i; West Hawaii Community Health Center, Inc.; Moloka'i Community Health Center; Waianae Coast Comprehensive Health Center; Hamakua Health Center; Nanakuli Hawaiian Homestead Association; the Community Clinic of Maui; Waikiki Health Center; and thirty-four individuals.

Your Committee received testimony in opposition to this measure from the Department of Health; the Board of Medical Examiners; the Board of Psychology; Hawaii Psychiatric Medical Association, National Alliance on Mental Illness; Hawaii Disability Rights Center; Koolauloa Community Health and Wellness Center; Hawai'i Forensics Association, LLC.; and forty-six individuals.

Your Committee finds that allowing appropriately licensed and trained psychologists to prescribe psychotropic medications will address the urgent need for timely, appropriate, and cost-effective mental health and pharmacological services for an underserved population. Your Committee finds that the federally qualified health centers are most in need of psychologists with prescriptive authority and would achieve the largest impact for individuals in need of these services.

Your Committee further finds that the adequacy of training for psychologists to prescribe medications is a recurring concern that should be addressed in further discussions.

Your Committee amended this measure by:

- (1) Requiring psychologists holding conditional prescription certificates to be employed by and to practice the prescribing authority at a federally qualified health center;
- (2) Removing the language allowing psychologists to order and review laboratory tests, as this should be under the supervision of a physician;
- (3) Clarifying that psychologists holding prescriptive certificates shall be under the supervision of a physician either directly or through telecommunications;
- (4) Changing the effective date to continue the dialogue on this measure; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity, consistency, 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. 1004, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1004, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Menor). Noes, 1 (Whalen). Excused, none.

SCRep. 532 Health on S.B. No. 1674

The purpose of this measure is to encourage the use telecommunication technology while providing quality radiological services for Hawaii.

Specifically, this measure allows medical practitioners in radiology licensed to practice in another state, to provide radiology services by telemedicine while in Hawaii to a patient who is located in the state by which the medical practitioner is licensed to practice radiology.

The measure also makes numerous technical, nonsubstantive amendments to the laws relating to the practice of medicine and surgery and radiologic technology.

Your Committee received testimony in support of this measure from the Maui Economic Development Board, Inc. and The Pacific Resource Partnership. Your Committee received testimony in opposition to this measure from the Department of Health. The Board of Medical Examiners submitted comments on this measure.

Your Committee finds that this is a housekeeping measure that enables radiologists to practice radiology via telecommunications to patients from this State to the state of licensure. Your Committee believes that radiologists should not be required to obtain Hawaii licensure if services are not being provided to patients in the State.

Your Committee amended this measure by:

- (1) Deleting the references to “medical practitioners in radiology” and inserting “radiologists duly licensed to practice medicine”, for clarification because physicians are not licensed by specialty; and
- (2) Clarifying that “radiologist” means a doctor of medicine or a doctor of osteopathy certified in radiology by the American Board of Radiology or the American Board of Osteopathy.

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. 1674, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1674, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 533 Health on S.B. No. 1805

The purpose of this measure is to safeguard the public health, safety, and welfare by assuring the highest degree of professional conduct on the part of genetic counselors.

The measure accomplishes this purpose by establishing a licensure program for genetic counselors to be administered by an unspecified state department.

Your Committee received testimony in support of this measure from the March of Dimes, Hawaii Community Genetics, and nine individuals. The Department of Health submitted testimony in support of this measure with suggested amendments.

Your Committee finds that genetic counselors are a vital part of the health care team that provides care to individuals throughout their lifespan. Your Committee further finds that licensure of genetic counselors is necessary to protect the public from persons unauthorized and untrained to perform these services. This measure will ensure quality health care services are provided by highly trained professionals.

Your Committee amended this measure by:

- (1) Establishing that the Department of Health shall administer the licensure program;
- (2) Removing the ability of an individual who, at the time of application, has a doctoral degree from a medical genetics training program accredited by the American Board of Medical Genetics or an equivalent training program as determined by that board to obtain a provisional license; and
- (3) Implementing the program as of July 1, 2008, with the first renewal deadline occurring on July 1, 2009.

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. 1805, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1805, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 534 Health on S.B. No. 1636

The purpose of this measure is to broaden the definition of “substance abuse on-site screening test” to include tests used for forensic testing as a workplace testing device and approved by the Director of Health.

This measure also provides that the screening test should be conducted in accordance with the package insert that accompanies the substance abuse test that is manufactured in a facility licensed by the FDA, rather than conducted in accordance with FDA adopted guidelines.

Your Committee received testimony in support of this measure from The Pacific Resource Partnership; Hawaii Carpenters Union; General Contractors Association of Hawaii; Waiawa Ridge Development LLC; Castle & Cooke Homes Hawai‘i, Inc.; Kapolei Property Development LLC; Ralph S. Inouye Co., Ltd.; S & M Sakamoto, Inc.; Hawaiian Dredging Construction Company; Emerald Bay Consulting, LLC; Branam Medical Corporation; Hidano Construction Inc.; and Building Industry Association of Hawaii. Testimony in opposition was received from the Department of Health (DOH) and Department of Human Resources Development.

Your Committee finds that the major health and safety challenges facing Hawaii’s construction industry is drug usage. There is exposure to crystal methamphetamine and other drugs, even among construction workers. Hawaii’s construction companies are beset with workforce impairment, which results in accidents, poor artisanship, and higher workers’ compensation claims and premiums.

According to the testimony of the DOH, there is a lack of approved regulatory guidelines for forensic drug screen testing in the workplace. This measure would allow employers to use an alternative forensic testing as a workplace testing device. The FDA is currently considering approving the testing of head hair, oral fluid, and sweat specimens. This measure would allow such alternative testing. The testimony of The Pacific Resource Partnership indicates that there is a need for better and more affordable testing alternatives to urine or blood. Onsite or instant oral fluid drug screens have been widely used on the West Coast, where they have become a cost effective early detection and deterrence tool to keep job sites safe.

Your Committee has amended this measure by:

- (1) Clarifying that the testing device used must be manufactured in a facility licensed by the United States Food and Drug Administration;

- (2) Requiring that the package instruction of the FDA approved device be followed in administering the test, or if there is no such FDA instruction, then the package instruction accompanying the test kit; and
- (3) Changing the effective date to July 1, 2050, in the interests of allowing further time for more discussion.

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. 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 Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 535 Health on S.B. No. 1792

The purpose of this measure is to affirm the State's commitment to provide quality health care for the people of the State.

More specifically, this measure would:

- (1) Establish a regional subsidiary corporation of the Hawaii Health Systems Corporation for the Maui region, as a first step to more regional control for all regions of the Corporation, to be governed by a community-based regional board; and
- (2) Provide the necessary authority for regional subsidiary corporations to accomplish the goal of community-based governance.

Your Committee received testimony in support of this measure from the Chairperson of the Maui County Council, Maui Memorial Medical Center, Maui Memorial Medical Center Foundation, Chairperson and three members of the Maui Management Advisory Committee, Maui Medical Group, Inc., Roselani Ice Cream, Blaise Noto & Associates, and twenty individuals. Testimony in opposition was received from the Hawaii Health Systems Corporation (HHSC), Chief Executive Officers of the Oahu, West Hawaii, and East Hawaii Regions of the HHSC, four members of the board of directors of the HHSC, United Public Workers, and one individual. The Department of Accounting and General Services, Office of Information Practices, the State Procurement Office, and the Hawaii Government Employees Association commented.

Upon further consideration, your Committee has amended this bill by:

- (1) Clarifying the language in section 1 of the measure to better explain the purpose of this measure;
- (2) Amending the definition "regional subsidiary corporation" by renaming the term "regional affiliate corporation" to better reflect regional autonomy and substituting the term "affiliate" for "subsidiary" throughout the measure;
- (3) Inserting section designations -A, -B, -C, and -D for the four new sections in section 3 of the bill;
- (4) Deleting the description of the regional affiliate corporation as an instrumentality and agency of the State;
- (5) Clarifying membership on the regional boards;
- (6) Amending the appointment of ten Hawaii Health Systems Corporation board members to require the Governor to appoint from two lists of nominees, consisting of at least twenty candidates each, submitted by the President of the Senate and the Speaker of the House of Representatives, respectively;
- (7) Requiring each regional board to meet at least six times a year and to hold at least two public community meetings;
- (8) Amending the duties and power of the corporation and regional affiliate corporations to better reflect the original intent of the Governor's Task Force on the Establishment of an Agency for Community Hospitals to operate the community hospitals in a decentralized fashion through five regional boards, by specifying:
 - (A) Specific corporate-wide powers to the corporation, including the issuance of revenue bonds in any amount;
 - (B) Specific region-wide powers to regional affiliate corporations, including regional and facility budgeting, employment and removal of regional and facility personnel, purchasing, regional strategic and capital planning, organization, quality assurance, improvement and reporting, credentialing of medical staff, and issuing revenue bonds in an amount up to and including an unspecified amount; and
 - (C) Clarifying that regional boards shall be responsible for the carrying out of certain duties and powers, including evaluations for additional services within regions, preparing regional budgets, policies, and procedures for inclusion in the corporate-wide budget, setting regional rates and charges and limiting the corporation board's power to approving such regional rates and charges, implementing a regional personnel system; approving of regional board bylaws; credentialing activities; hiring and firing personnel; developing plans for day-to-day operations; exercising custodial control over corporation assets located in a region; and expending funds;
- (9) Clarifying, by adding four new sections 29, 30, 31, and 32, that the corporation and any regional affiliate corporations shall be exempt from the State Risk Management and Insurance Administration law (chapter 41D, Hawaii Revised Statutes), the Hawaii Public Procurement Code (chapter 103D, Hawaii Revised Statutes), the law relating to contracts for concessions on public property (section 102-2, Hawaii Revised Statutes), and the law relating to the requirement for tax clearances for contracts with the State or counties (section 103-53(e), Hawaii Revised Statutes);
- (10) Clarifying that no incumbent corporation personnel shall lose a position without affirmative action by the appropriate regional board;
- (11) Regarding fiscal provisions, requiring that operating surpluses of a regional affiliate corporation shall be reinvested in the operations of the region in any prudent manner and requiring any regional affiliate corporation to share in the surplus of any facility within its region and offset any facility deficits within its region;
- (12) Delaying the collaborative submittal of a corporation and regional affiliate corporation budget to the Legislature to the 2009-2010 fiscal year;

- (13) Adding the condition that transfers of special fund appropriations among community hospitals must be mutually agreed to by the corporation and the regional affiliate corporations;
- (14) Deleting former sections 29, 30, 31, and 32 relating to civil service provisions (sections 76-11 and 76-47, Hawaii Revised Statutes) and collective bargaining (sections 80-2 and 89-6, Hawaii Revised Statutes);
- (15) Clarifying that the intent of this measure includes transferring operational authority from the corporation to each regional affiliate corporation;
- (16) Clarifying the timetable for the transfer of governance and operational rights and functions from the corporation to regional affiliate corporations and setting the procedure for future establishment of other regional affiliate corporations without further legislative authorization;
- (17) Deleting the provision to allow a regional affiliate corporation to negotiate collective bargaining agreements upon the expiration of current agreements and inserting a requirement for regional affiliate corporation representation on the corporation's bargaining team to address regional needs for efficiency and effectiveness;
- (18) Inserting a section to direct the Revisor of Statutes to appropriately codify the four new sections added in section 3 of the measure;
- (19) Inserting a provision that the four new sections added in section 3 of the measure shall take effect on July 1, 2008;
- (20) In light of the fact that this amended draft is a product of ongoing discussions among all stakeholders, changing the effective date to July 1, 2030, for purposes of stimulating further discussion; and
- (21) Making various technical nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee believes that these amendments better reflect and implement the purpose of decentralizing the operations of the community hospitals by enabling regions to attain autonomy through the establishment of regional affiliate corporations and regional boards.

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. 1792, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1792, 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. 536 Education on S.B. No. 54

The purpose of this measure is to appropriate funds for capital improvement projects for the University of Hawaii.

Testimony in support of this measure was submitted by the University of Hawai'i, the College of Education of the University of Hawai'i, the Faculty of the College of Education of the University of Hawai'i, the College of Arts & Humanities of the University of Hawai'i, the American Chemistry Council, the William S. Richardson School of Law, the Center on Disability Studies, the University of Hawai'i College of Education Alumni Association, the Hawaii State Teachers Association, and one hundred nineteen individuals. The Hawaii Carpenters Union submitted testimony in opposition to this measure.

Your Committee finds that the University of Hawaii (UH) is the State's only public system of higher education, from which much of Hawaii's workforce is educated and trained. The State must ensure that adequate facilities and programs are provided to allow the UH to offer high-quality education in a positive environment that is appealing to educators and students throughout the State, the country, and the world. This measure provides the necessary funding for capital improvement projects at campuses throughout the UH system.

Your Committee understands that although this measure provides for eighteen capital improvement projects throughout the UH system, the Board of Regents of the UH actually approved twenty-seven projects, many of which were not included in the Executive Budget. Your Committee believes that all capital improvement projects approved by the Board of Regents should be appropriately considered by the Legislature and has included the additional projects in this measure.

Additionally, testimony was provided that raised concerns about the provision in the measure requiring all construction and renovation work under this measure to meet or exceed the applicable Leadership in Energy and Environmental Design silver rating standards. Your Committee understands that this requirement may be too restrictive and believes the language should instead reflect other statutory requirements regarding green building standards.

Accordingly, your Committee has amended this measure by:

- (1) Including funding for the following capital improvement projects:
 - (A) Saunders Hall, UH at Manoa;
 - (B) Campus development, University of Hawaii at West Oahu;
 - (C) Waianae Education Center, Leeward Community College;
 - (D) Native Hawaii Success Centers, UH-Systemwide;
 - (E) Science Building, Maui Community College;
 - (F) Campus Center, addition and renovation, UH at Hilo;
 - (G) Pacific Aerospace Training Center, re-roof hangar 111, Honolulu Community College;
 - (H) Gartley Hall renovation, UH at Manoa;
 - (I) Law school expansion and renovation, UH at Manoa; and
 - (J) Performing Arts facility and parking structure, UH at Manoa;

- (2) Including unspecified appropriation amounts for all projects;
- (3) Changing the method of funding for certain projects from general revenues to either federal, private, or revolving funds, as appropriate; and
- (4) Requiring all construction and renovation work under this measure to meet or exceed either the Leadership in Energy and Environmental Design silver rating system or another comparable state-approved, nationally recognized, and consensus based guideline standard, or system, except when the guideline standard or system interferes or conflicts with the use of the building or facility as an emergency shelter.

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. 54, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 54, 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, (Hee, Nishihara).

SCRep. 537 Education on S.B. No. 1154

The purpose of this measure is to provide flexibility to the Board of Regents of the University of Hawaii in the financing and administration of capital projects within the jurisdiction of the University.

Testimony in support of this measure was submitted by the University of Hawaii (UH). Testimony in opposition of this measure was submitted by the Department of Budget and Finance and the Department of the Attorney General.

Your Committee finds that over the past several years, the UH has made great strides in gaining greater autonomy over its functions and operations. Pursuant to Act 115, Session Laws of Hawaii 1998, the UH was granted a considerable amount of flexibility in managing its resources. Since that time, the University of Hawaii has demonstrated that it possesses the capability to act reasonably and responsibly in the use of its authority in many areas, including financial strategy. However, your Committee understands that, as the UH is a state entity, which benefits from state funds, the authorization of total autonomy in financial matters may not be prudent.

To that end, the Department of the Attorney General underscored related concerns with provisions of the measure that allow the UH to take certain actions on its own, such as issue revenue bonds, which may be in contravention of the State Constitution. The Department of the Attorney General also raised concerns regarding the specific language and definitions within the measure. Your Committee recognizes that there may be merit to the concerns raised, but believes that this measure should continue to proceed through the session to facilitate further discussion and scrutiny to determine whether a workable alternative can be fashioned.

In addition, in an attempt to address some of the concerns raised by the Department of the Attorney General, the UH has provided suggested changes to the measure. Your Committee has included those changes in its amended draft.

Accordingly, your Committee has amended this measure by:

- (1) Including language that requires the UH to obtain the approval of the Governor prior to the issuance of revenue bonds;
- (2) Clarifying the definitions for the terms “network”, “university project”, and “university system”;
- (3) Removing the definition for the term “university purpose” and any references thereto;
- (4) Making technical, nonsubstantive amendments for purposes of clarity; and
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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 S.B. No. 1154, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1154, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 5. Ayes with Reservations, 1 (Taniguchi). Noes, none. Excused, 2 (Hee, Nishihara).

SCRep. 538 (Joint/Majority) Education and Economic Development and Taxation on S.B. No. 1354

The purpose of this measure is to create a system of science, technology, engineering, and mathematics (STEM) academies for students in middle and high school to ensure preparedness of students for post-secondary education and beyond.

Specifically, this measure:

- (1) Establishes the Hawaii Excellence through Science and Technology (HiEST) Academy Program to increase preparedness for post-secondary education and the workforce and provides funding therefor;
- (2) Establishes the Fostering Inspiration and Relevance through Science and Technology (FIRST) pre-academy program and provides funding therefor;
- (3) Establishes the Robotics and Space Contextual Learning Program to develop science, technology, engineering, and math (STEM) skills and provides funding therefor;
- (4) Establishes the Business/Education Internship and Mentorship Program to increase opportunities for high school and college students to gain work experience and provides funding therefor;
- (5) Establishes the Research Experiences for Teachers (RET) program and provides funding therefor;
- (6) Establishes a professional development program to provide practicing elementary, middle, and high school teachers of science and mathematics with opportunities to increase their knowledge and understanding in science, technology, engineering and mathematics (STEM) subjects and funding for such professional development;

- (7) Appropriates funds for STEM stipends under the U.S. Department of Labor's Transition to Teaching Program;
- (8) Establishes a STEM scholarship program and the STEM Scholarship Special Fund;
- (9) Establishes the Eminent Scholars Program; and
- (10) Establishes the State Akamai Investment Matching Special Fund and appropriates moneys therefor.

Testimony in support of this measure was submitted by the Governor of Hawaii; the Department of Business, Economic Development, and Tourism; the Department of Education; the University of Hawai'i; the College of Engineering of the University of Hawai'i at Manoa; Chaminade University; the Workforce Development Council; Hawaii Pacific University; the Hawaii Association of Independent Schools; the National Science Teachers Association; the American Chemical Society; the Maui Chamber of Commerce; 3D Innovations, LLC; Ambient Micro, LLC; Applied Marine Solutions; BDI Maritime; CTA Solutions; Hawaii Crop Improvement Association; the Hawaii Science & Technology Council; the High Technology Development Corporation; Kona Bay Marine Resources; KUD International, LLC; Phase 3 Properties, Inc.; Oceanic Imaging Consultants; SEE/RESCUE Corporation; and thirty-nine individuals.

Comments on the measure were also submitted by the Hawaii State Teachers Association and the Institute for Astronomy.

Your Committees find that to move Hawaii forward to succeed in this new millennium requires a dedication to supporting innovation and technology and growing a qualified workforce to support these areas. Competition in the fields of science, technology, engineering, and math (STEM) has escalated throughout the world, and Hawaii needs to invest in the education and training of our students to ensure that they will succeed in the workforce. Your Committees find that currently, the public school system is not graduating adequate numbers of students with basic STEM skills. Therefore, an emphasis must be placed on programs to develop skills in these areas to prepare our students for challenging careers in this global society where STEM disciplines have become prominent.

This measure addresses many aspects involved in developing a comprehensive approach to promoting the STEM disciplines, including establishing STEM academies, growing and fostering a STEM teaching workforce through the provision of stipends and scholarships, and providing additional work experience opportunities for students. This session, there are several measures that address various programs and initiatives relating to the development of STEM programs. Your Committees believe that the Legislature is committed to addressing the current need for an existing and future highly-skilled, highly-qualified workforce. As such, the Legislature must look at the different ways in which appropriate programs can be developed and funded to concentrate and maximize State resources. In order to allow for ease of consideration of the different components of this measure, your Committees determine that removing parts of this measure and placing them into other measures covering the same topics is appropriate at this time.

Accordingly, your Committees have amended this measure by:

- (1) Removing provisions that provided for the establishment of the following:
 - (A) The Hawaii Excellence through Science and Technology (HiEST) Academy Program and funding therefor;
 - (B) The Robotics and Space Contextual Learning Program and funding therefor;
 - (C) The Business/Education Internship and Mentorship Program and funding therefor;
 - (D) The Research Experiences for Teachers (RET) program and funding therefor; and
 - (E) A professional development program to provide practicing elementary, middle, and high school teachers of science and mathematics with opportunities to increase their knowledge and understanding in science, technology, engineering and mathematics (STEM) subjects and funding for such professional development; and
- (2) Making technical, nonsubstantive changes for purposes of clarity and to conform to preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Education and Economic Development and Taxation 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, 8. Noes, 1 (Slom). Excused, 3 (English, Hee, Nishihara).

SCRep. 539 (Joint/Majority) Transportation and International Affairs and Energy and Environment on S.B. No. 1276

The purpose of this measure is to add construction of infrastructure improvements of harbor facilities to the triggers for an environmental assessment, and to clarify that the definition of "environmental impact statements" includes traffic congestion effects as a factor to consider in a proposed action.

This measure also requires the preparation of an environmental impact statement for the Hawai'i Superferry, and requires the Department of Transportation to cease further construction of improvements at Kahului Harbor and the Hawai'i Superferry to refrain from commencing operations, until a final environmental impact statement is accepted. This measure makes an appropriation to the Department of Transportation to prepare an environmental impact statement.

In an effort to bring this hearing to the people who would be affected the most, your Committees held additional hearings on Kaua'i at the Kaua'i County Council Chambers on February 10, and again on February 10 on Maui at Baldwin High School.

On O'ahu, your Committees received testimony in support of this measure from the Pacific Whale Foundation; Tropic Orchid Farm, Inc.; one Maui Councilmember (offered county council resolution in support), one Kaua'i Councilmember, one Hawai'i County Councilmember, and ninety-one individuals. Testimony in opposition was received from the Department of Transportation, State Attorney General, Hawai'i Superferry, Maui Chamber of Commerce, Expeditions, Paradise Television, Maui County Farm Bureau, and Kaua'i Chamber of Commerce. There were faxes and emails from approximately 160 individuals in support and approximately 444 were in opposition.

On Kaua'i, your Committees received a petition of at least 6,000 names in support; 116 people testified of whom 113 were in support and 2 were in opposition, and one made comments. There was a county resolution offered by the Kaua'i County Council.

On Maui, your Committees heard from 105 testifiers, of whom 102 were in support, one in opposition, and two made comments. There was a petition with at least one thousand names in support.

Your Committees find that state commercial harbor improvements that require the expenditure of large amounts of governmental funds should comply with the environmental review process. Your Committees are concerned that new maritime activities that require substantial harbor improvements, such as the Hawai'i Superferry, could have serious effects on vehicular traffic, transport of non-native species between islands, introduction of invasive plant and animal species, increased collisions with whales, and increased warehousing at the harbors, among other issues, all of which have economic and environmental consequences that come within the scope of issues to be reviewed under the environmental impact statement law.

Your Committees believe that consideration of effects of traffic congestion and infrastructure that could result from harbor improvements is necessary in order to protect Hawai'i's fragile ecosystem and delicate environment.

In addition to environmental concerns, your Committees have serious reservations about harbor and traffic congestion. Harbors on O'ahu, Maui, and Kaua'i are so congested that viability of Hawai'i's shipping industry is threatened unless harbor improvements and expansion are immediately undertaken. Hawai'i Superferry adds to the congestion. It is very conceivable that traffic congestion surrounding the harbors would worsen once the Hawai'i Superferry begins transporting vehicles for drive on and drive off service, with its 282 small car capacity and likely other types of larger vehicles and trucks.

Your Committees are concerned that decisions to excuse new maritime activities from obtaining an environmental assessment or an environmental impact statement fail to conform to environmental laws that were enacted to ensure that environmental concerns are given appropriate considerations in decision making along with economic and technical considerations. Your Committees believe that State and federal officials should have been more vigilant in the interests of protecting the environment while seeking to enhance the economy of the State.

Your Committees recognize the legal reservations about this measure as opined by the Attorney General. Nonetheless, your Committees believe that safeguarding the vital interests of its people is paramount. Such vital interests include a healthy environment as free as possible from irreparable damage from such things as offshore pollution and invasive species. Mitigating traffic congestion is also of vital interest. Your Committees find that this measure is consistent with the purpose of chapter 343, Hawaii Revised Statutes, relating to environmental impact statements. Section 343-1, Hawaii Revised Statutes, states, in pertinent part, "[t]he quality of humanity's environment is critical to humanity's well being, that humanity's activities have broad and profound effects upon the interrelations of all components of the environment ...the process of reviewing environmental effects is desirable because environmental consciousness is enhanced, cooperation and coordination are encouraged, and public participation during the review process benefits all parties involved and society as a whole."

Your Committees note that if required to conduct an environmental impact statement process, the Hawai'i Superferry would be delayed from starting up its operations, but would not be banned forever from operations. If the Hawai'i Superferry has completed most of the required elements for an environmental assessment or impact statement, or both, as it so testified, this measure would merely formalize what has already occurred.

Your Committees have amended this measure by:

- (1) Deleting the statutory amendments and the purpose section;
- (2) Inserting a new purpose section to more appropriately reflect the measure's intent;
- (3) Inserting provisions to:
 - (A) Require the preparation of an environmental impact statement pursuant to chapter 343, Hawaii Revised Statutes, for the expenditure of public funds for improvements being made to commercial harbors in the State to accommodate the operations of the Hawai'i Superferry;
 - (B) Require that the Department of Transportation implement any mitigating measures that may be recommended in the environmental impact statement and, to the extent necessary, amend its agreement with the Hawai'i Superferry to require that the Hawai'i Superferry implement any recommended mitigative measure in its operations; and
 - (C) Allow the Department of Transportation to assess the Hawai'i Superferry for all reasonable costs for the preparation of the environmental impact statement; and
- (4) Deleting the appropriation.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1276, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1276, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 8. Ayes with Reservations, 2 (Espero, Gabbard). Noes, 1 (Inouye). Excused, 2 (Ihara, Kokubun).

SCRep. 540 (Joint) Energy and Environment, Education and Economic Development and Taxation on S.B. No. 1866

The purpose of this measure is to establish the Hawaii Natural Energy Institute at the University of Hawaii, with responsibilities for administering the Energy Development Special Fund.

The measure also creates the Biofuels Development Revolving Loan program to be administered by the Hawaii Strategic Development Corporation.

This measure makes four appropriations as follows:

- (1) Appropriates \$10,000,000 in general funds for fiscal year 2007-2008, for deposit into the Energy Systems Development Special Fund;
- (2) Appropriates \$10,000,000 for fiscal year 2007-2008, out of the Energy Systems Development Special Fund for the purposes of the Special Fund;

- (3) Appropriates \$10,000,000 in general funds for fiscal year 2007-2008, for deposit into the Biofuels Development Revolving Loan Fund; and
- (4) Appropriates \$10,000,000 for fiscal year 2007-2008, on to the Biofuels Development Revolving Loan Fund to be used for the purposes of providing loans in accordance with that fund.

Testimony in support of this measure was submitted by the Hawaii Natural Energy Institute of the University of Hawaii at Manoa; the College of Social Sciences, Hawaii Energy Policy Forum at the University of Hawaii at Manoa; Hawaiian Electric Company, Inc.; Hawaii Strategic Development Corporation; Hawaii Renewable Energy Alliance; and ClearFuels Technology, Inc. Testimony in opposition to this measure was submitted by the Department of Budget and Finance. Comments were submitted by the Department of Business, Economic Development and Tourism, and the Public Utilities Commission.

Your Committees find that Hawaii has struggled for approximately thirty years to develop renewable sources of energy in order to reduce its dependence on imported fossil fuels and imported sources of energy. In 1974, the Legislature passed a series of Acts that recognized the vulnerability of Hawaii's residents to the petroleum industry as a result of its reliance on imported oil for transportation fuels and power generation. Over the thirty years that followed, the Legislature has continued to enact laws and appropriate funds to further develop alternative sources of energy.

Your Committees further find, that the Legislature passed Act 240, in 2006, which was groundbreaking legislation to promote energy self-sufficiency for the State. Act 240 promoted further development of renewable energy, including increased financial incentives, mechanisms for dedicated sources of funding, and development of hydrogen as a renewable energy source. While progress has been made, there is still much to be done.

Your Committees further find, that the Legislature adopted House Concurrent Resolution No. 195, in 2006, calling for a study of the feasibility of development of biofuels as a renewable energy, primarily for electricity generation. The Legislature recognized that land-based development of crops for use in biofuels production for Hawaii would achieve the objective of energy self-sufficiency. The Legislature also recognized that complex issues relating to land acquisition, water supply, and investment risk would need to be addressed before a viable and cost effective biofuels program could be developed. The Legislature finds that an integrated approach must be undertaken to coordinate the various industries and federal and state agencies to ensure the success of any substantial investment into biofuels development.

The purpose of this Act is twofold. Part I statutorily establishes the Hawaii Natural Energy Institute of the University of Hawaii at Manoa, defines its mission, and creates the Energy Development Special Fund for the development of renewable energy. One of the roles of this Institute will be to manage the portfolio of renewable energy programs to ensure an integrated approach, use its technical expertise to advise state and federal agencies to maximize funding sources and encourage private industry investments, and evaluate Hawaii's efforts undertaken toward energy self-sufficiency.

Part II of this measure creates the Biofuels Development Revolving Loan Fund, administered by the Hawaii Strategic Development Corporation, with technical advice from the Hawaii Natural Energy Institute. The purpose of the loan fund is to provide seed financing for commercially viable biofuel development projects, pending adoption of a comprehensive plan for Hawaii's energy self-sufficiency based, in part, on biofuels.

Your Committees amended this measure by making the following amendments:

- (1) Clarifying and revising the language requiring the director of the Institute to coordinate work with the Energy Resources Coordinator (ERC);
- (2) Deleting the provision requiring technical assistance and advice relating to the use of funds administered by the Hawaii Strategic Development Corporation as unnecessary;
- (3) Removing the reference to the Energy Systems Development Special Fund receiving funding by using fifty per cent of any public benefit fees established by the Public Utilities Commission;
- (4) Removing the provision regarding monitoring state agencies charged with implementing renewable energy projects as unnecessary;
- (5) Clarifying the provision regarding the parameters in conducting an evaluation so it comports with the stated objectives of the special fund;
- (6) Adding language clarifying that the two-person panel conducting the evaluation should be appointed by the Director of Business, Economic Development and Tourism to avoid a conflict of interest;
- (7) Inserting language in the appropriation provision for the Energy Systems Development Special Fund to develop a plan of action in coordination with the ERC to promote effective prioritization and focus on efforts consistent with the State's energy programs; and
- (8) Removing the appropriation amounts to reflect unspecified amounts for further discussion and decision making in the Committee on Ways and Means.

It is the intent of your Committees to establish the Hawaii Natural Energy Institute at the University of Hawaii, with the responsibilities for administering the Energy Development Special Fund and to create a Biofuels Development Revolving Loan program to be administered by the Hawaii Strategic Development Corporation.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Education and Economic Development and Taxation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1866, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1866, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 11. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 6 (Chun Oakland, English, Hee, Hooser, Taniguchi, Trimble).

The purpose of this measure is to encourage the development and use of bioenergy.

Specifically, this measure creates a Bioenergy Master Plan Task Force to develop and implement policies and procedures for a bioenergy industry in Hawaii and makes an appropriation to defray the expenses of the task force.

Testimony in support of this measure was submitted by the Department of Agriculture; Department of Business, Economic Development, and Tourism; University of Hawai'i System; Hawaiian Electric Company; Maui Electric Company; Hawaii Electric Light Company; Hawaii Energy Policy Forum; and Hawaii Renewable Energy Alliance. The Sierra Club, Hawai'i Chapter submitted testimony supporting the intent of the measure. Testimony in opposition to this measure was submitted by Life of the Land and Windward Ahupua'a Alliance. The State Procurement Office and Office of Information Practices submitted comments.

Your Committees find that the State must continue in its efforts to diversify its energy systems and reduce its dependence on imported petroleum. Successful diversification is dependent on developing a comprehensive plan that addresses the complex set of issues pertaining to the technology and its resource requirements. The plan must also take measures to gain the support of public and private stakeholders.

Your Committees understand the concerns relating to biofuels, and notes that when planning, the energy expenditures in creating biofuel should be considered in relation to the decrease in emissions given off when used.

Your Committees find that by tasking the Department of Business, Economic Development, and Tourism (Department) with creating the master plan, the State can make better use its funds for necessary technical consultation.

Your Committees amended the measure to exclude the creation of the task force. Instead, the Department will have the responsibility of developing the bioenergy master plan and reporting to the Legislature. The measure was amended to require the Department to develop the master plan in consultation with representatives of diverse stakeholders. It is your Committees' strong intent that these representatives include the Hawaii Energy Policy Forum, environmental groups, and all other stakeholders. Your Committees have also eliminated the exemption from complying with chapter 103D, Hawaii Revised Statutes, the Hawaii Public Procurement Code. This was a concern mentioned by several testifiers.

The measure was further amended to change the appropriation from \$200,000, for each year of the 2007-2009 fiscal biennium to \$600,000, for the 2007-2008 fiscal year.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 982, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 982, 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 (Hooser, Kokubun, Sakamoto).

SCRep. 542 (Joint) Energy and Environment and Intergovernmental and Military Affairs on S.B. No. 1701

The purpose of this measure is to require counties with a population of over seven hundred fifty thousand residents to establish a residential curbside recycling program.

This measure also appropriates, through grants-in-aid, funds to the counties for the purpose of establishing a curbside recycling program.

Your Committees received testimony in support of this measure from the Department of Health, the Sierra Club Hawai'i Chapter, the Sierra Club Oahu Group, Retail Merchants of Hawaii, the Hawaii Food Industry Association, a member of the City Council of the City and County of Honolulu, and six individuals. The Department of Environmental Services of the City and County of Honolulu submitted testimony in opposition to this measure.

Your Committees find that Hawaii is currently facing a solid waste crisis, with conflicts arising over landfills on all the islands and with the permit for Oahu's main landfill, Waimanalo Gulch, set to expire in 2008. Your Committees find that curbside recycling will help ease the burden on Hawaii's landfills by making recycling more convenient so that materials that can be recycled do not end up in Hawaii's landfills.

The intent of this measure is to address the solid waste problem the State is facing by requiring counties with a population of over seven hundred fifty thousand residents to establish a residential curbside recycling program and by providing the counties with grants-in-aid for that purpose.

Your Committees note that the Chair of the Committee on Intergovernmental and Military Affairs does not support having the State mandate how the counties handle recycling.

Your Committees have amended this measure by:

- (1) Adding language to amend section 342G-104, Hawaii Revised Statutes (HRS), to authorize that any grant-in-aid to a county with a population of seven hundred fifty thousand or more residents, made for the purposes of section 342G-104(b), HRS, shall be disbursed with a requirement that the county utilize a portion of the moneys to establish or maintain a curbside residential recycling program; and
- (2) Broadening the scope of the appropriation to include appropriations for grants-in-aid to each county, with the proviso that, of the moneys appropriated to the City and County of Honolulu, the City and County shall expend a portion thereof to establish and maintain a residential curbside recycling program.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1701, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1701, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Ayes with Reservations, 2 (Inouye, Tsutsui). Noes, none. Excused, 2 (Hooser, Trimble).

SCRep. 543 (Joint) Energy and Environment and Intergovernmental and Military Affairs on S.B. No. 783

The purpose of this measure is to make noise abatement laws more effective.

Specifically, this measure makes an appropriation of an unspecified sum for each year of the 2007-2009 fiscal biennium to provide incentives to the counties to develop and enforce noise abatement ordinances.

Testimony in support of this measure was submitted by one individual. Testimony in opposition to this measure was submitted by the Honolulu Police Department.

Your Committees find that noise abatement has become a critical issue, given our State's increasing population. A concerted county effort is needed to provide the organization for enforcement of noise abatement county ordinances. Such an effort was successful with the "Click It or Ticket" seat belt program.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 783 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, 1 (Kokubun).

SCRep. 544 (Joint) Energy and Environment and Intergovernmental and Military Affairs on S.B. No. 991

The purpose of this measure is to further the State's policies of developing indigenous renewable energy resources and decreasing the State's dependence on imported fossil fuels.

Specifically, this measure establishes that it is the policy of state and county governments to provide priority handling and processing, and expedite action on all state and county permits required for renewable energy projects.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs; Department of Land and Natural Resources; Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Hawaii Renewable Energy Alliance, Honolulu Seawater Air Conditioning, LLC; and Puna Geothermal Venture. Testimony in opposition to this measure was submitted by the Department of Planning and Permitting of the City and County of Honolulu and Sierra Club, Hawai'i Chapter. The Department of Business, Economic Development, and Tourism submitted comments.

Your Committees find that attempts at encouraging private sector development of renewable energy projects have not been successful primarily due to the impediments of obtaining permits and approvals. Given the multiple laws and rules that must be complied with, including land use, planning, and environmental laws, some existing procedures are duplicative and lack coordination.

Your Committees find that providing priority handling and processing of renewable energy project permits is necessary to decrease the financial and time costs that are prevalent in the existing system. However, your Committees are concerned that expediting decisions could have an adverse impact if environmental considerations and public input opportunities are curtailed in the effort to comply with the "expedited action" requirement.

This measure was amended to delete the provision requiring state and county agencies to expedite action on the permits.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 991, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 991, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Ayes with Reservations, 1 (Ihara). Noes, none. Excused, 1 (Kokubun).

SCRep. 545 (Joint) Energy and Environment and Transportation and International Affairs on S.B. No. 1943

The purpose of this measure is to encourage further production and use of biofuels in Hawaii by:

- (1) Establishing biofuel processing facilities as a permitted use in designated agricultural districts under chapter 205, Hawaii Revised Statutes;
- (2) Establishing an energy feedstock program within the department of agriculture to encourage the production of energy feedstock in Hawaii and establish a baseline percentage of energy feedstock to be grown in the State to meet the its energy requirements;
- (3) Establishing a baseline price of \$2 per gallon for the purchase of ethanol from an ethanol production facility;
- (4) Requiring rental car companies in Hawaii with fleets of fifty cars or more to purchase flexible or alternative fuel vehicles beginning January 1, 2008; and
- (5) Requiring the Department of Transportation to include biofuel storage and transmission infrastructure in all harbor improvement master plans.

Testimony in support of this measure was submitted by the Department of Agriculture; the Department of Transportation; the Department of Business, Economic Development and Tourism; Hawaiian Electric Company, Inc.; the World Business Academy; the Hawaii Crop Improvement Association; and one individual. Testimony in opposition to this measure was submitted by the Hawaii Automobile Dealers' Association, the Alliance of Automobile Manufacturers, and several individuals. Comments were submitted by Life of the Land, the Respiratory and Environmental Disabilities Association of Hawaii, and one individual.

Your Committees find that Hawaii's dependence on petroleum for about ninety per cent of its energy needs is more than any other state in the nation. This makes the State extremely vulnerable to any oil embargo, supply disruption, international market dysfunction, and many other factors beyond the control of the State. Furthermore, the continued consumption of conventional petroleum fuel negatively impacts the environment. At the same time, Hawaii has among the most abundant renewable energy resources in the world, in the form of solar, geothermal, wind, biomass, and ocean energy assets.

Your Committees also find that increased energy efficiency and use of renewable energy resources would increase Hawaii's energy self-sufficiency, achieving broad societal benefits, including increased energy security, resistance to increases in oil prices, environmental sustainability, economic development, and job creation.

Your Committees further find that the language in part III of this measure regarding establishing a baseline price for the purchase of ethanol from an ethanol production facility and a ceiling price for a portion of the ethanol re-sold by a distributor is ambiguous as to whether the re-sale price cap applies to a portion of every ethanol purchase made by every distributor, regardless of the source of the ethanol.

Your Committees further find that the time limits imposed on automobile manufacturers in part IV requiring all rental cars purchased after January 1, 2008, to be flexible or alternative fuel vehicles is not feasible since automobile manufacturers are already in the planning stages for automobiles through the year 2012.

Your Committees further find that the Department of Transportation has already started work on a Statewide Fuel Facilities Development Plan to examine the fuel facilities at commercial harbors. This study, according to the Department of Transportation's testimony, includes the examination of biofuels and the subject matter of this study is currently being addressed in another measure.

In light of these findings, your Committees amended this measure to remove parts III, IV, and V of the measure. Your Committees also amended part I by adding language to clarify that the biofuels processing facilities on agricultural lands must be compatible with other agricultural uses.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1943, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1943, S.D. 1, and be referred to the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees. Ayes, 8. Ayes with Reservations, 1 (Trimble). Noes, none. Excused, 3 (Kokubun, Taniguchi, Tsutsui).

SCRep. 546 Energy and Environment on S.B. No. 1026

The purpose of this measure is to reduce the amount of trash flowing into landfills and decrease the amount of litter on the beaches and in the ocean.

The measure accomplishes this purpose by amending the deposit beverage container program to require that the program accept bottles that have a capacity of up to two liters (sixty-eight fluid ounces). In addition, it requires redemption centers to remain open at least thirty hours per week, including at least five hours on Saturday or Sunday.

Your Committee received testimony in support of this measure from the Sierra Club Hawaii Chapter and the Department of Environmental Management County of Hawaii. Reynolds Recycling and Windward Ahupua'a Alliance submitted testimony in support with comments. Your Committee received testimony in opposition to this measure from the Department of Health, the Hawaii Food Industry Association, The Pepsi Bottling Group, and the Coca-Cola Bottling Company of Hawaii.

Your Committee finds that the deposit beverage container program has proven to be an overwhelming success for Hawaii's environment. Your Committee further finds that the success rates will only increase with the addition of two-liter bottles to the program and extended hours of operation for redemption centers. However, your Committee finds that extended hours may cause an undue hardship for redemption centers located in rural areas.

Accordingly, your Committee has amended this measure by:

- (1) Requiring redemption centers to be open at least thirty-five hours per week, of which not less than five hours shall be on a Saturday or Sunday and shall remain open until 7 p.m. on at least two weekdays; provided that the center is located in a high density area;
- (2) Requiring that reverse vending machines are operational and accessible during the normal business hours of the center or store where it is located; and
- (3) Making technical, non-substantive changes for the purposes of clarity, consistency, 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. 1026, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1026, 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 (Hooser, Trimble).

SCRep. 547 Energy and Environment on S.B. No. 1066

The purpose of this measure is to establish a fee for the inspection of invasive species at State ports of entry and establish the Invasive Species Inspection, Quarantine, and Eradication Fund.

Testimony in support of this measure was submitted by the Department of the Attorney General; the Department of Land and Natural Resources; the Department of Transportation; the Conservation Council for Hawaii; Democratic Party of Hawaii; the Oahu County Committee; Sierra Club, Hawaii Chapter; Hawaii Audubon Society; Hawaii Forest Industry Association; Airlines Committee of Hawaii; and The Nature Conservancy. Testimony in opposition to this measure was submitted by the Department of Budget and Finance; Horizon Lines; Maui County Farm Bureau; Hawaii Farm Bureau Federation; and Alexander & Baldwin, Inc. and Matson Navigation Company, Inc. Comments were submitted by the Department of Agriculture.

Your Committee finds that invasive species are one of the most significant threats to the environment, culture, economy, and quality of life in Hawaii. The lack of adequate and sustainable funding is the single greatest problem that State, Federal, and private agencies face in the fight to protect Hawaii from harmful invasive species. Increased inspection at ports of entry will help prevent new invasive species from becoming established by proactively preventing their entry through enhanced vigilance. Your Committee believes that increasing inspection efforts is ultimately more cost-effective than trying to control the spread of an invasive species once they are in Hawaii.

Your Committee further finds that the fee serves as an important funding mechanism for invasive species prevention and control.

Your Committee amended this measure by eliminating the proposed definitions, inserting the term “article”, and replacing the term “invasive species” with “pest” in the proposed new sections in order to conform the language contained in the proposed new sections with existing provisions in the Hawaii Revised Statutes, and to avoid conflict or overlap with the Permit Revolving Fund, found in section 150A-6.7, Hawaii Revised Statutes, or the Microorganism Revolving Fund, found in section 150A-4, Hawaii Revised Statutes. Your Committee further amended this measure by changing the effective date to July 1, 2020, in order to encourage further discussion on this matter.

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. 1066, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1066, 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 (Hooser, Trimble).

SCRep. 548 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Economic Development and Taxation on S.B. No. 1585

The purpose of this measure is to protect and aid in the preservation and identification of Native Hawaiian historic sites by requiring a private landowner to notify the Department of Land and Natural Resources prior to removing, excavating, injuring, or destroying a potential Native Hawaiian historic site.

Specifically, this measure:

- (1) Amends chapter 6E, Hawaii Revised Statutes, by adding a new section that:
 - (A) Requires a private landowner to notify the Department of Land and Natural Resources prior to commencing an action that will remove, excavate, injure, or destroy a potential Native Hawaiian historic site on the landowner’s property;
 - (B) Requires the Department of Land and Natural Resources, within sixty days from receipt of notice, to review and comment upon the proposed action, and decide whether to approve the proposed action;
 - (C) Provides requirements for the landowner to adhere to if the Department of Land and Natural Resources approves or disapproves the proposed action;
 - (D) Permits the Department of Land and Natural Resources to commence condemnation proceedings, if necessary, and permits funds to be expended from the Governor’s contingency fund if the Department does not have the necessary funds available to condemn the property to protect the historic site;
 - (E) Provides penalties if a landowner knowingly violates the provisions of the new section; and
- (2) Adds a new definition for “potential Native Hawaiian historic site” under section 6E-2, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources; the Office of Hawaiian Affairs; and the Mayor, County of Hawaii. Testimony in opposition to this measure was submitted by Kulima Resort Company, the Society for Hawaiian Archeology, and one individual. The Department of Planning and Permitting, City and County of Honolulu submitted comments.

Native Hawaiian historic properties and sites possess tremendous cultural and educational value and should be preserved for future generations. These sites possess Native Hawaiian history and are tangible and fragile remnants of the past. Your Committees find that requiring private landowners to notify the Department of Land and Natural Resources before commencing in an action that would remove, excavate, injure, or destroy a potential Native Hawaiian historic site on their property will ensure that these sites are protected and preserved.

Your Committees have amended this measure by:

- (1) Clarifying the actions that would trigger the requirement for a landowner to notify the Department of Land and Natural Resources;
- (2) Extending the period for the Department of Land and Natural Resources to review, comment, and approve the action from sixty days to ninety days as a sixty day timeframe may prove to be unfeasible for the Department to accomplish its review of the historic site and issue an approval;
- (3) Clarifying the definition for “potential Native Hawaiian historic site” by deleting the reference to the year 1850 as it is difficult to determine the exact date of the construction of a historic site, and adding a reference to “older than fifty years” to coincide with similar federal provisions relating to historic properties and sites; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees recognize that this measure does not create a fool-proof system that will protect invaluable Native Hawaiian historic sites, but it will provide further opportunity to protect these sites before they are lost forever. Thus, your Committees believe that this measure, as amended, fulfills the intent of this measure, which is to protect and aid in the preservation and identification of Native Hawaiian historic sites.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Economic Development and Taxation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1585, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1585, 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, 2 (Ige, Tokuda).

SCRep. 549 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Transportation and International Affairs on S.B. No. 1361

The purpose of this measure is to meet the critical demand for state harbor infrastructure projects, expansion, and upgrades by establishing a formal partnership between the Aloha Tower Development Corporation and the Department of Transportation that will allow the Aloha Tower Development Corporation to assist in selected harbor projects throughout the State.

Specifically, this measure amends chapter 206J, Hawaii Revised Statutes, by adding a new section that:

- (1) Allows the Aloha Tower Development Corporation to undertake projects for commercial harbors under the control or jurisdiction of the Department of Transportation;
- (2) Requires that any payments made by the Department of Transportation to the Aloha Tower Development Corporation for the Development Corporation's administrative and operational expenses to be deposited into the Aloha Tower Fund, under a designated sub-account for the particular harbor project;
- (3) Subjects the Aloha Tower Development Corporation to legislative approval on a project-by-project basis for the funding of and participation in harbor projects; and
- (4) Allows the Aloha Tower Development Corporation to apply any revenues derived from any commercial development projects in the Aloha Tower project area to defray the costs of the harbor infrastructure improvement projects incurred within the State.

Testimony in support of this measure was submitted by the Department of Transportation; the Aloha Tower Development Corporation; the Hawaii Harbor Users Group; the Chamber of Commerce of Hawaii; Alexander and Baldwin, Inc.; Matson Navigation Company; the Maritime Consultants of the Pacific; and the Hawaii Ship Agents Association.

The State imports approximately eighty per cent of all of its goods, and of that percentage, ninety-eight per cent of these goods arrive into Hawaii through the State's commercial harbor system. If the capacity of the state harbors is constrained, adverse statewide economic effects will be experienced, including a shortage of essential goods, delays in the delivery of goods, and an increase in costs.

Although the Department of Transportation and harbor users anticipated an increase in the overall volume of cargo processed through Hawaii's commercial harbor system, the actual growth in activity has occurred at a faster rate than projected, thus, requiring the State to accelerate its efforts in implementing projects to redevelop existing harbor facilities and provide expansion for harbor use. The Department of Transportation is unable to effectively meet this increased demand because its Harbors Division is focused primarily on the essential daily management and operations of the commercial harbor system rather than on development, and there is a lack in funding to support these costly improvement projects.

Your Committees find that a failure to resolve issues relating to the expansion of state commercial harbors will eventually limit the growth in the State's economy. Thus, permitting the Department of Transportation to establish a partnership with the Aloha Tower Development Corporation that will enable the Department to expand the use of the State's commercial harbors and improve the infrastructure of the harbors.

Your Committees were concerned with the broad scope of this measure by applying to all state harbors. Although your Committees recognize that the harbors on the neighbor islands are also in need of expansion and improvement, your Committees believe that it is a misnomer for the Aloha Tower Development Corporation to assist in projects other than projects for Honolulu Harbor.

Instead, your Committees request that the Department of Transportation develop an alternative recommendation for the necessary assistance in projects for other harbor facilities. Furthermore, your Committees request that the Department submit a report to the Legislature with a prioritized list of harbor facilities that are in most dire need of expansion or improvement, and provide the scope of the improvements envisioned with the estimated costs of these improvements.

Accordingly, your Committees have amended this measure by:

- (1) Narrowing the scope of the measure from including all commercial harbors to only Honolulu Harbor; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committees believe that this measure, as amended, fulfills the intent of this measure, which is to meet the critical demand for state harbor use and expansion.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1361, as amended herein, and recommend 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 Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 10. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Taniguchi, Tsutsui).

SCRep. 550 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 138

The purpose of this measure is to ensure free access to the Diamond Head State Monument by prohibiting the Department of Land and Natural Resources from charging an admission fee to the Diamond Head State Monument.

Specifically, this measure amends section 6E-32, Hawaii Revised Statutes, by prohibiting the Board of Land and Natural Resources from imposing an admission or entrance fee to Diamond Head State Monument.

Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Diamond Head is a widely acknowledged symbol of Hawaii and visited by tourists and residents daily. Five years ago, an admission fee to the Diamond Head State Monument was imposed by the Division of State Parks of the Department of Land and Natural Resources. Your Committee finds that an imposition of a fee for access to this historic and famous landmark discourages access to Diamond Head.

The Department of Land and Natural Resources indicated to your Committee that the proceeds from the fees charged at the Diamond Head State Monument are deposited into the State Parks Special Fund. The moneys in the State Parks Special Fund are then used by the Department of Land and Natural Resources to operate and maintain state parks and state parks programs statewide. The Department further indicated that the original intent for the imposition of an admission fee was to aid in the maintenance and operation of the Diamond Head State Monument. Your Committee had concerns that the moneys generated from the admission fees were not effectively used to maintain and operate Diamond Head State Monument, and was instead deposited into the special fund to be used for all state parks, thus, defeating the original intent of imposing an admission fee.

Accordingly, your Committee has amended this measure by deleting the amendments made to section 6E-32, Hawaii Revised Statutes, and amending section 184-3.4, Hawaii Revised Statutes, relating to the State Parks Special Fund. Your Committee has amended section 184-3.4, Hawaii Revised Statutes, by:

- (1) Establishing a Diamond Head State Monument sub-account within the State Parks Special Fund into which fifty-five per cent of all proceeds collected from the admission fees charged at the Diamond Head State Monument shall be deposited; and
- (2) Requiring the Department of Land and Natural Resources to expend the moneys from the Diamond Head State Monument sub-account for the purposes of the repair, maintenance, and operation costs incurred by the State in the management of the Diamond Head State Monument.

Your Committee encourages the State Parks Division of the Department of Land and Natural Resources to complete the construction of the visitor centers located at the interior and exterior of the crater. Your Committee further requests that the Department of Land and Natural Resources submit a written report to the Legislature before the commencement of the 2008 Regular Session that includes:

- (1) The current status of the visitor center projects at the Diamond Head State Monument and the funding for these projects;
- (2) The priority of these projects within the entire context of the capital improvement projects for the Department of Land and Natural Resources;
- (3) The reasons that the Department of Land and Natural Resources have for the delay of the Diamond Head State Monument visitor center projects; and
- (4) The feasibility of using funds from a Diamond Head State Monument sub-account to complete the visitor center projects.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to ensure access to the Diamond Head State Monument and appropriate use of access fees.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 138, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 138, 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. 551 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1090

The purpose of this measure is to ensure visitors' safety and enjoyment of the Diamond Head State Monument, and reduce visitor impact on the trail by appropriating funds to improve the load distribution and carrying capacity of the trail system at the Diamond Head State Monument.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Waikiki Improvement Association, and three individuals.

Diamond Head is a widely acknowledged symbol of Hawaii and visited by tourists and residents daily, but the trail system leading to the summit is in desperate need of repair and maintenance. Your Committee finds that the concern for public safety is foremost because the existing trail facilities do not effectively accommodate the number of visitors to this unique historic attraction. Appropriating funds to improve the load distribution and carrying capacity of the trail system fulfills the intent of this measure, which is to ensure visitor safety and enjoyment of the Diamond Head State Monument.

Your Committee has amended this measure by deleting the sum of \$2,200,000 and leaving it unspecified for the Committee on Ways and Means to determine.

Although this measure makes an appropriation from the general fund, your Committee believes that the source of funding for the appropriation merits further discussion by the Committee on Ways and Means. Your Committee questions whether a more appropriate source of funding would be from the issuance of general obligation bonds.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1090, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1090, 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. 552 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1306

The purpose of this measure is to establish a special fund to collect revenues from the Seal of Quality program.

Specifically, this measure requires that all revenues from the program, donations, and any appropriations made by the Legislature be deposited into this special fund. The deposited funds shall be used for costs relating to the program, including any promotional or advertising activities and materials.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hamakua Macadamia Nut Company, Green Point Nurseries, Inc.; Kamiya Gold Inc.; the Hawaii Farm Bureau Federation; Alan Wong's Restaurant; the Hawaii Agriculture Research Center; the Kamaoaha Foundation; the Kona Pacific Farmers Cooperative; the Manoa Honey Company; Nalo Farms, Inc.; and Hamakua Springs Country Farms.

The Seal of Quality program is established pursuant to section 148-61, Hawaii Revised Statutes, to promote and ensure high standards of quality for fresh and processed agricultural products produced in the State. The program generates revenues through licensing and promotional use fees.

Your Committee finds that this measure establishes a special fund and requires that all revenues from the Seal of Quality program, donations, and any appropriations be deposited into the fund to be used for costs relating to the program. This measure is a positive step in creating a self-reliant Seal of Quality program that provides recognizable value to those who participate in it.

Your Committee requests that the Committee on Ways and Means explore and, if feasible, implement an alternative method to disburse revenues from the Seal of Quality program other than through the establishment of a special fund. Your Committee has concerns that too many special funds already exist in the State treasury.

Your Committee is recommending passage of this measure because it strongly believes in the Seal of Quality program, as it will help with diversifying Hawaii's agricultural industry.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs 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 referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Slom). Excused, 1 (Fukunaga).

SCRep. 553 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1307

The purpose of this measure is to support the longevity of a diversified agricultural industry in Hawaii by creating a dairy and egg farm revitalization and food security program.

Specifically, this measure:

- (1) Creates a dairy and egg revitalization program to administer and disburse funds to qualified dairy and egg producers for up to fifty per cent of their feed costs; and
- (2) Appropriates \$3,300,000 in each year of the fiscal biennium, for the Department of Agriculture to disburse funds to qualified producers of milk and eggs for the costs of feed, and for the administrative costs of the revitalization program.

Testimony in support of this measure was submitted by the Department of Agriculture, the Hawaii Farm Bureau Federation, the Hawaii Egg Producers Association Cooperative, Hawaiian Fresh Egg Farm, Pacific Dairy, Cloverleaf Dairy Farms, and four individuals. Testimony in opposition to this measure was submitted by Animal Rights Hawaii and one individual. The College of Tropical Agriculture and Human Resources at the University of Hawaii and the Hawaii Pork Industry Association submitted comments.

Hawaii's livestock industry faces numerous challenges. According to the Department of Agriculture, in 2006, locally produced eggs represented approximately thirty-three per cent of the total eggs sold in the State. Furthermore, approximately thirty to thirty-five per cent of the milk consumed in the State is locally produced. Within the past year, two egg farms and one dairy farm have closed, and currently, a dairy farm and an egg farm are threatened with closure.

Your Committee finds that one of the challenges these farms face is the rising cost of feed for livestock. The decrease in operational local dairy and egg farms increases the State's reliance on the importation of food and threatens the State's food security. Thus, creating a dairy and egg revitalization and food security program will financially assist dairy and egg farmers with covering the cost of their feed requirements, enable them to remain in business, and continue to provide fresh milk and eggs for local consumption.

Your Committee recognizes that the livestock industry also includes chickens and pigs. Pork and poultry producers emphasized to your Committee that they are also threatened with closure due to rising costs for feed, and expressed interest in being included in a livestock revitalization program. Furthermore, the Department of Agriculture offered to your Committee a revised form of this measure that includes revisions to provide greater accountability in the administration of the revitalization program.

Submitted testimony indicated that for poultry farmers, the total cost of grain or feed for their livestock amounts to seventy per cent of the cost to produce one dozen eggs with fifty per cent of that cost attributed to transportation expenses for the feed. Submitted testimony from other commodity producers further represented similar concerns regarding feed costs associated with transportation costs.

Accordingly, your Committee has amended this measure by:

- (1) Expanding the scope of the revitalization program to include pork and poultry farmers as qualified producers;
- (2) Adding a new chapter to the Hawaii Revised Statutes, to establish a livestock revitalization program that:
 - (A) Provides grants to qualified producers to reimburse up to fifty per cent of feed expenses;
 - (B) Establishes conditions and qualifications for a qualified producer to receive a grant;
 - (C) Exempts the grants disbursed under this new chapter from the provisions of chapter 42F, Hawaii Revised Statutes; and
 - (D) Requires the Department of Agriculture to establish and adopt rules to implement the purposes of the livestock revitalization project; and
- (3) Changing the appropriation amount from \$3,300,000 to \$4,700,000, to enable the program to include pork and poultry producers; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee has concerns with the longevity of the revitalization program and is concerned that this program will only provide a short-term solution when a permanent solution is needed to effectively protect the livestock industry in Hawaii. Thus, your Committee believes that this also merits further discussion by the Department of Agriculture, Hawaii Farm Bureau Federation, and the College of Tropical Agriculture and Human Resources at the University of Hawaii.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to support the longevity of a diversified agricultural industry in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs 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 referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (Tokuda).

SCRep. 554 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1356

The purpose of this measure is to improve the government and public's abilities to make informed decisions on various public policy and operational issues by enhancing the ability of the Office of Planning to manage and coordinate a Statewide Geographic Information and Data Integration Program.

Specifically, this measure:

- (1) Creates a Statewide Geospatial Information and Data Integration Special Fund to assist in the operation and maintenance of the Statewide Geospatial Information and Data Integration Program;
- (2) Clarifies the role that the Office of Planning has in maintaining and coordinating a statewide enterprise geographic information system;
- (3) Appropriates \$200,000 from the general fund to support the implementation of a geographic information system software enterprise license agreement; and
- (4) Appropriates \$200,000 from the general fund to be deposited into the Statewide Geospatial Information and Data Integration Special Fund.

Testimony in support of this measure was submitted by the Department of Agriculture; the Department of Health; the Office of Planning; and the Mayor, County of Kauai.

The Office of Planning currently manages a statewide geographic information system that is used on a daily basis by a number of state agencies. The current geographic information system server provides state agencies open access to over one hundred fifty geospatial layers that are available on the State's central geographic information system database. This information is a helpful tool for state agencies to make informed decisions regarding policy making, long-term planning, operational issues, and emergency planning and response.

Your Committee finds that additional support is needed for the geographic information system to be updated and expanded so that the system can serve more agencies and the public. Providing funds to allow the Office of Planning to enter into a geographic information system software enterprise license agreement on behalf of all state agencies using geospatial technologies and data fulfills the intent of this measure, which is to improve the government and public's abilities to make informed decisions on various public policy and operational issues.

Your Committee was concerned with the purposes the moneys in the Statewide Geospatial Information and Data Integration Special Fund would be used for, especially with respect to investment earnings. Your Committee requested the Office of Planning to clarify this language, and the Office of Planning responded with suggested clarifying amendments.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that investment earnings under the Statewide Geospatial Information and Data Integration Special Fund are interest earned on the special funds balance, and that the special fund is not to be used as an investment fund;
- (2) Allowing county agencies to have access to and share appropriate information on the geospatial information system; provided that the costs will be assessed by and paid to the State if the geospatial information services are utilized by the county agencies;
- (3) Adding an appropriation section to allow the Office of Planning to expend an amount of \$200,000 from the Statewide Geospatial Information and Data Integration Special Fund;
- (4) Replacing the effective date of the measure with July 1, 2050, to facilitate further discussion by the Committee on Ways and Means; and
- (5) Making technical, nonsubstantive amendments for the purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs 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 referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, 1 (Slom). Excused, none.

SCRep. 555 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1546

The purpose of this measure is to allow the Office of Hawaiian Affairs to continue to work for the betterment of the conditions of Native Hawaiians by appropriating funds to the Office of Hawaiian Affairs' fiscal biennium 2007-2009 budget.

Specifically, this measure requests an appropriation of funds for the Office of Hawaiian Affairs' operating budget and a capital improvements project for the construction of the Kakaako Culture Center and Office Building.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs.

The Office of Hawaiian Affairs was established under Article XII, section 5, of the state constitution, and created for the purposes of working for the betterment of the conditions of Native Hawaiians; to be the principal agency responsible for the development and coordination of programs and activities relating to Native Hawaiians other than those programs administered by the Department of Hawaiian Home Lands; and to be an advocate for Native Hawaiians.

The Office of Hawaiian Affairs is requesting an appropriation of moneys from the general fund for the Office to provide social services to Office of Hawaiian Affairs beneficiaries, educational enrichment programs for Native Hawaiian children in grades kindergarten to twelfth, and legal services and legal representation to Office of Hawaiian Affairs beneficiaries for quiet title actions and assistance with ahupua'a and kuleana tenant rights. Your Committee finds that appropriating funds to the Office of Hawaiian Affairs will enable the Office to serve the purposes, which are mandated in the state constitution under chapter 10, Hawaii Revised Statutes.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of style and consistency.

With respect to legal services and representation, your Committee has concerns about the amount of funds in the Office of Hawaiian Affairs' conflict fund, and the effectiveness of the fund. Your Committee is concerned about the levels of services and the number of beneficiaries that the conflict fund could adequately serve. Thus, your Committee has requested that the Office of Hawaiian Affairs submit to the Legislature a written report regarding the use of moneys in the conflict fund and its effectiveness in providing legal services and representation for Native Hawaiian beneficiaries. The report is required to be submitted to the Legislature twenty days prior to the convening of the 2008 Regular Session.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1546, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1546, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 3. Ayes with Reservations, 1 (Fukunaga). Noes, 1 (Slom). Excused, 1 (Tokuda).

SCRep. 556 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1719

The purpose of this measure is to increase the monetary limit of loans that the Chairperson of the Board of Agriculture can approve from \$25,000 to \$50,000.

Your Committee received testimony in support of this measure from the Department of Agriculture, the College of Tropical Agriculture and Human Resources at the University of Hawai'i at Manoa, the Hawaii Aquaculture Association, and the Hawaii Agriculture Research Center.

Your Committee finds that increasing the monetary limit of the loans that the Chairperson of the Board of Agriculture can approve from \$25,000 to \$50,000 will help farmers acquire the resources they need to maintain and expand their operations. Your Committee notes that the current approval limit of \$25,000 has not been increased since the authority was granted in 1982, and the agriculture, aquaculture, and bank industries have undergone tremendous changes since that time.

The intent of this measure is to provide greater authority over the amount of loans that may be approved by the Chairperson of the Board of Agriculture to take into account the rise in operating costs that farmers face.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1719 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. 557 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1755

The purpose of this measure is to aid in the eradication of invasive species in Hawaii by providing government agencies and private entities limited liability immunity for injuries sustained by volunteers who are engaged in coqui frog eradication efforts.

Testimony in support of this measure was submitted by the Department of Agriculture, the Department of Land and Natural Resources, the Maui Outdoor Circle, the Kihei Akahi Association of Apartment Owners, the Hawaii Agriculture Research Center, the Hakalau Coqui Warriors, the Hele Mauna Street Neighborhood Watch, and three individuals.

The accidental introduction of the coqui frog in Hawaii has resulted in a serious problem for residents and tourists. Coqui populations have exploded in the last fifteen years from presumably a single infestation to over two hundred on the Big Island alone. They are also present on Maui, Oahu, and most recently on Kauai. The infestation of coqui frogs has forced government agencies to enlist the help of volunteers to aid in the eradication efforts. During coqui frog eradication projects, volunteers are required to move through forested areas or areas dense in vegetation, which may create hazardous conditions for or has the potential of causing injury to these volunteers. Your Committee finds that providing to government agencies and private entities limited liability immunity from injuries sustained by volunteers who are engaged in coqui frog eradication efforts fulfills the intent of this measure, which is to further aid in the eradication of invasive species in Hawaii.

Your Committee has amended this measure by adopting the suggestion made by the Department of Agriculture by replacing "non-employed volunteers" with "unpaid volunteers" to provide clarity.

The Department of Agriculture suggested expanding the scope of this measure to include the potential for other invasive species eradication efforts. However, your Committee notes that the title of this measure is specific to coqui frog eradication efforts, and therefore, while willing to accommodate this additional amendment, your Committee is unable to do so.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1755, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1755, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 558 Economic Development and Taxation on S.B. No. 1133

The purpose of this measure is to require businesses with at least fifty employees that receive school repair and maintenance, certain renovation and development, and high technology tax credits under sections 235-110.2, 235-110.3, 235-110.46, 235-110.51, 235-110.6, 235-110.8, 235-110.9, and 235-110.91, Hawaii Revised Statutes (HRS), to provide experiential learning opportunities to public school students.

The Department of Taxation (Department) submitted comments on this measure.

Your Committee finds that experiential learning is an important component of workforce development, particularly in Hawaii's growing technology related sector. One means of determining the extent of experiential learning opportunities centers on collecting data from businesses that provide these opportunities.

It is the intent of your Committee to encourage the gathering of information on experiential learning in order to support efforts to increase opportunities for Hawaii's students.

Your Committee has amended this measure by:

- (1) Deleting the proposed experiential learning tax credit in chapter 235, HRS;
- (2) Amending section 231-3.4, HRS, to authorize the Department, in its published reports on tax credits, to include information submitted on a voluntary basis to the department by a taxpayer receiving certain technology related credits, information on experiential learning opportunities provided by the taxpayer to public school students; and
- (3) Making the measure effective upon approval date and applicable to taxable years beginning after December 31, 2007.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1133, 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. 1133, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 559 (Majority) Economic Development and Taxation on S.B. No. 1840

The purpose of this measure is to adopt changes to Hawaii's tax law that will allow Hawaii to become a participating member of the National Streamlined Sales Tax Project.

Testimony in support of this measure was received from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Association of REALTORS; and Retail Merchants of Hawaii. The Legislative Committee of Catrala-Hawaii testified in opposition. The Department of Taxation (Department) submitted comments.

Your Committee finds that the Streamlined Sales Tax Project (SSTP) is an effort created by state governments, with input from local governments and the private sector, to simplify and modernize sales and use tax collection and administration. SSTP proposals include tax law simplifications, more efficient administrative procedures, and emerging technologies to substantially reduce the burden of tax collection. The Project's proposals are focused on improving sales and use tax administration systems for both "Main Street" and remote sellers for all types of commerce. Forty-two states and the District of Columbia are involved in the Project.

Your Committee further finds that Hawaii has been a participating member of SSTP since 2003, and that this measure is a culmination of the efforts by both government and the private sector to identify and resolve issues necessary for SSTP compliance.

Your Committee is aware that some members are concerned that SSTP compliance is a "new tax" on Internet commerce. This is not accurate. SSTP provides a standardized means of collecting Hawaii's existing four and one-half per cent use tax on out-of-state sales. Through the SSTP effort, out-of-state sellers can voluntarily collect and remit the correct amount of Hawaii use taxes on out-of-state purchases to the Department of Taxation without imposing any new burdens on Hawaii consumers.

Ultimately, the State's participation in SSTP is premised on treating all taxpayers fairly - to afford the Hawaii-based retailer paying his or her general excise taxes today, the same tax treatment as the out-of-state retailer who sells to Hawaii consumers.

Your Committee received a revenue impact statement from the Department that this measure would increase revenue by about \$10,000,000 annually.

In its methodology, the Department stated that in a study produced for the Office of the Auditor (Auditor) in April 2006, Dr. William Fox estimated that joining the Streamlined Sales and Use Tax Agreement (SSUTA) would provide Hawaii with about \$10,000,000 in additional revenues annually. However, your Committee notes that the 2006 Auditor study was a limited one, based on tax estimates available for a single year. It did not examine Hawaii's growth in electronic or out-of-state commerce.

As such, your Committee finds that 2002 Census Bureau reports of \$1.6 trillion in e-commerce transactions, twenty-four to twenty-five per cent increases in U.S. online sales reported between 2004-2005 ("The State of Retailing Online," a Shop.org Study by Forrester Research, 2005) and a twenty per cent increase in online shopping recorded between 2005 and 2006 (Wall Street Journal, December 23, 2006) illustrate the strong growth of e-commerce in recent years. Revenue erosion is therefore a legitimate concern among state and local governments.

Your Committee notes that the Department requested a delayed effective date to give practitioners and businesses time to adjust to the changes. However, the measure has an effective date of January 2009, for all but two sections of the bill, which is well beyond the extra year the Department noted is optimal for significant changes in the Hawaii Revised Statutes (HRS).

The two sections that would take effect July 1, 2007, authorize establishment of a seven-member working committee to address technical, compliance, policy, and other issues involved in final implementation; and appropriate funds to the Auditor for technical assistance support for a working committee.

Your Committee also notes that in their testimony in opposition, the Legislative Committee of Catrala-Hawaii expressed concern regarding the effect of the legislation on the visible pass through pursuant to section 437D-8.4, HRS. Your Committee believes this may be a misreading of the bill, as the proposed language would not affect the provisions of that section and the general excise tax will continue as Hawaii's "sales" tax.

It is the intent of your Committee to support the continuing effort toward compliance with the SSUTA.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1840 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, 1 (English).

SCRep. 560 Economic Development and Taxation on S.B. No. 1920

The purpose of this measure is to:

- (1) Recodify and rename existing motion picture, digital media, and film production tax provisions; and
- (2) Increase membership of the Hawaii Television and Film Board, enable the Board to delegate certain administrative functions to subcommittees; and appropriate funds to the Board's special fund for grants programs.

Prior to the hearing on this measure, your Committee circulated a Proposed S.D.1. The purpose of the Proposed S.D.1 is to:

- (1) Recodify and rename existing motion picture, digital media, and film production tax provisions;
- (2) Increase the motion picture, digital media, and film production tax credits from fifteen and twenty per cent to twenty and twenty-five per cent, and increase reporting requirements; and
- (3) Increase membership of the Hawaii Television and Film Board, enable the Board to delegate certain administrative functions to subcommittees, authorize the Board not to meet if no money is in its special fund or no grants are being managed, and appropriate funds to the Board's special fund for grants programs.

Testimony in support of the Proposed S.D. 1 was submitted by the Department of Business, Economic Development, and Tourism and two individuals. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

Your Committee received a revenue impact statement from the Department of Taxation that the increases to the tax credit in the Proposed S.D. 1 would cost \$7,000,000 to \$17,000,000 annually.

In its methodology, the Department of Taxation stated that preliminary figures from applications for the film credit for the period from July 1, 2006, to January 25, 2007, showed planned production expenditures of \$83,000,000, of which \$78,000,000 were on Oahu and \$5,000,000 were in the other counties. Assuming the planned expenditures materialize and that the applications continue at the same rate annually, these figures imply that increasing the credit as proposed in the bill would reduce tax revenues by about \$7,000,000 annually. This revenue loss would increase if the proposal were to bring in more film production.

For example, if the rate of production spending were to increase by the same percentage as the credit for film production in each county, the proposal would cost about \$17,000,000 annually. However, this is a static estimate and does not account for dynamic factors, such as increased economic activity in the State that would occur as a result of the credit. Your Committee notes that in its testimony for Act 88, Session Laws of Hawaii 2006, the Department of Taxation estimated a revenue gain of approximately \$13,000,000 for every \$100,000,000 in new production expenditures spent in Hawaii. Accordingly, your Committee has requested the Department of Taxation to provide a more thorough evaluation of the gains and losses associated with the credit.

With regard to the specifics of the bill, your Committee has heard a number of concerns regarding the effectiveness of the Hawaii Television and Film Development Board, due in part to the continued lack of funding. Upon review of the concerns, and the proposed changes to increase the size and scope of the Board, your Committee believes the work of the Board may more appropriately be undertaken by other entities.

Your Committee has also received a number of noteworthy recommendations regarding the tax credits and the recodification in Part I of this measure. Several of these recommendations require additional information before decisions can be reached and it is the intent of your Committee to continue this discussion.

Your Committee has amended the Proposed S.D. 1 accordingly, by:

- (1) Repealing the Hawaii Television and Film Development Board, and deleting references to the Board in the Hawaii Television and Film Development Special Fund; and
- (2) Inserting an effective date of July 1, 2040, for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1920, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1920, 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. 561 Commerce, Consumer Protection and Affordable Housing on S.B. No. 58

The purpose of this measure, as received by your Committee, is to allow for the independent administration of a deceased dentist's estate.

Your Committee received testimony in support of this measure from the Board of Dental Examiners (Board), the Hawaii Dental Association (HDA), and three individuals.

Your Committee finds that seventy per cent of Hawaii's dentists are sole proprietors that do not have the benefit of the Professional Corporations Act of chapter 415, Hawaii Revised Statutes (HRS), which provides for the winding down or selling of the professional's business upon their death or disability. As a result, legal issues arise as to how a dental practice is to be handled by a dentist's estate or a dentist's legal guardian in a situation where a dentist dies unexpectedly or becomes incapacitated. The intent of this measure is to address the issues that arise under those types of circumstances by providing for the temporary, but continued, operation of the dental practice.

Your Committee has amended this measure, based upon the testimony provided by both the Board and HDA, by moving the substance of the proposed new section while maintaining the measure's original intent, to section 448-1, HRS, thus adding an exemption to the practice of dentistry for actions performed by executors and administrators of a deceased dentist's estate, as well as for actions of a legal guardian or authorized representative on behalf of an incapacitated dentist.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing 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 Second Reading in the form attached hereto as S.B. No. 58, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ihara, Sakamoto).

SCRep. 562 (Joint) Commerce, Consumer Protection and Affordable Housing and Judiciary and Labor on S.B. No. 1229

The purpose of this measure is to prohibit scrap dealers from accepting copper from any person under the age of eighteen and from accepting fifteen or more pounds of copper from any person who is unable to supply the required identification.

This measure also requires scrap dealers to take a thumbprint of all persons selling more than fifteen pounds of copper.

In addition, this measure requires the Department of Commerce and Consumer Affairs to maintain a copper database and requires scrap dealers to submit information regarding certain copper transactions on a quarterly basis, which is to be made available to law enforcement agencies.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu. Testimony in opposition to this measure was received by the Honolulu Police Department; Okuda Metal, Inc.; and Reynolds Recycling. Comments were provided by the Department of the Attorney General.

Your Committees find that the recent increase in prices for scrap metal such as copper has caused a spate of copper thefts in the State. Recent thefts are costing resident taxpayers, public utility companies, private companies, and state entities significant revenue to replace the copper that is stolen and to repair the damage caused by these thefts. The intent of this measure is to deter copper theft by placing stricter restrictions on the acceptance of copper by scrap dealers and by requiring that the Department of Commerce and Consumer Affairs establish a database into which required scrap dealer reports will be entered and made available to law enforcement.

Your Committees note that the testimony of the Department of the Attorney General, the Prosecuting Attorney of the City and County of Honolulu, and the Honolulu Police Department all note a preference for S.B. 1332, S.D. 1, as the vehicle for addressing the growing problem of copper theft in the State.

In order to address some of the concerns raised in the testimony of the Department of the Attorney General, your Committees have amended this measure to:

- (1) Remove the language that the identification requirements only apply to persons redeeming fifteen pounds or more of copper and instead require that all persons redeeming copper, regardless of amount, be subject to the identification requirements;
- (2) Require weekly, rather than quarterly, reporting by scrap dealers; and
- (3) Specify that the database and all updates shall be made available to law enforcement agencies on a daily basis.

Your Committees have also amended this measure to make technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1229, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1229, 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 (Ige, Ihara, Inouye, Nishihara).

SCRep. 563 (Joint) Commerce, Consumer Protection and Affordable Housing and Judiciary and Labor on S.B. No. 1412

The purpose of this measure is to establish the Insurance Fraud Investigations Branch, within the Department of Commerce and Consumer Affairs, to replace the existing Insurance Fraud Investigations Unit in order to prevent, investigate, and prosecute (both civilly and criminally) insurance fraud relating to all lines of insurance, except workers' compensation insurance.

This measure also establishes administrative, civil, and criminal penalties and requires that fines and settlements resulting from successful fraud prosecutions are to be deposited into the Compliance Resolution Fund to help the Insurance Fraud Investigations Branch cover some of its costs of operation.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Department of the Attorney General, the Hawaii Insurers Council, the National Association of Insurance and Financial Advisors, State Farm Insurance Companies, the Hawaii Medical Service Association, and the Hawaii Association of Health Plans. Comments on this measure were submitted by the American Council of Life Insurers.

Your Committees find that no line of insurance is immune to the problem of insurance fraud. The intent of this measure is to expand Hawaii's insurance fraud laws to include all lines of insurance, except workers' compensation, by establishing an Insurance Fraud Investigations Branch to replace the existing Insurance Fraud Investigations Unit; establishing administrative, civil, and criminal penalties for all types of insurance fraud; and requiring that fines and settlements resulting from any prosecutions be deposited into the Compliance Resolution Fund to allow the Insurance Fraud Investigations Branch to cover some of its costs.

Your Committees further find that this measure is the result of a collaborative effort between the Department of Commerce and Consumer Affairs and members of the insurance industry and this measure constitutes a consensus among the stakeholders on how to address the problem of insurance fraud in the State.

Your Committees have amended this measure, based upon the recommendation of the American Council of Life Insurers, to provide a higher standard of actual malice with regard to the reporting of insurance fraud in order to protect those reporting insurance fraud from frivolous lawsuits and to provide a greater incentive for reporting fraud.

Your Committees have also amended this measure, based upon the testimony of the Hawaii Medical Service Association, by removing the reference to insurers with regard to investigation and prosecution, and by removing the section relating to required language in health plan applications and claims forms because the language for these forms follow federal law and are provided by the Centers for Medicare and Medicaid Services.

Your Committees note that the amendments recommended by both the American Council of Life Insurers and the Hawaii Medical Service Association were agreeable to the Department of Commerce and Consumer Affairs, the Department of the Attorney General, State Farm Insurance Companies, and the National Association of Insurance and Financial Advisors.

Furthermore, your Committees note that the Insurance Commissioner stated that this measure does not include workers compensation.

Your Committees also made technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1412, as amended

herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1412, 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 (Ige, Ihara, Inouye, Nishihara).

SCRep. 564 Commerce, Consumer Protection and Affordable Housing on S.B. No. 106

The purpose of this measure is to establish a joint legislative study group to investigate issues involved in implementing twenty-four hour insurance coverage in the State and to make an appropriation to fund the study group.

Your Committee received comments on this measure from the Office of Information Practices.

Your Committee finds that a study is needed to determine what actions the State can take to combine prepaid health care, temporary disability insurance, motor vehicle insurance, and other related insurance systems in order to prevent duplication of coverage and avoid delays in the delivery of health care. The intent of this measure is to create a study group to investigate these issues.

Your Committee has amended this measure by:

- (1) Clarifying that the study group shall be exempt from the requirements of part I of chapter 92, Hawaii Revised Statutes;
- (2) Removing the specified amount of the appropriation; and
- (3) Changing the effective date to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 106, 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. 565 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1717

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist public utilities with capital improvement projects for the benefit of public health, safety, and general welfare.

Your Committee received testimony in support of this measure from Hawaiian Electric Company, Inc. (HECO); Maui Electric Company, Limited; and Hawaii Electric Light Company, Inc.

Your Committee finds that the proceeds of the sale of the special purpose revenue bonds authorized by this measure will be used for the construction of facilities that will benefit ninety-five per cent of Hawaii's population. According to HECO's testimony, this type of financing will benefit the taxpayer to the extent that it will be less expensive than other types of financing, which will result in lower rates than if other types of financing are used to fund the capital improvement projects.

Your Committee, based upon the testimony provided by HECO, has made a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1717, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1717, 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 (Ihara).

SCRep. 566 Education on S.B. No. 1136

The purpose of this measure is to ensure adequate funding for public school students and to increase the efficiency of operations within school complex areas.

Specifically, this measure:

- (1) Establishes the Weighted Student Formula Augmentation Special Fund to assist schools in transitioning to the weighted student formula based on certain criteria;
- (2) Appropriates funds to the special fund for the aforementioned purpose;
- (3) Excludes moneys for custodial services, classroom cleaners, and minor repairs and maintenance from the weighted student formula calculation; and
- (4) Provides complex area superintendents increased control over resources within the complex areas to achieve greater efficiency and cost-effectiveness.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association. Testimony in opposition to this measure was submitted by the Department of Education and the Department of Budget and Finance.

Your Committee finds that the weighted student formula was established pursuant to the Reinventing Education Act of 2004, Act 51, Session Laws of Hawaii of 2004, as amended, to provide equity in funding for public school students by utilizing weighted cost factors. Since its implementation, it has become apparent that changes to this approach must be made to address funding deficiencies so that our public school students will not suffer. Although multiple methods have been broached to alleviate the burden placed on schools meeting certain criteria, more needs to be done to ensure that schools are provided adequate funding to provide students with a quality education.

Your Committee determines that students in specific categories, including students in junior kindergarten programs with classes of fifteen or fewer students, students in geographically isolated schools, students in multitrack schools, transient students, students in small schools, and non-English proficient students, require appropriate funding outside of the weighted student formula to ensure their needs are being met. Therefore, your Committee determines that additional compensation based on these factors is necessary to prevent certain schools from suffering devastating consequences. This approach, however, does not require the establishment of a special fund to augment weighted student formula allocations.

Additionally, your Committee finds that personnel and resources within schools and school complexes could be better utilized if control resided with the complex area superintendents. Increased authority would facilitate the appropriate allocation of underutilized or inefficiently utilized resources within the complex areas to achieve greater efficiency and cost-effectiveness. These efforts should also be accomplished through resources provided outside of the weighted student formula allocations to provide true assistance to the schools.

Accordingly, your Committee has amended this measure by:

- (1) Removing the provision establishing the Weighted Student Formula Augmentation Special Fund;
- (2) Removing the provisions relating to transfers from and expenses incurred by the Weighted Student Formula Augmentation Special Fund;
- (3) Removing appropriations from educational instructional support (EDN 200) and education state and district (EDN 300);
- (4) Appropriating funds for certain students in addition in weighted student formula allocations, including students in junior kindergarten programs with classes of fifteen or fewer students, students in geographically isolated schools, students in multitrack schools, transient students, students in small schools, and non-English proficient students;
- (5) Clarifying that complex area superintendents have the authority to allocate resources for complex level educational officers, teachers, and support staff;
- (6) Deleting the provision that would have removed moneys for custodial services, classroom cleaners, and minor repairs and maintenance from the weighted student formula;
- (7) Including an appropriation for complex area superintendents to allocate resources among the schools within the complex area superintendent's jurisdiction; provided that funds shall be provided at a rate of \$30 per student;
- (8) Changing the effective date of Part II of the Act to July 1, 2008; and
- (9) Making technical, nonsubstantive changes for 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. 1136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1136, 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. 567 Judiciary and Labor on S.B. No. 963

The purpose of this measure is to provide temporary tax relief to employers by lowering the maximum taxable wage base for calendar years 2008 and 2009, and to increase unemployment benefits for eligible individuals. The measure excludes the payment of benefits to individuals terminated from employment for wilful or wanton misconduct.

Your Committee received testimony in support of this bill from the ILWU, Hawaii State AFL-CIO, and the Hawai'i State Democratic Party. Those in opposition were the State Department of Labor and Industrial Relations, Retail Merchants of Hawaii, the Chamber of Commerce of Hawaii, the Society for Human Resource Management – Hawaii Chapter, and the Hawaii Business League.

Those opposing the measure cited the bill's lack of relief for employers contributing to an estimated \$470 million unemployment trust fund. Your Committee has amended the bill to give the employers some relief from contributing to a well funded trust fund.

The bill was amended by the following:

1. Decreased the original proposal of eighty percent to seventy-five percent of the average weekly wage;
2. Amended Section 383-63, Hawai'i Revised Statutes by redefining the term "adequate reserve fund" for calendar year 2008 by reducing the number of years that determines the highest benefit cost rate from a ten year period to a six year period; and
3. Amended Section 383-66, Hawai'i Revised Statutes by reducing the employer contribution rate to sixty-five per cent of the amount from July 1, 2007 to June 30, 2008 and to seventy-five per cent of that amount from July 1, 2008 and thereafter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor 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 Second Reading in the form attached hereto as S.B. No. 963, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Gabbard). Noes, none. Excused, 1 (Kokubun).

SCRep. 568 (Joint) Human Services and Public Housing and Health on S.B. No. 713

The purpose of this measure is to establish certification procedures for nurse aides employed in state licensed or state certified health care settings and Medicare or Medicaid facilities.

The Department of Commerce and Consumer Affairs and the Hawaii Long Term Care Association submitted testimony in support of this measure. The Department of Health and the Department of Human Services submitted testimony in support of the intent of this measure. The Health Care Association of Hawaii submitted comments.

Your Committees find that certifying nurse aides who work in nursing facilities participating in Medicare and Medicaid programs and in other state licensed and certified health care settings will enable the Department of Commerce and Consumer Affairs, the Department of Human Services, and the Department of Health to monitor and evaluate the quality and competency of the nurse aides practicing in the State.

Upon further consideration, your Committees have amended this measure by:

- (1) Removing the penalty for substantiated allegations;
- (2) Defining the terms "finding" and "medicare or medicaid certified facility";

- (3) Requiring an applicant to successfully complete training in a state-approved training program to receive Medicare or Medicaid nurse aide certification;
- (4) Permitting information to be removed from the nurse aide registry under certain circumstances; and
- (5) Making technical, nonsubstantive changes 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 Public Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 713, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 713, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 3 (Menor, Hemmings, Whalen).

SCRep. 569 Human Services and Public Housing on S.B. No. 1158

The purpose of this measure is to create a Citizen's Family Law Advisory Committee to be placed, for administrative purposes, in the Judiciary.

The National Association of Social Workers and three individuals submitted testimony in support of this measure. The Domestic Violence Clearinghouse and Legal Hotline submitted testimony in support of the intent of this measure. The Judiciary submitted testimony in opposition.

Your Committee finds that this measure creates an ongoing process within the Judiciary by which Judiciary personnel, Family Court professionals, related service providers, and the public can participate in and provide feedback about the Family Court and family law matters.

It is the Committee's intent to support openness in and public feedback about the Family Court administration and process. Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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 Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Hemmings).

SCRep. 570 Human Services and Public Housing on S.B. No. 1144

The purpose of this measure is to clarify the use of a Power of Attorney for the education of a minor.

The Department of Education and the principals of Pearl City High School, Kapolei High School, Moanalua High School, Nanakuli High and Intermediate School, and Castle High School submitted testimony in support of this measure.

Your Committee finds that under the existing law, some parents and guardians are apparently misusing a Power of Attorney to circumvent the procedure for establishing legal residency in a school's attendance area and gain access to school programs or services. Among other things, this measure requires a parent or guardian to enroll a minor in the appropriate school.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1144 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Hemmings).

SCRep. 571 Human Services and Public Housing on S.B. No. 1443

The purpose of this measure is to specify that when the Family Court determines by clear and convincing evidence that a child's parents cannot, now or in the reasonable foreseeable future, provide the child with a safe family home, the Department of Human Services may submit a permanent plan with the goal of guardianship and the court may award guardianship to an appropriate entity without termination of parental rights.

The Department of Human Services; the Attorney General; EPIC, Inc.; and two individuals submitted testimony in support of this measure.

Your Committee finds that this measure will enable a Family Court Judge, after an appropriate finding, to grant legal guardianship of a minor without terminating the parents' parental rights. As noted by the Attorney General, under other areas of the law, a guardian may be appointed for a minor even if the parents' parental rights have not been terminated. This measure will make the legal guardianship determinations resulting from a proceeding pursuant to chapter 587, Hawaii Revised Statutes, consistent with all other legal guardianships of minors.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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 Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 572 Human Services and Public Housing on S.B. No. 1161

The purpose of this measure is to require the Department of Human Services to provide a written report to the court, which the court is to provide to the parties, at least two days before a hearing in cases involving allegations of domestic abuse.

The Children's Rights Council and two individuals submitted testimony in support of this measure. The Department of Human Services and the Domestic Violence Clearinghouse and Legal Hotline submitted testimony in support of the intent of this measure.

Your Committee finds that this measure sets a time limit on the provision of the Department of Human Services' report to the court in matters involving allegations of domestic abuse, and ensures that the parties receive a copy of the report, as well.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1161 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Hemmings).

SCRep. 573 Human Services and Public Housing on S.B. No. 643

The purpose of this measure is to allow a person who was previously evicted from public housing to appeal the eviction under certain conditions; provided that it has been at least ten years since the eviction.

The Hawaii Public Housing Authority and Waianae Community Outreach submitted testimony in support of this measure.

Your Committee finds that state public housing rules prohibit anyone evicted from public housing after 1985 from re-applying for placement in public housing. This measure establishes an appeals process under certain conditions for previously evicted applicants who are interested in reapplying for public housing.

It is your Committee's intent to balance the need to maintain an orderly housing project with the recognition that people have the ability to reform past behavior. Your Committee has amended this measure by:

- (1) Clarifying that the Hawaii Public Housing Authority shall allow any person to appeal a denial of eligibility for public housing based on an eviction that occurred ten years or more prior to the application for public housing;
- (2) Clarifying that the Hawaii Public Housing Authority may reverse the eligibility denial, not the earlier eviction, and review, not necessarily accept, an application for public housing from the person; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 643, as amended herein, and recommends 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 Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Hemmings).

SCRep. 574 (Joint) Human Services and Public Housing and Commerce, Consumer Protection and Affordable Housing on S.B. No. 1986

The purpose of this measure is to require that Med-QUEST and Medicaid coverage include chiropractic care.

The Hawaii State Chiropractic Association, the American Chiropractic Association, and four individuals submitted testimony in support of this measure. The Department of Human Services submitted testimony in support of the intent of this measure.

Your Committees find that Med-QUEST and Medicaid recipients would benefit from chiropractic care to the same extent as others who have medical coverage for this service. According to the testimony, chiropractic care can help improve physical health by increasing functional capacity and preventing disabling conditions. Also, it was noted that more than twenty-five other states include chiropractic care in their Medicaid programs.

Your Committees note that the Department of Human Services provided a statement that the projected cost for chiropractic services for both the QUEST and Medicaid Fee-For-Service programs is \$4,317,120, which is based on twenty-four sessions per year. Depending on whether the Department of Human Services receives approval from the federal Centers for Medicare and Medicaid Services, of the total projected cost, the federal share would be \$2,423,125 and an additional \$1,893,995 in new state general funds would be required. However, the federal and state projected costs are tentative and the Department of Human Services is still working on final figures. If necessary, it is within the purview of the Committee on Ways and Means to make an appropriation.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1986 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, 1 (Hemmings).

SCRep. 575 (Joint) Human Services and Public Housing and Health on S.B. No. 1740

The purpose of this measure is to appropriate funds to the Department of Health so it can continue to maintain its existing staff and hire additional professionals to provide health services and programs.

The Department of Health submitted testimony in support of the intent of this measure. Hawai'i Early Intervention Coordinating Council, Kapi'olani Child Protection Center, and twenty-one individuals submitted testimony in support of this measure.

This measure requests funds for:

- (1) Five permanent state-funded positions for a preschool developmental screening program;
- (2) The Department of Health's Family Health Services Division to hire and maintain a permanent state-funded registered nurse V position to administer and coordinate the programmatic aspects of the comprehensive primary care services program; and
- (3) The Department of Health's Injury Prevention and Control Program to hire and maintain a qualified individual (planner IV position) to be responsible for building the injury and violence prevention agenda and engaging staff and stakeholders in the process.

Your Committees find that as the state population increases, Hawaii residents' health needs also increase. The Department of Health must keep up with this increased demand for public health services and programs. This measure will provide funding to the Department of Health to maintain its existing staff and to hire additional professionals to ensure the continuation of crucial health care services and programs.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1740 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 (Menor, Whalen).

SCRep. 576 (Joint) Human Services and Public Housing and Intergovernmental and Military Affairs on S.B. No. 1447

The purpose of this measure is to correct chapter 356D, Hawaii Revised Statutes, relating to the Hawaii Public Housing Authority, to reflect the Legislature's intent to codify various acts into the chapter, and to make other necessary technical and housekeeping amendments.

The Hawaii Public Housing Authority submitted testimony in support of this measure.

Your Committees find that this measure makes necessary amendments to relevant sections of chapter 356D, Hawaii Revised Statutes, to ensure the codification of analogous amendments made in Act 24, Session Laws of Hawaii 2006.

Your Committees have amended this measure by making technical, nonsubstantive changes 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 Public Housing and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1447, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1447, 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, none. Excused, 1 (Sakamoto).

SCRep. 577 (Joint) Human Services and Public Housing and Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 858

The purpose of this measure is to require the Department of Land and Natural Resources to establish a Conservation Corps Program to help at-risk persons on Hawaii Island develop life and job skills to gain work experience.

Kealakehe Ahupua'a 2020 submitted testimony in support of this measure. The Department of Land and Natural Resources submitted testimony in support of the intent of this measure.

The Department of Land and Natural Resources testified, that while it agrees that at-risk persons could benefit from programs that build life skills and a sense of responsibility and stewardship of the land, it does not have the necessary personnel or expertise to effectively address the multiple life skill needs of the at-risk persons who are the focus of this measure.

Your Committees find that that Conservation Corps, such as Americorps and the Department of Land and Natural Resources' Youth Conservation Corps, place participants in natural resource conservation activities to help them develop a sense of stewardship and build valuable work experience through community service, training, and education. However, these programs are mainly offered as summer activities for students. A similar program for other segments of the population would greatly benefit at-risk groups who need assistance in developing life and job skills that will enable them to become responsible, self-reliant citizens and would thereby benefit the entire community.

It is your Committees' intent that the Conservation Corps Program be established to help at-risk persons develop life and job skills to gain work experience. Your Committees have amended this measure by:

- (1) Requiring the Department of Human Services to establish a Conservation Corps Program instead of the Department of Land and Natural Resources;
- (2) Requiring the Department of Human Services to collaborate with the Department of Land and Natural Resources and the Department of Education in the design and implementation of the Hawaii Conservation Corps Program;
- (3) Appropriating or authorizing money from Temporary Assistance for Needy Families funds to the Department of Human Services to establish and operate a Hawaii Conservation Corps Program on Hawaii Island; and
- (4) Making technical, nonsubstantive changes 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 Public Housing and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 858, as amended herein, and recommend 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 Chairs on behalf of the Committees. Ayes, 8. Noes, none. Excused, 1 (Hemmings).

SCRep. 578 Energy and Environment on S.B. No. 1915

The purpose of this measure is to further the State's transition to energy independence by defining hydrogen as a transportation tool and allocating funds for the development of Hawaii's hydrogen industry.

This measure makes four unspecified appropriations for fiscal year 2007-2008 for the following purposes:

- (1) For a hydrogen public awareness campaign, including funding for a hydrogen convention to be hosted in 2008;
- (2) For the development of geothermal hydrogen production infrastructure on the island of Hawaii;
- (3) For the construction of at least three hydrogen demonstration refueling stations across the State; and
- (4) Funding for the diversification of the State automotive fleet by leasing up to twelve hydrogen powered vehicles and purchase of two hydrogen internal combustion engine vehicles.

Testimony in support of this measure was submitted by the Hawaii Automobile Dealers' Association, and Energy Research Systems. Testimony in support of the intent of the measure was submitted by the 15th Airlift Wing, Hickam Air Force Base. Comments were submitted by the Department of Business, Economic Development, and Tourism and The Gas Company.

Your Committee finds that Hawaii has the highest dependence on petroleum for its energy needs of all the states in the country. This dependence makes the State extremely vulnerable to any oil embargo, supply disruption, international market dysfunction, and other uncontrollable factors. It also has negative environmental consequences.

Your Committee further finds that Hawaii has abundant renewable energy resources, including solar, geothermal, wind, biomass, and ocean energy resources. Making use of these natural, renewable energy resources will increase the State's energy self-sufficiency while improving the State's environmental health.

Your Committee amended this measure to add the following activities to the Hawaii Renewable Energy Program:

- (1) Hydrogen research and development infrastructure projects, related to geothermal hydrogen production on the island of Hawaii, biomass hydrogen production on Maui and Kauai, and hydrogen production on Oahu;
- (2) Integration of the State's automotive fleet with hydrogen powered vehicles, and the establishment of standards for hydrogen fuel vehicles;
- (3) Establishment of a hydrogen public awareness campaign; and
- (4) Advance the construction of hydrogen demonstration refueling stations throughout the State.

Your Committee further amended this measure to:

- (1) Substitute the requirement of integrating at least twelve hydrogen powered vehicles into the Hawaii Renewable Hydrogen Program law with a general requirement to integrate these vehicles into the State's automotive fleet, however the appropriation for the twelve vehicles remains unchanged;
- (2) Amending the definition of "hydrogen," to specify it is to be produced from renewable energy sources to make it consistent with the purposes of the program, and deleting the provision defining it as a transportation fuel.

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. 1915, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1915, 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 (Kokubun).

SCRep. 579 (Joint) Energy and Environment and Health on S.B. No. 871

The purpose of this measure is to promote re-use and recycling to reduce solid and liquid wastes for environmental conservation.

The measure accomplishes this purpose by requiring any agency that serves meals in a state facility to establish a food waste recycling program that collects or separates at least fifty per cent of the food waste it generates.

Your Committees received testimony in support of this measure from Eco-feed, Inc. Your Committees received testimony in opposition to this measure from the Department of Health.

Your Committees find that food waste recycling is a safe and environmentally sustainable alternative for disposing of food products that are wasted or past their sell-by dates. Recycling food waste will reduce the amount of refuse that is congesting landfills, is cost-effective, and environmentally friendly. Your Committees further find that public facilities, such as schools, are the largest producers of food waste.

Your Committees have amended this measure by:

- (1) Deleting language that created the food waste recycling program and inserting language to establish a three-year food waste recycling pilot project in the public school system;
- (2) Allowing the Department of Education to determine which school districts are to participate in the pilot project;
- (3) Requiring the Department of Health to cooperate with the Department of Education in developing and implementing the components of the pilot project;
- (4) Requiring the Department of Education, with the assistance of the Department of Health, to submit interim reports of the pilot project to the Legislature no later than twenty days prior to the convening of the Regular Sessions of 2008 and 2009, and a final report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2010;
- (5) Changing the funding source of the appropriation from the Environmental Response Revolving Fund to the Environmental Management Special Fund and requiring that the Department of Health transfer the moneys to the Department of Education for expenditure; and
- (6) Changing the effective date to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 871, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 871, 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 (Hooser, Trimble).

SCRep. 580 (Joint) Energy and Environment and Health on S.B. No. 927

The purpose of this measure is to preserve the environment by managing the flow of electronic waste and reducing landfill refuse volume.

The measure accomplishes this purpose by establishing a Cathode Ray Tube Recycling and Reuse Program and prohibits the disposal of cathode ray tubes in landfills after January 1, 2009.

Your Committees received testimony in support of this measure from Covanta Energy Group and the Electronics Manufacturers Coalition for Responsible Recycling. Your Committees received testimony in opposition to this measure from the Department of Health, Recycle Hawaii, and the Hawaii Open Source Education Foundation.

Your Committees find that disposing e-waste into landfills threatens to overwhelm available landfill space and is toxic to the environment. Components of cathode ray tubes, cell phones and other electronics are released as the units are compacted and broken in the landfilling process. Most landfills have liners, but there is mounting concern that as the waste degrades, the toxins pose a serious threat to air and groundwater and ultimately to human health.

Your Committees find that establishing a Cathode Ray Tube Recycling and Reuse Program is a key element of environmental health and sustainability.

Your Committees amended this measure by:

- (1) Minimizing the recordkeeping requirement to require facilities accepting cathode ray tubes to maintain the number and weight of the cathode ray tubes that are received per day;
- (2) Exempting from the recordkeeping requirement, facilities that reuse the cathode ray tube equipment for charitable purposes;
- (3) Requiring the Department of Health, with the assistance of the counties, to adopt rules for a Cathode Ray Tube Special Waste Recycling Program;
- (4) Extending the period for a wholesaler accepting units in transfer from a retailer from ninety days to one hundred eighty days to remove the units from the retail point of collection;
- (5) Including a disposal surcharge to be deposited into the Environmental Management Special Fund in a separate account;
- (6) Changing the disposal in landfills date from January 1, 2009 to December 31, 2008;
- (7) Changing the effective date to encourage further discussion; and
- (8) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Health 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. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, 2 (Hooser, Trimble).

SCRep. 581 (Joint) Economic Development and Taxation and Energy and Environment on S.B. No. 801

The purpose of this measure is to establish the Natural Energy Laboratory of the Hawaii Innovation Corporation.

Comments were submitted by the Department of Accounting and General Services, and the Natural Energy Laboratory of Hawaii Authority. Testimony in opposition to this measure was submitted by the State Procurement Office.

Your Committees find that the purpose of the Natural Energy Laboratory of Hawaii Authority (NELHA) is to facilitate research, development, and commercialization of natural energy resources and ocean-related research, technology, and industry in Hawaii through retail, commercial, or tourism activities that will financially support that research, development, and commercialization.

Your Committees further find that the NELHA Innovation Corporation would be responsible for supporting and managing NELHA, and promoting and marketing Hawaii as a location for research and commercial natural energy activities.

It is the intent of your Committees to support the increased self-sufficiency for NELHA that this measure would provide.

Your Committees have amended this measure to insert an effective date of July 1, 2025, for the purposes of further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 801, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 801, 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 (English, Hooser, Trimble).

SCRep. 582 Economic Development and Taxation on S.B. No. 1228

The purpose of this measure is to establish the Honouliuli Internment Camp Memorial, and to appropriate funds for this purpose.

Testimony in support of this measure was received from the Department of Land and Natural Resources (DLNR), Historic Hawai'i Foundation, Japanese American National Heritage Coalition, and Japanese Cultural Center of Hawai'i.

Your Committee finds that the story of Hawaii World War II internees has remained largely unknown for many years. The passage of the Civil Liberties Act of 1988, and the subsequent search for former internees has led to an increased awareness of how Hawai'i's internees fared, and the knowledge that many of the former internment camps have disappeared or will in the near future.

Your Committee further finds that in January 2007, President Bush signed into law, a bill that creates a \$38,000,000 grant program to help communities preserve the sites where Japanese Americans and Japanese nationals were incarcerated. Development of memorials will be eligible for twenty-five per cent matching federal funds administered by the National Park Service.

Your Committee has heard that while there has been some effort made to compile information on Honouliuli and the other Hawaii internment camps, there is much left to do before any memorial can be established.

Your Committee believes this information is critical in preserving Hawai'i's cultural and military history, and that immediate efforts should focus on DLNR and the appropriate cultural organizations working together on the most appropriate means of memorializing a troubling time in American and Hawaii history.

Your Committee has amended this measure accordingly, by:

- (1) Deleting the proposed new section in chapter 6E, Hawaii Revised Statutes, regarding establishment of a Honouliuli Internment Memorial Camp;
- (2) Inserting a findings and purpose section; and
- (3) Requiring DLNR, with the assistance of appropriate cultural and historical organizations, to establish a process to determine the most appropriate means of memorializing the World War II Japanese internment camp experience in Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1228, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1228, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (English).

SCRep. 583 Economic Development and Taxation on S.B. No. 1366

The purpose of this measure is to develop a competitive workforce with the skill levels to support high skill, high wage industries by:

- (1) Establishing a lifelong learning program and tax credit in the Department of Labor and Industrial Relations (DLIR) to support upgraded training for the incumbent workforce;
- (2) Establishing a rapid response training program and revolving fund in the Department of Business, Economic Development, and Tourism (DBEDT) to facilitate rapid custom training for high priority business investments;
- (3) Establishing a state level program in DBEDT to attract former residents back to Hawaii; and
- (4) Merging certain workforce and economic development programs of DLIR and DBEDT.

Testimony in support of this measure was received from the Governor; Department of Business, Economic Development, and Tourism; Department of Labor and Industrial Relations; Workforce Development Council; Department of Taxation; University of Hawai'i Community Colleges; Hawai'i Pacific University; Hawaii Science and Technology Council; Applied Marine Solutions; AssistGuide, Inc.; Cellular Bioengineering, Inc.; CTA Solutions; and Hagadone Printing. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO submitted testimony in opposition to the transfer of personnel between agencies.

Your Committee finds that workforce development is an increasingly critical component in the success of Hawaii's emerging innovation industries. In addition to the knowledge gap, employers are now facing a severe shortage of workers, whether trained or not. Your Committee has heard that simply filling positions will become more difficult, because the number of potential Hawaii workers leaving school or training for the workplace is not keeping pace with the number of jobs created or as a result of turnover.

Your Committee finds merit in many of the concepts in this measure, particularly those directly related to skills upgrades through education and training, and increasing high skill employment opportunities.

Your Committee finds, however, that the concerns about division and personnel interagency transfers and merges are troubling. Given the apparent lack of communication between the various parties affected, it would be prudent to clarify these issues before proceeding. While the concepts may be exciting, the specific programs will have little chance for success if roles and responsibilities are not clearly delineated. Unfortunately, public sentiment about government programs is not generally very positive, so any new initiatives must be well grounded in the realities of implementation if they are to bring about positive change.

Your Committee has amended this measure accordingly, by:

- (1) Changing the appropriations to unspecified amounts and inserting an effective date of July 1, 2045, for the purposes of further discussion; and
- (2) Making technical amendments to conform the measure to the preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1366, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1366, 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. 584 Economic Development and Taxation on S.B. No. 323

The purpose of this measure is to assist the High Technology Development Corporation, by:

- (1) Providing that the High Technology Special Fund shall not be used to fund general administrative and fiscal positions;
- (2) Clarifying that the High Technology Innovation Corporation is authorized to operate bank accounts that are necessary for the conduct of its business at both in-state and out-of-state bank locations;
- (3) Appropriating funds for the Hawaii Small Business Innovation Research Grant Program and the Hawaii Small Business Technology Transfer Program.

Testimony in support of this measure was received from the High Technology Development Corporation (HTDC); Ambient Micro, LLC; Kuehnle AgroSystems Company LLC; Kona Blue Water Farms; Navatek, Ltd.; Oceanit; Sunrise Capital, Inc.; and Technical Research Associates, Inc.

Your Committee finds that this measure would assist HTDC in providing services for Hawaii's technology businesses, particularly the successful Hawaii Small Business Innovation Research Grant Program and the Hawaii Small Business Technology Transfer Program. As Hawaii focuses on the economic opportunities provided by emerging and innovative industries, programs such as these are invaluable.

It is the intent of your Committee to support increased financial resources for Hawaii's high technology businesses.

Your Committee has amended this measure for the purposes of further discussion by:

- (1) Replacing the appropriations with unspecified amounts; and
- (2) Inserting an effective date of July 1, 2030.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 323, 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. 323, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 585 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1030

The purpose of this measure is to require the Department of Land and Natural Resources to map and record the location of inadvertently discovered human remains and to appropriate funds therefor.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources (DLNR), the Office of Hawaiian Affairs, the Society for Hawaiian Archaeology, and one individual.

Your Committee finds that under the existing law, the management of burial sites in Hawaii that are over fifty years old falls under the purview of the Historic Preservation Division of the DLNR. The Historic Preservation Division works in conjunction with other cultural organizations when burial remains related to their specific ethnic group are discovered. There are five Island Burial Councils that are administratively attached to the Historic Preservation Division for the purpose of addressing concerns relating to Native Hawaiian burial sites.

Your Committee further finds that the maintenance of information on the location of human remains that have been inadvertently discovered, whether they are preserved in place or relocated, is necessary to ensure the provision of the additional protection for Native Hawaiian burial sites that the law currently provides. However, due to the sensitive nature of the information regarding the location of human remains, your Committee believes that such information should not be made available to the general public through recordation with the Bureau of Conveyances. Instead, the DLNR should be required to keep records of the information for disclosure to the appropriate parties. Although the DLNR is already tasked with maintaining records on the locations and descriptions of Native Hawaiian burial sites, current practices underscore the need to explicitly require the DLNR to maintain records on the location of human skeletal remains, as determined by use of a global positioning system device. This requirement will further ensure that the information will be readily available to the appropriate individuals.

Accordingly, your Committee has amended this measure by:

- (1) Removing the amendment to section 92F-14, Hawaii Revised Statutes, that categorized information on the location of inadvertently discovered Native Hawaiian burial sites as information to which there is a significant privacy interest;
- (2) Specifying that DLNR records relating to the location and description of inadvertently discovered human remains and sites of relocated burials or human remains are confidential, if deemed sensitive by an Island Burial Council;
- (3) Removing the requirement that a record of the location of burial sites be recorded with the Bureau of Conveyances; and
- (4) Requiring the DLNR to maintain records of information on the location of any inadvertently discovered human skeletal remains, as determined through the use of a global positioning system device.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1030, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1030, 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. 586 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1705

The purpose of this measure is to assist in the management of the Molokai Irrigation System by expanding the Molokai Irrigation System Water Users Advisory Board and transforming the board into a governing board with the authority to manage the irrigation system.

Specifically, this measure amends section 167-23, Hawaii Revised Statutes, by:

- (1) Changing the name of the Board from the Molokai Irrigation System Water Users Advisory Board to the Molokai Irrigation System Governing Board;
- (2) Adding five additional members to the Board who will all be homestead farmer users on Molokai, and be appointed by the Governor from a list of nominees submitted by the Hoolehua Homesteaders Association, Molokai Homestead Farmers Alliance, and Hoolehua Homestead Agriculture Association; and
- (3) Permit the Board to manage the Molokai Irrigation System rather than merely advise the Department of Agriculture on matters of concern to the users of the system.

Testimony in support of this measure was submitted by a Council Member of the Maui County Council and one individual. Testimony in opposition to this measure was submitted by the Department of Agriculture. The Department of Hawaiian Home Lands and the Office of Hawaiian Affairs submitted comments.

Water is a vital component to a vibrant diversified agricultural industry. The Molokai Irrigation System that provides farmers and its other users with water has an advisory board, which advises the Department of Agriculture on matters of concern to the users of the system. Your Committee finds that due to the importance of the irrigation system to its users on Molokai, increasing the stakeholders who serve on the Board and allowing the Board to manage the irrigation system will provide a better method for the users to govern the system upon which they rely so heavily.

Your Committee recognizes the disrepair of the Molokai Irrigation System and the dire need for improvements to operate the system to its full potential in terms of its capacity realized. Improvements include the clearing of all transmission line vents and pet cock valves, repair to the generators that service the system, and the need for better vehicles to access the entire system.

Accordingly, your Committee has amended this measure by:

- (1) Amending section 167-23, Hawaii Revised Statutes, further by:
 - (A) Reducing the number of homestead farmer users on the Board from six to four members;
 - (B) Adding an additional nonhomestead farmer user on Molokai on the Board;
 - (C) Adding a designee of the Department of Agriculture on the Board;
 - (D) Allowing the Board to elect a chairperson and serve on the Board for four-year terms;
 - (E) Subjecting the board meetings to the sunshine law provisions under chapter 92, Hawaii Revised Statutes;
- (2) Establishing the Molokai Irrigation System Special Fund into which is deposited fifty-five per cent of receipts and revenues collected from the users fees of the Molokai Irrigation System and any legislative appropriations for the purpose of repair and maintenance of the Molokai Irrigation System; and
- (3) 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 Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1705, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1705, 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. 587 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1941

The purpose of this measure is to appropriate funds for the repair and maintenance of irrigation systems and to authorize the issuance of general obligation bonds for capital improvement projects for irrigation systems throughout the State.

Specifically, this measure:

- (1) Authorizes the issuance of \$7,036,000 in general obligation bonds to the Department of Agriculture for system repair and maintenance for East Kaua'i, Waimanalo, Moloka'i, and Lower Hamakua;
- (2) Appropriates \$7,036,000 for system repair and maintenance of East Kaua'i, Waimanalo, Moloka'i, and Lower Hamakua; and
- (3) Appropriates \$11,000,000 in general obligation bonds to be deposited into the Irrigation Repair and Maintenance Special Fund for repair and maintenance of irrigation systems in East Kaua'i, Waimanalo, Moloka'i, Upcountry Maui, Ka'u, Honomalino, Wahiawa, and other privately-owned irrigation systems on former sugarcane and pineapple plantation lands that have been converted to diversified agriculture.

Your Committee received testimony in support of this measure from the Department of Agriculture, the Agribusiness Development Corporation, the Hawaii Farm Bureau Federation, the Hawaii Agriculture Research Center, and one individual.

Your Committee finds that this measure will help to ensure that irrigation water continues to be available to farms throughout the State. The repair and maintenance of these specific irrigation systems will restore the systems' ability to operate optimally and will increase the number of farms and acreage that can benefit from these existing irrigation systems.

Your Committee recognizes that the sum of \$11,886,000 was appropriated for the repair and maintenance of irrigation systems including the East Kaua'i irrigation system, the Waimanalo irrigation system, the Moloka'i irrigation system, Waimea irrigation system, and the Lower Hamakua irrigation system under Act 233, Session Laws of Hawaii 2006. Section 7 of Act 233, Session Laws of Hawaii 2006, directs that the appropriation for these capital improvement irrigation repair and maintenance projects will not lapse at the end of the 2006-2007 fiscal year and any unencumbered amounts as of June 30, 2008, will lapse. Thus, your Committee finds that these capital improvement program appropriations are still in effect.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the provision that authorizes the Director of Finance to issue general obligation bonds in the sum of \$7,036,000 for the repair and maintenance of irrigation systems for the East Kaua'i irrigation system, the Waimanalo irrigation system, the Moloka'i irrigation system, and the Lower Hamakua irrigation system, and replacing it with an appropriation from general revenues;
- (2) Deleting the provision that appropriates \$7,036,000 for system repair and maintenance of East Kaua'i irrigation system, Waimanalo irrigation system, Moloka'i irrigation system, and Lower Hamakua irrigation system; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1941, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1941, 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. 588 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1946

The purpose of this measure is to ensure the safety and maintenance of dams and reservoirs by enhancing a program for monitoring the safety and enforcing the safety provisions of dams and reservoirs throughout the State.

Specifically, this measure adopts the statutory amendments proposed in the *Report of the Independent Civil Investigation of the March 14, 2006, Breach of Ka Loko Dam* submitted by the Special Deputy Attorney General appointed to investigate the dam breach, by:

- (1) Amending chapter 179D, Hawaii Revised Statutes, to enhance, broaden, balance, and clarify the provision under chapter 179D; and
- (2) Adding a new part to chapter 179D, Hawaii Revised Statutes, which establishes a dam and reservoir safety program, including a dam safety special fund to carry out the purposes of the program.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Department of the Attorney General, and the Office of Hawaiian Affairs. Testimony in opposition to this measure was submitted by Kamehameha Schools.

The Kaloko Reservoir Dam collapsed on March 14, 2006, on the island of Kauai, resulting in the loss of seven lives, massive flooding, and extensive property damage. This tragic incident led to and generated concerns about the safety of Hawaii's dams and reservoirs, and questions regarding liability and the cause of this massive disaster.

The Special Deputy Attorney General Selection Committee was created under House Concurrent Resolution No. 192 (2006) to select a Special Deputy Attorney General to independently and impartially investigate the Kaloko Dam breach. The scope of the Special Deputy Attorney General's duties was limited to a civil investigation of the role and possible culpability of the State, the County of Kauai, the private landowners, and other parties. The Special Deputy was requested to submit a written report of his findings and recommendations, including any proposed legislation that could help prevent another similar tragedy from occurring, to the Legislature prior to the convening of the 2007 Regular Session.

A report was submitted to the Legislature in January 2007, which addressed the problems of the lack of maintenance and the absence of an emergency overflow at the Kaloko Dam. The report indicated that the lack of a spillway, which was filled in 1997, as well as other circumstantial evidence, was the likely cause of the dam overflowing. The report also indicated that the failure may have also been caused by internal erosion as a consequence of persistent seepage within the dam wall. Lastly, the report offered proposed amendments to chapter 179D, Hawaii Revised Statutes, and title 13, chapter 190, Hawaii Administrative Rules.

Your Committee finds that adopting the proposed legislation relating to dam and reservoir safety will enable the State to increase the effectiveness of its dam safety program under chapter 179D, Hawaii Revised Statutes, by strengthening the monitoring and enforcement measures that provide dam and reservoir safety throughout the State and creating a dam safety special fund to carry out the purposes of the program.

Your Committee has amended this measure to affect accountability by adopting several amendments suggested by the Department of Land and Natural Resources by:

- (1) Adding several definitions and deleting the definition for "dam rehabilitation loan program" under section 179-3, Hawaii Revised Statutes;
- (2) Providing a stiffer penalty for unlawful conduct under section 179D-5, Hawaii Revised Statutes, by replacing misdemeanor with a class C felony;
- (3) Expanding the powers and duties of the Board of Land and Natural Resources under section 179D-6, Hawaii Revised Statutes;
- (4) Deleting the provisions under section 179D-8, Hawaii Revised Statutes, and adding new language relating to violations, penalties, and fees under chapter 179D, Hawaii Revised Statutes;
- (5) Extending the start date in which the Department of Land and Natural Resources has to adopt the necessary rules to effectuate the purposes of chapter 179D, Hawaii Revised Statutes from February 1, 2007, to July 1, 2007;
- (6) Making amendments to the new part added to chapter 179D, Hawaii Revised Statutes, titled "Dam and Reservoir Safety" by:
 - (A) Clarifying that the State and its agents will be allowed entry upon property for the purposes of taking emergency remedial actions;
 - (B) Clarifying that the Department of Land and Natural Resources will provide coordination and assistance to the proper state or county agencies to maintain control of a dam or reservoir that has been determined to be dangerous to life or property until the danger is mitigated or abated;
 - (C) Strengthening and broadening the scope of provisions relating to the establishment and purposes of a Dam Safety Special Fund;
 - (D) Deleting the provisions that establish a dam rehabilitation loan program due to the Department of Land and Natural Resources' beliefs that the loan program will draw necessary resources and focus away from the immediate priorities of the dam safety program;
 - (E) Clarifying the types of information that are required to be included in the annual report submitted to the Legislature; and
 - (F) Adding a new section to the new part relating to the requirements and responsibilities of dam owners; and
- (7) Adding an appropriation amount of \$2,000,000 from the general fund to be deposited into the Dam Safety Special Fund;
- (8) Adding an appropriation amount of \$2,000,000 to be expended by the Department of Land and Natural Resources from the dam safety special fund to carry out the purposes of the dam and reservoir safety program; and
- (9) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committee believes that this measure, as amended, further ensures and emphasizes the safety and maintenance of dams and reservoirs, which fulfills the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1946, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1946, 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 (Tokuda).

SCRep. 589 Human Services and Public Housing on S.B. No. 428

The purpose of this measure is to appropriate funds for the Blueprint for Change Project.

One individual submitted testimony in support of this measure. The Department of Human Services submitted testimony in support of the intent of this measure.

Your Committee finds that, in response to the need for child welfare reform, Senate Concurrent Resolution No. 89, (1994), created a child welfare services reform task force, known as the Blueprint for Change Task Force, to develop a blueprint for reform in child welfare services. The task force found a need to provide coordinated and comprehensive community-based services to families at risk for child abuse and neglect.

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 "neighborhood places" or sites around the State that enable professionals to work with families identified by the child welfare system or by community members as families at risk for child abuse and neglect. It is through the neighborhood places that families can receive necessary services before their risk level rise to the point of more costly intervention efforts within the child welfare system. Without continued funding for the Blueprint for Change Project, the Neighborhood Places Program will not be able to continue to carry out important child welfare reform and assist at-risk families

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 428, S.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 590 Human Services and Public Housing on S.B. No. 248

The purpose of this measure is to appropriate funds for the State Commission on Fatherhood to hire an executive director and staff.

The State Commission on Fatherhood, the Children's Rights Council, and two individuals submitted testimony in support of this measure.

Your Committee finds that an executive director and staffed office will provide a key point of contact that can work with policymakers, state agencies, and the public on fatherhood issues. According to the testimony, the staff will also enable the State Commission on Fatherhood to successfully accomplish its strategic plan, including the publication of an annual report on the status of fatherhood issues in Hawaii.

It is your Committee's intent to support the State Commission on Fatherhood. Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of 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 referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Hemmings).

SCRep. 591 Human Services and Public Housing on S.B. No. 740

The purpose of this measure is to expand the provisions of the Individual Development Accounts Law by:

- (1) Repealing the five year limitation on direct state funding to fiduciary organizations;
- (2) Requiring the State to provide technical and administrative assistance to fiduciary organizations;
- (3) Permitting qualified expenditures for auto purchases;
- (4) Raising the limitation on the amount fiduciary organizations may use to cover administrative costs;
- (5) Permitting the State to utilize federal funds for matching funds; and
- (6) Making an appropriation to the Department of Human Services for fiduciary organizations.

The Hawai'i Alliance for Community-Based Economic Development and one individual submitted testimony in support of this measure. The Department of Human Services submitted testimony in support of the intent of this measure.

According to the Department of Human Services, it supports the expansion of the Individual Development Account program with the use of Temporary Assistance for Needy Families funds, and requests that the cap on the Department of Human Services' Temporary Assistance for Needy Families expenditures be raised to implement this measure.

Your Committee finds that economic stability does not arise solely from income. Financial assets, such as cash savings, stocks, bonds, and home and business equity, are a critical component of economic security. Financial assets offer individuals a viable and hopeful future, stimulate development of human and other capital, and enhance the welfare of children.

Changes to the existing Individual Development Accounts Law could help more individuals take advantage of this asset building tool. An individual development account enables a participant to receive a match for every dollar that the participant saves. Moneys in the account can then be used for qualified expenditures such as costs associated with first homeownership, post-secondary education, vocational training, and small or micro-business capitalization.

It is your Committee's intent to help provide asset building opportunities for Hawaii residents. Your Committee has amended this measure by:

- (1) Removing the \$100,000 cap on grants to entities authorized to conduct an individual development account program;
- (2) Clarifying that the Department of Human Services is the state agency responsible for administering chapter 257, Hawaii Revised Statutes; provided that the Department of Human Services may contract with one or more agencies, as appropriate, to select, fund, and monitor fiduciary organizations in the administration of the chapter;

- (3) Appropriating or authorizing money from Temporary Assistance for Needy Families funds to the Department of Human Services to implement the chapter; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 740, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 740, 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, 1 (Hemmings).

SCRep. 592 Human Services and Public Housing on S.B. No. 1190

The purpose of this measure is to establish an Office of the Long-Term Care Ombudsman within the Executive Office on Aging, and appropriate funds for the office to hire additional staff and to support the office's operating costs to ensure adequate services on the neighbor islands.

The Department of Health submitted testimony in support of the intent of this measure. The Long-Term Care Ombudsman, the Policy Advisory Board for Elder Affairs, the National Association of Social Workers, Kokua Council, and four individuals submitted testimony in support of this measure.

Your Committee received a fiscal impact statement from the Department of Health that this measure, if passed, would cost the State approximately \$341,980 for fiscal year 2007-2008, and \$341,980 for fiscal year 2008-2009. In addition, the Long-Term Care Ombudsman provided a statement that this measure, if passed, would cost the State approximately \$311,628 for fiscal year 2007-2008, and \$236,628 for fiscal year 2008-2009.

Your Committee finds that the Executive Office on Aging's Long-Term Care Ombudsman Program is mandated by the United States Administration on Aging through the Older Americans Act. The Long-Term Care Ombudsman currently advocates for and protects the rights of residents of nursing homes, adult residential care homes, assisted living facilities, and other long-term care facilities. However, there is no statutory provision for the establishment of an Office of the Long-Term Care Ombudsman.

The program is staffed by the Long-Term Care Ombudsman, one Long-Term Care Ombudsman specialist, and one volunteer coordinator. The Long-Term Care Ombudsman Program serves over eight thousand residents in approximately seven hundred thirty-one licensed facilities statewide. The Long-Term Care Ombudsman Program needs to hire regional program specialists to better provide for residents of long term care facilities on the neighbor islands.

It is your Committee's intent to formally establish an Office of the Long-Term Care Ombudsman pursuant to the federal Older Americans Act, as amended. Your Committee has amended this measure by:

- (1) Updating provisions in accordance with the federal Older Americans Act, as amended, including:
 - (A) Making it a misdemeanor for any individual to wilfully interfere with the Long-Term Care Ombudsman or designee;
 - (B) Requiring long-term care facilities to provide brochures to their residents, and post a poster in a conspicuous location with information, regarding the Office of the Long-Term Care Ombudsman;
 - (C) Requiring the Long-Term Care Ombudsman and any designee, employee, or volunteer to be free of conflict;
 - (D) Defining "conflict of interest" and amending the definition of "long-term care facility";
 - (E) Enabling a complainant or resident, under certain circumstances, to consent orally to the disclosure of the complainant's or resident's identity; and
 - (F) Requiring the Department of Health to adopt rules, including the establishment of administrative fines or other penalties, for violation of the section pertaining to access to long-term care facilities;
- (2) Changing the appropriation sum from \$341,980 to \$311,628 for fiscal year 2007-2008, and from \$341,980 to \$236,627 for fiscal year 2008-2009; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1190, 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, 1 (Sakamoto).

SCRep. 593 Human Services and Public Housing on S.B. No. 238

The purpose of this measure is to increase the reimbursement rate for Medicaid and QUEST psychiatric services according to county population, and to appropriate funds for the reimbursement rate increase.

Hawaii Medical Service Association submitted testimony in support of this measure. Kahi Mohala Behavioral Health submitted testimony in support of the intent of this measure. The Department of Human Services submitted comments.

Your Committee finds that this measure will improve the provision of mental health care in Hawaii.

It is your Committee's intent that the appropriated funds will be given to the QUEST plans to increase the psychiatrists' reimbursement. Your Committee has amended this measure by:

- (1) Adding a provision that ensures that health maintenance organizations and prepaid health plans will not be required to increase reimbursement rates for psychiatric services until the Department of Human Services makes adjustments to the rate of payment per participating recipient amounts;
- (2) Changing the rate formula to a percentage of the Medicare rates; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 238, 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, 1 (Hemmings).

SCRep. 594 Human Services and Public Housing on S.B. No. 741

The purpose of this measure is to appropriate moneys to Aloha United Way to coordinate and administer the Family Economic Self Sufficiency Program, which focuses primarily on increasing individual filing and state revenue from the federal Earned Income Tax Credit under the direction of the Department of Labor and Industrial Relations, Office of Community Services.

Aloha United Way and the Hawai'i Alliance for Community-Based Economic Development submitted testimony in support of this measure.

Your Committee finds that the Family Economic Self Sufficiency Program provides free and confidential tax preparation services to households eligible for the federal Earned Income Tax Credit. The Internal Revenue Service and the United States Government Accountability Office estimate that approximately twenty-five per cent of the eligible federal Earned Income Tax Credit population did not claim this tax credit. This equates to over twenty-seven thousand Hawaii households that may be eligible for the federal Earned Income Tax Credit, but did not claim it on their returns. This leaves approximately \$45,000,000 of federal moneys unclaimed by Hawaii residents.

In the 2005 tax year, the total federal Earned Income Tax Credit for the free tax preparation sites assisted by the Family Economic Self Sufficiency Program totaled approximately \$1,500,000. In recognition of the level of filings during this first year, the target number of filings through free tax preparation sites for the 2006 tax year has been increased to one thousand five hundred. This measure will help the Family Economic Self Sufficiency Program reach that target number.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 741 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, 1 (Hemmings).

SCRep. 595 Human Services and Public Housing on S.B. No. 815

The purpose of this measure is to appropriate funds for a coordinator and operating expenses to support a statewide self-advocacy network for individuals with developmental disabilities.

The State Council on Developmental Disabilities, the Disability and Communication Access Board, the Center on Disability Studies, Family Voices of Hawai'i, Hawaii Centers for Independent Living, the Self-Advocacy Council, and twenty-seven individuals submitted testimony in support of this measure. The Department of Human Services submitted testimony in support of the intent of this measure.

According to the State Council on Developmental Disabilities, the appropriated sums of \$89,602 for fiscal year 2007-2008 and \$89,602 for fiscal year 2008-2009 are based on a 1.0 FTE coordinator position to support the network in the coordination of meetings, outreach, travel arrangements, and leadership training and educational events. The amount includes operating expenses for materials and supplies, printing and publications, utilities, communication, outreach, meetings, and stipends.

Your Committee finds that major systems changes are being initiated that are designed to promote self-determination and self-directed services and supports for individuals with developmental disabilities. Hawaii is at the forefront in acknowledging that individuals with developmental disabilities are capable of determining their personal goals and directing resources needed to accomplish those goals.

A self-advocacy network has begun to organize with a growing small group of self-advocates to increase knowledge, understanding, and awareness of their rights, develop leadership skills, and empower themselves to take control of their lives, and make their own decisions. Their mission is to raise the quality of life for persons with developmental disabilities through leadership, education, and full participation in society. This measure will support that mission by appropriating funds for a coordinator and operating expenses to support a statewide self-advocacy network for individuals with developmental disabilities.

It is your Committee's intent to support a statewide self-advocacy network for individuals with developmental disabilities. Your Committee has amended this measure by:

- (1) Designating the State Council on Developmental Disabilities as the appropriate agency to receive and administer the appropriated sums; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 815, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 815, 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, 1 (Hemmings).

SCRep. 596 Human Services and Public Housing on S.B. No. 1448

The purpose of this measure is to authorize the Hawaii Public Housing Authority's Board to set the salaries of the Executive Director and the Executive Assistant, subject to the approval of the Governor.

The Hawaii Public Housing Authority, the Department of Human Resources Development, and the Hawaii Family Forum submitted testimony in support of this measure.

Your Committee finds that the current salary of the Executive Director, as established by statute, is not to exceed eighty-five per cent of the salary of the Director of Human Resources Development, and the salary of the Executive Assistant is not to exceed ninety per cent of the Executive Director's salary. According to the Department of Human Services, a national survey of executive officer salary ranges for comparable public housing agencies shows that salaries in other jurisdictions are substantially higher than those currently allowed in this State. This measure will make the positions more competitive and likely to be filled.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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 Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 597 Human Services and Public Housing on S.B. No. 1727

The purpose of this measure is to eliminate the cap on enrollment in the QUEST program and to make individuals at or below three hundred per cent of the federal poverty level eligible; to direct the Department of Human Services to apply for an amendment of the state waiver from the Centers for Medicare and Medicaid Services; and to appropriate funds for this purpose.

The Hawai'i Primary Care Association and the Healthcare Association of Hawaii submitted testimony in support of this measure. The Department of Human Services submitted testimony in support of the intent of this measure.

Your Committee received a statement from the Department of Human Services that this measure, if passed, would cost the State approximately \$304,216,614. The cost projection includes the Aged, Blind, and Disabled population. However, it does not include long-term care costs.

Your Committee finds that the current cap on enrollment in the QUEST program prevents many adults, especially non-pregnant women, who are income and asset eligible from enrolling in the program. These excluded but eligible adults are at high risk for not obtaining necessary primary and preventive care and necessary prescription drugs, and are more likely to incur or generate unnecessary emergency room costs because of their uninsured status.

It is your Committee's intent to expand enrollment in the QUEST program by eliminating the enrollment cap. Your Committee has amended this measure by:

- (1) Requiring the Department of Human Services to enroll all eligible individuals who are at or under one hundred fifty per cent of the federal poverty level instead of three hundred per cent of the federal poverty level; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1727, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1727, 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, 1 (Hemmings).

SCRep. 598 Human Services and Public Housing on S.B. No. 1731

The purpose of this measure is to appropriate moneys for the Bridge to Hope program to accommodate new federal Temporary Assistance for Needy Families program recipients who are students to pursue education activities beyond the new federal, two-year limit.

The University of Hawai'i System, Bridge to Hope, the Community Alliance on Prisons, Hawaii Women Work, the League of Women Voters of Hawaii, the National Association of Social Workers, the Hawaii State Commission on the Status of Women, and nineteen individuals submitted testimony in support of this measure. The Department of Human Services submitted testimony in support of the intent of this measure.

Your Committee finds that recent changes to the federal Temporary Assistance for Needy Families program rules and subsequent changes to the First-To-Work programs limit educational activities to two years of study leading to vocational or technical degrees in order to meet federal work requirements. However, the federal law has a grandfather provision for currently participating students that allows them to finish their education.

It is your Committee's intent to enable new First-To-Work students to continue their educational activities beyond the two-year federal limit by transferring them to the state-funded Bridge to Hope program. Your Committee has amended this measure by:

- (1) Expanding eligibility in the Bridge to Hope program by making the program available to:
 - (A) Qualifying heads of households receiving financial assistance and participating in the Temporary Assistance to Other Needy Families and First-to-Work programs, not just the Temporary Assistance for Needy Families program; and
 - (B) A parent, in general, not just a single parent;
- (2) Clarifying that:
 - (A) To receive assistance under the Bridge to Hope program, participants must be enrolled in an approved course of study such as vocational education; and
 - (B) The work requirements shall be consistent with academic success;
- (3) Making the appropriation for the Bridge to Hope program to accommodate new Temporary Assistance for Needy Families and new Temporary Assistance to Other Needy Families participants; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

Your Committee notes that these amendments to the measure may pose a title issue and requests the Committee on Ways and Means to consider increasing the funding for the Bridge to Hope program in the executive biennium budget to support the expansion of the program.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1731, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1731, 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, 1 (Hemmings).

SCRep. 599 Human Services and Public Housing on S.B. No. 999

The purpose of this measure is to appropriate funds for the operating costs of the Family Celebration Commission.

The Hawaii Family Forum and the Ohana Project submitted testimony in support of this measure.

House Concurrent Resolution No. 269 (2006), requested the Governor to designate and celebrate 2008 as the Year of the Family, and to establish a Family Celebration Commission to administer the celebration. The Family Celebration Commission is responsible for developing, planning, and coordinating various programs and activities throughout 2008 in celebration of the family. Your Committee finds that a celebration to honor the importance of family, and to sustain and nurture family life, is appropriate.

This measure will appropriate funds for the operating costs of the Family Celebration Commission.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 999 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, 1 (Sakamoto).

SCRep. 600 (Majority) Human Services and Public Housing on S.B. No. 1114

The purpose of this measure is to require the Department of Human Services to directly reimburse sellers of over-the-counter Plan B emergency contraception to women who are recipients of Medicaid, without creating any expenses for recipients, who purchase the medication; and appropriates funds for this purpose.

The Hawaii State Commission on the Status of Women; Healthy Mothers, Healthy Babies Coalition of Hawai'i; and The Ohana Project submitted testimony in support of this measure. The Department of Human Services and one individual submitted testimony in opposition.

Your Committee finds that it is important to support a woman's ability to control her reproductive health and empower women to make carefully considered choices about family planning issues. As noted by the testifiers, timely access to emergency contraception helps decrease unintended pregnancy rates. By subsidizing the cost of emergency contraception, low-income women are given an opportunity to have greater decision-making over their reproductive health and choices.

It is your Committee's intent to support low-income women's access to emergency contraception. Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1114, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1114, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, 1 (Hemmings). Excused, 1 (Sakamoto).

SCRep. 601 Human Services and Public Housing on S.B. No. 1210

The purpose of this measure is to increase the authorization for special purpose revenue bonds under Act 296, Session Laws of Hawaii 1999; and to extend the repeal date of special purpose revenue bonds for Honolulu Neighborhood Housing Services, Inc. from June 30, 2008, to June 30, 2011.

Honolulu Neighborhood Housing Services submitted testimony in support of this measure.

Your Committee finds that this measure will continue to support Honolulu Neighborhood Housing Services, Inc. in the planning, design, and construction of a senior citizen lifecare retirement community.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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, none.

SCRep. 602 Human Services and Public Housing on S.B. No. 1442

The purpose of this measure is to:

- (1) Increase the time limit for application for a higher education board allowance to provide former foster youth who are between the ages of twenty-two and twenty-six years of age on July 1, 2007, and already attending an institution of higher education, an opportunity to apply for a higher education board allowance within a year; and
- (2) Increases the maximum age for the benefit from twenty-one years of age to twenty-six years of age with a maximum benefit period of sixty months.

The Department of Human Services; Child Welfare Services; the Hawaii Foster Youth Coalition; the Hawaii Youth Services Network; Legal Aid Society of Hawaii; EPIC, Inc.; Hawaii Family Forum; and two individuals submitted testimony in support of this measure. Kapi'olani Child Protection Center submitted comments.

Your Committee finds that this measure will improve the educational prospects of former foster youth. As noted by the Legal Aid Society of Hawaii, at present there is a narrow window of opportunity for former foster youth to apply for a higher education allowance, which requires the former foster youth to have begun attending an accredited institution of higher learning within one school year after high school. However, upon turning eighteen years of age, many former foster youth leave with a desire for freedom and without realizing what benefits may be available to them. Increasing the time limit and the maximum age for the benefit will enable those former foster youth who did not attend an accredited institution of higher learning within one school year after high school to apply for the benefit and have a chance to become a better educated adult.

It is your Committee's intent to help former foster youth to successfully transition to independent adult status. Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1442, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1442, 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, 1 (Sakamoto).

SCRep. 603 Human Services and Public Housing on S.B. No. 1583

The purpose of this measure is to appropriate funds for homeless shelter programs on the island of Hawaii.

The Office of Hawaiian Affairs; the Hawaii County Mayor; the Hawaii County Office of Housing and Community Development; Faith Against Drugs, Inc.; Catholic Charities Hawai'i; the Office for Social Ministry; the Service Area Administrator of Hawaii County for the Department of Health, Adult Mental Health Division; and five individuals submitted testimony in support of this measure. In addition, your Committee received a petition with over six hundred signatures in support of this measure.

According to the Hawaii County Office of Housing and Community Development, federal, state, and county grants have been insufficient to enable operators in Hawaii County to properly address repairs and maintenance. Hawaii County has contributed additional resources to help repair and maintain that county's homeless facilities. However, despite the county's efforts, many of the homeless facilities remain overcrowded and in need of further repair. This measure will provide Hawaii County with additional funds to support the homeless shelter programs in that county.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1583 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, 1 (Sakamoto).

SCRep. 604 Human Services and Public Housing on S.B. No. 1645

The purpose of this measure is to establish an Office of the Children's Ombudsman within the Office of the Ombudsman for administrative purposes, and appropriates funds for this purpose.

The Children's Rights Council submitted testimony in support of this measure. The Office of the Ombudsman submitted comments.

Your Committee finds that, at present, the Office of the Ombudsman is authorized under chapter 96, Hawaii Revised Statutes, to investigate complaints about the administrative acts of executive branch agencies in the state and county government. Complaints relating to child protective services, adolescent mental health services, child support, and public education are just a few examples of the types of complaints that are investigated by the Ombudsman that are related to the protection of children's rights.

The United States Ombudsman Association provides a Model Ombudsman Act for state governments that narrowly excludes judges based upon the existence of the system of appellate review of judicial decisions. However, the narrow exclusion contemplates that the Ombudsman would have jurisdiction to investigate administrative or ministerial acts by employees of the judicial branch, when those acts are peripheral to the adjudication itself.

It is your Committee's intent to expand the jurisdiction of the Office of the Ombudsman to enable the Ombudsman to investigate administrative acts by employees of the Judiciary as those acts pertain to child-related matters. The Ombudsman would not have jurisdiction to criticize or review the substantive content of any judicial order, decision, or opinion. Your Committee has amended this measure by:

- (1) Expanding the jurisdiction of the Office of the Ombudsman to include the Judiciary in complaints regarding child-related matters, except for judges;
- (2) Defining "child-related matters";
- (3) Amending the purpose of the appropriation for the expansion of the Ombudsman's responsibilities under this measure; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1645, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1645, 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, none.

SCRep. 605 Human Services and Public Housing on S.B. No. 1715

The purpose of this measure is to appropriate funds for a grant to Seagull Schools for the construction of a childcare facility and a preschool in Ko Olina.

Seagull Schools submitted testimony in support of this measure.

Your Committee finds that Seagull Schools has become one of the State's largest childcare providers, serving approximately eight hundred thirty children of mixed socio-economic backgrounds. The school's child development programs are known for their exceptional ability to

provide quality care and early education at affordable rates that meet the needs of working parents. Besides having fees that are among the lowest in the State, the school also provides generous financial aid to low-income families for tuition assistance.

In 1999, Seagull Schools began working with the owners of the Ko Olina Resort to develop a childcare center and a preschool that would provide services to Waianae coast children and children of employees that work at the resort. A capital campaign was implemented and received funding from many sources, including a grant from the State of \$1,000,000, which was then used to architecturally design both centers and complete the construction of the Ewa Beach childcare center. However, additional funding is necessary for the construction of the educational facilities.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1715 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, none.

SCRep. 606 Human Services and Public Housing on S.B. No. 1400

The purpose of this measure is to require financial institutions and licensed escrow depositories to report suspected instances of financial abuse directed towards, targeting, or committed against an elder or a dependent adult to a local law enforcement agency.

The Department of Commerce and Consumer Affairs and one individual submitted testimony in support of this measure. Hawaii Financial Services Association and Hawaii Credit Union League submitted testimony in support of the intent of this measure. First Hawaiian Bank, and the Escrow Association of Hawaii submitted comments.

Your Committee finds that reported instances of financial abuse of elders and dependent adults have become increasingly widespread. State-regulated financial institutions can be instrumental in curtailing this disturbing trend by promptly reporting suspected incidents of financial abuse to local law enforcement agencies.

Your Committee has amended this measure by:

- (1) Removing licensed Hawaii escrow depositories from the reporting requirements of this measure, as escrow depositories are not included in the federal law's definition of financial institutions;
- (2) Adding language to provide immunity from liability for any person who makes a report under the provisions of this measure in good faith and with the reasonable belief that action is warranted; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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 referred to the Committees on Commerce, Consumer Protection, and Affordable Housing and Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 607 Human Services and Public Housing on S.B. No. 1449

The purpose of this measure is to increase public safety.

Specifically this measure makes criminal trespass in the second degree applicable to public housing projects administered by the Hawaii Public Housing Authority.

The Department of the Attorney General, Hawaii Public Housing Authority, and City and County of Honolulu Police Department submitted testimony in support of this measure. The American Civil Liberties Union of Hawaii'i submitted testimony in opposition.

Your Committee finds that the Hawaii Public Housing Authority and local law enforcement must have a well-defined, supporting law that gives the police authority to place persons charged with simple trespass on public housing properties under arrest. This measure will help curb loitering, vandalism, and public drinking on public housing properties by making criminal trespass in the second degree applicable to public housing projects.

It is your Committee's intent to help provide public housing residents with a safe and decent living environment. Your Committee has amended this measure to provide guidelines and standards for issuing reasonable warnings or request to leave and to clarify that the authority does not extend to invited guests of residents. Your Committee has further amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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 Second Reading in the form attached hereto as S.B. No. 1449, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Ayes with Reservations, 1 (Ihara). Noes, none. Excused, 1 (Sakamoto).

SCRep. 608 Human Services and Public Housing on S.B. No. 1780

The purpose of this measure is to exempt recipients of social service payments from the scope of employment related laws.

Catholic Charities Hawai'i, Supporting Exceptional Citizens of Hawaii, the United Filipino Council of Hawaii, and two individuals submitted testimony in support of this measure. The State Council on Developmental Disabilities, the Hawaii Disability Rights Center, Responsive Caregivers of Hawaii, and two individuals submitted testimony in opposition to this measure. The Attorney General, the Department of Labor and Industrial Relations, the Department of Human Services, and Easter Seals Hawai'i submitted comments.

Your Committee finds that chapters 386, 392, and 393, Hawaii Revised Statutes, currently provide an exemption from the definition of "employer" under those chapters for domestic services, which includes certain attendant care and day care services performed by an individual in

the employ of a recipient of social service payments. It appears that the lack of a definition of the term "recipient of social service payments" has caused confusion and disparity in the application of these chapters.

It is your Committee's intent to try to accurately define the term "recipient of social service payments". Your Committee has amended this measure by:

- (1) Defining the term "recipient of social service payments" to include:
 - (A) A person who is an eligible recipient of social services such as attendant care and day care services;
 - (B) A corporation or private agency that contracts directly with the Department of Human Services to provide attendant care and day care authorized under the Social Security Act, as amended; and
 - (C) An independently licensed or certified adult foster home or care home provider who provides attendant care and day care authorized under the Social Security Act, as amended, to an eligible recipient of social services in the provider's place of residence;
- (2) Adding a severability clause, in consideration of concerns that were raised regarding possible conflicts with federal law; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

Your Committee notes that several testifiers raised concerns that this measure could violate federal law as it pertains to the amendments to the Hawaii Employment Security Law and the Prepaid Health Care Act.

Your Committee also notes that the inclusion of corporations or private agencies that contract directly with the Department of Human Services to provide attendant care and day care may have the unintended consequence of causing certain corporations or private agencies to stop providing benefits to some of their employees that they presently provide under chapters 386, 392, and 393, Hawaii Revised Statutes. Therefore, your Committee urges the Committee on Judiciary to examine how that paragraph of the definition can be modified to address this concern.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1780, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1780, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, none.

SCRep. 609 Human Services and Public Housing on S.B. No. 426

The purpose of this measure is to facilitate interpreter services for the deaf, hard-of-hearing, or deaf-blind.

Specifically, this measure makes an appropriation for a statewide interpreter referral service for public and private agencies and for persons who are deaf, hard-of-hearing, or deaf-blind.

The Alii Interpreting Service, LLC; Disability and Communication Access Board; Hawaii Center for Independent Living; Hawaii Registry of Interpreters for the Deaf; Hawaii Services on Deafness, and eight individuals submitted testimony support of this measure. The Department of Human Services submitted testimony in support of the intent of this measure.

Your Committee finds that there are approximately six thousand deaf people statewide who use American Sign Language as their preferred method of communication. State agencies are often asked to provide a sign language interpreter in order to make public services accessible to deaf, hard-of-hearing, and deaf-blind individuals. Since 1990, the number of requests for sign language interpreters has increased significantly and the provision of this service needs to be coordinated for both public and private agencies.

The Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services has not had an increase in the annual appropriation for the interpreter referral program in over twenty years. The lack of funding has forced the Department of Human Services to limit the provision of services to state agencies on July 1, 2001.

This measure will provide the additional funds necessary to maintain interpreter referral services for both public and private agencies in order to achieve appropriate communication access for all citizens who are deaf, hard-of-hearing, or deaf-blind.

Your Committee amended the appropriation made in this measure from \$82,500 for fiscal year 2007-2008, and \$27,500 for fiscal year 2008-2009, to \$125,000, for each year of the 2007-2009 fiscal biennium. Your Committee further amended this measure to correct a typographical error.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 426, 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. 426, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 610 Human Services and Public Housing on S.B. No. 427

The purpose of this measure is to increase the state supplemental payments for certain domiciliary care and require a portion of the payment to be retained by the recipient for personal use.

The Department of Human Services, Mental Health America of Hawaii, and one individual submitted testimony in support of this measure. The National Association of Social Workers and fourteen individuals submitted testimony in support of the intent of this measure. The Hawaii Coalition of Care Home Administrators submitted testimony in opposition to this measure.

This measure will ensure a personal needs allowance for individuals living in nursing facilities and individuals living in domiciliary care, type I and type II, and community care foster family homes. The measure will also raise the personal needs allowance from \$30 to \$50 per month per person. Your Committee finds that this measure will substantially improve the quality of life for adult residential care home residents and ensure that a fair portion of the state supplemental payments are allocated for their unique personal needs. Some of the testifiers suggested that there be a cost of living allowance inflation rate. Your Committee defers to the Committee on Ways and Means to consider this issue.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 427, S.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 611 (Joint/Majority) Human Services and Public Housing and Education on S.B. No. 1861

The purpose of this measure is to create a loan repayment assistance program for licensed attorneys who practice public interest law in Hawaii.

The Department of the Attorney General, the Dean of the William S. Richardson School of Law, American Civil Liberties Union of Hawai'i, the Legal Aid Society of Hawaii, the Hawaii Disability Rights Center, The League of Women Voters of Hawaii, and four individuals submitted testimony in support of this measure. The Domestic Violence Clearinghouse and Legal Hotline submitted comments.

Your Committees find that low salaries make it difficult for public interest nonprofit law firms to recruit and retain attorneys from the William S. Richardson School of Law. In the last five years on average, only one graduate went to work in a public interest law firm upon graduation. One of the most cited reasons for not being able to take a public interest job is the high cost of a legal education. This measure will establish a special fund to provide eligible public interest attorneys with loan repayment assistance.

Your Committees amended this measure to include government agencies as a public interest practice for the purpose of qualifying attorneys for the loan repayment program.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1861, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1861, 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 (Hemmings). Excused, 3 (Hee, Nishihara, Taniguchi).

SCRep. 612 (Joint) Human Services and Public Housing and Health on S.B. No. 1918

The purpose of this measure is to establish the Hawaii Children's Health Care Program as a temporary three-year pilot program to provide health care coverage to uninsured children.

The Hawaii Medical Service Association, the Hawai'i Primary Care Association, and the Hawaii Family Forum submitted testimony in support of this measure. The Department of Human Services and Family Voices of Hawai'i submitted testimony in support of the intent of this measure.

Your Committees find that there is a gap group of uninsured children in the State that is ineligible for any state or federal health care coverage. Your Committees further find that children who remain uninsured typically do not receive an appropriate level of medical care. The State has an opportunity to help provide health care coverage for children in the gap group through public-private partnerships. The cost of the premiums to insure children in the gap group can be split equally between the State and the partnering entity.

It is your Committees' intent to expand health care coverage for children in Hawaii. Your Committees have amended this measure by:

- (1) Providing continuous, quality health care services to uninsured newborn children between one and thirty-one days of age by establishing the Hawaii Infant Care Special Fund;
- (2) Providing health care coverage to certain children between thirty-one days to eighteen years old through a public-private partnership between the Department of Human Services and a managed care plan instead of a mutual benefit society;
- (3) Providing that, to qualify, the aforementioned children must have been ineligible during the six months the children were uninsured for any other state or federal health care coverage and are currently ineligible for any other state or federal health care coverage;
- (4) Providing access to medical care free-of-charge for certain children nineteen years of age or younger whose family income is at or below three hundred per cent of the federal poverty level;
- (5) Providing medical assistance under QUEST-Net at no charge to children nineteen years or younger whose family income is at or above two hundred fifty per cent and does not exceed three hundred per cent of the federal poverty level for Hawaii and who are otherwise eligible for QUEST-Net benefits;
- (6) Appropriating the following sums:
 - (A) \$500,000 to the Hawaii Infant Care Special Fund;
 - (B) \$1,000,000 to provide health care coverage to certain children between thirty-one days to eighteen years old pursuant to part I of this measure; and
 - (C) \$3,000,000 to provide QUEST-Net at no charge to certain children nineteen years or younger pursuant to part IV of this measure; and
- (7) Making technical, nonsubstantive changes 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 Public Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1918, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1918, 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 (Menor, Whalen).

SCRep. 613 (Joint) Human Services and Public Housing and Judiciary and Labor on S.B. No. 1120

The purpose of this measure is to require the State to provide state employees with child care facilities and services and permits the State to charge for the cost of the child care.

The Hawaii Government Employees Association and Good Beginnings Alliance submitted testimony in support of this measure. The Department of Labor and Industrial Relations submitted testimony in opposition.

Your Committees find that a changing workforce has contributed to a shortage of infant and child care resources in the State. In Hawaii, approximately seventy-seven thousand families with children under six years of age have parents in the labor force. It is well documented that quality child care is an effective tool in supporting working families and helping keep parents in the workforce. However, a lack of quality infant and child care can make it more difficult for parents to obtain employment, retain employment, and move into better jobs. Employer supported child care is a cost-effective way to control labor costs and enhance worker productivity.

It is your Committees' intent to encourage new strategies to try to deal with the increasing demand for child care in this State. Your Committees have amended this measure by:

- (1) Changing section 2 of the measure to permit the Department of Human Services to establish a state employee child care pilot program to provide state employees with child care facilities and services;
- (2) Requiring that the state employee child care pilot program:
 - (A) Make state facilities available for use as state employee child care facilities;
 - (B) Provide child care services to state employees during work hours at a cost that is commensurate with the average cost of child care facilities in the private sector; provided that private sector employees may also be permitted to enroll their children; and
 - (C) Comply with all applicable laws, rules, and certification requirements of the State;
- (3) Permitting the Department of Human Services to contract with a private organization pursuant to chapter 103F, Hawaii Revised Statutes, to administer the state employee child care pilot program;
- (4) Changing the expending agency of the appropriation from the Department of Labor and Industrial Relations to the Department of Human Services; and
- (5) Making technical, nonsubstantive changes 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 Public Housing and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1120, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1120, 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 (Sakamoto).

SCRep. 614 Human Services and Public Housing on S.B. No. 255

The purpose of this measure is to appropriate funds for early intervention services for eligible children with Down syndrome.

The Hawaii Down Syndrome Congress and eight individuals submitted testimony in support of this measure. The Department of Health, the Department of Education, and the Hawai'i Early Intervention Coordinating Council submitted testimony in opposition to this measure.

Your Committee finds that children with Down syndrome generally develop at a slower rate and have different patterns of development than typically developing children. The goal of early intervention services for children with Down syndrome is to maximize each child's developmental potential and improve long-term functional outcomes for the children and their families. Early intervention services provide developmentally appropriate activities to maximize a child's cognitive, communication, motor, self-help, and social-emotional growth until the child is ready for kindergarten.

It is your Committee's intent to support the provision of early intervention services for eligible children with Down syndrome. Your Committee has amended this measure by:

- (1) Requiring the Department of Education to:
 - (A) Design and implement an early intervention services pilot program for eligible children with Down syndrome; and
 - (B) Submit an interim report to the Legislature;
- (2) Requiring the Department of Health to assist the Department of Education, as necessary, including in the provision of sign language, oral communication, and visual cues to help children with Down syndrome develop expressive language;
- (3) Making the appropriation to the Department of Education for the purposes of this measure;
- (4) Repealing the measure on June 30, 2012; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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 referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 615 Human Services and Public Housing on S.B. No. 1166

The purpose of this measure is to appropriate funds to educate the public about the Child Passenger Restraints Law and to help subsidize the cost of the child booster car seats for low-income families.

The Keiki Injury Prevention Coalition and the Occupational Therapy Association of Hawaii submitted testimony in support of this measure. The Department of Human Services submitted testimony in opposition.

Your Committee received a statement from the Keiki Injury Prevention Coalition that this measure, if passed, would cost the State approximately \$432,230 for both fiscal years 2007-2008 and 2008-2009 combined. The estimated budget includes the following expenses: \$35,000 for a director; \$30,720 for project staff; \$130,000 for booster seats for six thousand children; \$132,170 for the media campaign; \$62,400 for educators or technicians; \$10,400 for InfoLine; \$11,040 for the website; and \$20,500 for an administrative fee at five per cent for two years.

Your Committee finds, effective January 1, 2007, under state law, a child four years of age or older, but less than eight years of age, and under certain weight and height minimums, must be properly secured in a child safety seat or booster car seat.

While a child that is properly secured in a child safety seat or booster car seat is at a reduced risk of injury, the cost of purchasing booster car seats adversely impacts low-income families as they may not have sufficient funds to afford booster car seats. This measure will educate the public about the new law and increase the use of booster car seats.

It is the Committee's intent to help ensure the safety of child passengers. Your Committee has amended this measure by:

- (1) Requiring the Department of Health, instead of the Department of Human Services, to:
 - (A) Assist the Keiki Injury Prevention Coalition with the design and implementation of the subsidy program; and
 - (B) Expend the sums appropriated for the purposes of this measure;
- (2) Enabling the Keiki Injury Prevention Coalition to partner with agencies that provide services to low-income families to assist with disseminating information regarding the subsidy to the public and educating the public about the Child Passenger Restraints Law; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1166, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1166, 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, none.

SCRep. 616 Human Services and Public Housing on S.B. No. 1450

The purpose of this measure is to broaden participation in the State Rent Supplement Program by removing the statutory limitation on the subsidy amount, which is currently \$160 per month, and to increase the income limits for participation from fifty per cent of area median income to ninety-five per cent of area median income.

The Hawaii Public Housing Authority, Catholic Charities Hawai'i, Hawaii Family Forum, and one individual submitted testimony in support of this measure.

Your Committee finds that the State Rent Supplement Program could assist a larger number of households in today's housing market if the statutory limitation on the subsidy amount is removed and the income limit for participation is increased to ninety-five per cent of the area median income. According to the Department of Human Services, this measure will increase the number of households eligible for rent supplement payments by approximately two hundred additional households.

It is your Committee's intent to allow the Hawaii Public Housing Authority to adjust the subsidy amount to reflect current market conditions. Your Committee has amended this measure by:

- (1) Allowing a person living in a transitional shelter who meets the requirements of section 356D-153, Hawaii Revised Statutes, to be considered a "qualified tenant" for purposes of the rent supplement; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1450, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1450, 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, 1 (Sakamoto).

SCRep. 617 Human Services and Public Housing on S.B. No. 1586

The purpose of this measure is to appropriate funds to establish a program in West Hawaii to provide rental housing for the homeless in transition.

The Office of Hawaiian Affairs, the Hawaii County Mayor; the Hawaii County Office of Housing and Community Development; Hawaii Family Forum; Catholic Charities Hawai'i; the Office for Social Ministry; Faith Against Drugs, Inc.; and five individuals submitted testimony in support of this measure. In addition, your Committee received a petition with over six hundred signatures in support of this measure.

According to the testimony submitted by the Hawaii County Mayor, the county received a parcel of land from a developer that it intends to use for a project called the West Hawaii Transitional Housing and Supportive Services for the Homeless project. The project would provide rental housing for individuals and families who are successfully transitioning through the homeless continuum.

In addition to providing rental housing, the project will provide participants with on-site case management, health and life skills training, employment training, and other necessary services. The goal is to provide fifty affordable rental units, four emergency units, office space, meeting rooms for case management and training, laundry facilities, and a common area or gathering place.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1586 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, 1 (Sakamoto).

SCRep. 618 Health on S.B. No. 68

The purpose of this measure is to promote choice and autonomy by providing seniors with safe assisted living options.

The measure accomplishes this purpose by establishing safety and evacuation criteria for assisted living facilities that accept or retain individuals with physical, cognitive, or other impairment that would prevent them from safely evacuating the facility with minimum assistance. The measure requires that the criteria be implemented by July 1, 2008.

Your Committee received testimony in support of this measure from Department of Health, Roselani Place, and Maui Long Term Care Partnership.

Your Committee finds that the State's elderly population is growing to unprecedented heights as the baby boomers enter retirement. It is inevitable that some of these seniors will need assistance with their day-to-day activities, while maintaining their much deserved independence. However, many seniors do not require the level of care that is provided by skilled nursing facilities. Instead, safe assisted living arrangements are the most desired options for these individuals.

This measure is closely related to the concept of aging in place and encouraging the elderly to live in the least restrictive setting. These are laudable goals of a long-term care system. Assisted living facilities provide a combination of housing and personalized support services designed to respond to individual needs and to promote choice, responsibility, independence, privacy, dignity, and individuality. Your Committee believes this measure promotes the safety of assisted living facilities.

Your Committee has amended this measure to:

- (1) Clarify that the safety measures must allow the individual to safely evacuate the facility independently for self-preservation; and
- (2) Make technical, nonsubstantive amendments to correct a cross-reference citation.

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. 68, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 68, 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. 619 Judiciary and Labor on S.B. No. 1828

The purpose of this measure is to exempt existing and new employees of the Criminal Injuries Compensation Commission from civil service laws as established in Chapter 76 and to provide the new staff members the right to bargain collectively as established in Chapter 89.

Your Committee finds that this bill does not affect present Commission employees. The duties and responsibilities of the Commission are unique because of their dealings with crime victims. This bill will recognize the unique duties and responsibilities. Commission does not receive any general funds and is funded through special funds and a matching federal grant from the Victims of Crime Act Fund. In 1998, the Legislature established a crime victim compensation fee to provide a funding base for the Commission to become fiscally self sufficient. This bill will ensure that the Commission is adequately staffed.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1828 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 (Kokubun).

SCRep. 620 Economic Development and Taxation on S.B. No. 1199

The purpose of this measure is to establish a tax credit for taxpayer caregivers who care for qualified care recipients.

Testimony in support of this measure was received from the Policy Advisory Board for Elder Affairs, Hawaii Aging Advocates Coalition, and one individual. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that by 2020, the elderly and disabled population of Hawaii will constitute over one-fourth of the State's adult population. It is critical that policies are enacted to ease the burden for both the aging and their families.

Your Committee has received a revenue impact statement from the Department of Taxation (Department) that the impact is indeterminate because the tax credit is unspecified. However, in subsequent statement the Department projected a revenue loss of \$35,600,000 for fiscal year 2008 to fiscal year 2010, assuming the tax credit base of \$1,000.

In its methodology, the Department stated that a 2003 Hawaii Health Survey estimated there are 192,390 caregivers who provide regular care or assistance to those aged sixty years old or older. About twenty per cent of caregivers (38,478 caregivers) live in the same household with their elderly care recipients. Among caregivers and elderly living in the same household, seventy-two per cent of caregivers (27,704 caregivers) are related to the elderly. The methodology assumed all 27,704 caregivers qualify for the credit and each caregiver provides care to one elderly relative, and that there is only one caregiver per household. The methodology also assumed ten per cent of caregivers (19,239 caregivers) provide more than fifty per cent of financial support, but not live in the same household with the elderly.

While the specifics of this measure must still be resolved, your Committee believes it is an important first step in easing some of the financial burden of Hawaii's caregivers. It is the intent of your Committee to continue deliberation on this matter.

Your Committee has amended this measure by:

- (1) Capping the tax credit at \$1,000; and
- (2) Inserting an effective date of July 1, 2050, for the purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1199, 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. 1199, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 621 Economic Development and Taxation on S.B. No. 1268

The purpose of this measure is to establish a college savings program tax credit.

Testimony in support of this measure was received from the University of Hawai'i System and the Hawaii Association of Independent Schools. The Department of Budget and Finance, the Department of Taxation, and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that increasing options for financing a college education is important to the development of the highly skilled workforce necessary in emerging and innovative industries.

Your Committee received a revenue impact statement from the Department of Taxation (Department) that stated the projected revenue loss is \$6,300,000 for fiscal year 2010.

In its methodology, the Department stated that approximately 50,000 students were enrolled in fall 2005, at the University of Hawai'i, and it was assumed that twenty-five per cent of these students would have a parent or guardian who will contribute to the College Savings Program. The maximum credit amount was applied to this number to get the projected revenue loss.

Your Committee further finds that Section 529 of the Internal Revenue Code allows states to sponsor programs that allow contributions to qualifying educational tax-free accounts, and that Hawaii has a 529 Program.

Your Committee has heard, however, that Hawaii's 529 Program is not widely used. Your Committee also notes that there has been discussion of a tax credit, as opposed to a tax deduction, to accomplish a similar purpose.

It is the intent of your Committee to continue the discussion on the pros and cons of the various college savings options.

Your Committee has amended this measure accordingly, by:

- (1) Inserting an effective date of July 1, 2035, for the purposes of further discussion; and
- (2) 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 Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1268, 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. 1268, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 622 (Majority) Economic Development and Taxation on S.B. No. 1285

The purpose of this measure is to exempt the sale of liquid fuels and alcohol fuels from the general excise tax (GET), and to increase the fuel tax 1 cent per gallon.

The Department of Taxation, Department of Transportation, and the Tax Foundation of Hawaii submitted comments.

Your Committee received a revenue impact statement from the Department of Taxation (Department) that an increase in the state fuel tax will increase revenue for the State Highway Fund by \$9,200,000 annually. The GET exemption for alcohol fuels will reduce the general fund revenue by \$100,000 annually.

In its methodology the Department stated that the GET exemption for alcohol fuel expired on December 31, 2006, but the Council on Revenues did not put the tax increase into the baseline projections for the general fund. The increase in fuel tax will increase revenues for the State Highway Fund by the following amounts, based on calendar year 2006 collections: gasoline, \$4,730,000; diesel oil (non-highway), \$1,320,000; aviation fuel, \$2,120,000; diesel oil (highway), \$1,000,000; all other, \$30,000, for a total of \$9,200,000.

It is the intent of your Committee to continue the legislative discussion on this measure.

Your Committee has amended this measure accordingly, by inserting an effective date of July 1, 2045, and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1285, 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. 1285, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Slom). Excused, 1 (English).

SCRep. 623 Economic Development and Taxation on S.B. No. 1919

The purpose of this measure is to provide a comprehensive set of asset building opportunities for Hawaii's low- and moderate-income families by establishing a self-sufficiency standard that will determine the assistance allowance.

Specifically, this measure:

- (1) Establishes a refundable state earned income tax credit (EITC);
- (2) Provides for financial education to TANF applicants and recipients;
- (3) Expands the provision of individual development accounts; and
- (4) Appropriates funds.

Testimony in support of this measure was received from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawai'i Alliance for Community Based Economic Development, Hawaii State Democratic Women's Caucus, Hawaii Women Work!, 3Point, Aloha United Way, the Asset Building Initiative of Hawaii, and two individuals. The Department of Business, Economic Development, and Tourism; Department of Human Services; Department of Taxation; and Tax Foundation of Hawaii submitted comments.

Your Committee finds that the asset building components of this measure provide a multi-faceted approach to helping Hawaii families achieve self-sufficiency. This is especially challenging given Hawaii's high cost of living, and your Committee is in strong support of the concepts in this measure.

Your Committee received a revenue impact statement from the Department of Taxation that the legislation will result in a loss of approximately \$24,000,000. The Department did not submit any further information or the methodology used to determine this revenue loss.

Your Committee also heard concerns regarding noncompliance with the federal EITC program, on which the program in this measure is based. However, these noncompliance rates – estimated at twenty-seven to thirty-two per cent -- are from a June 2003 Internal Revenue report, which is based on tax year 1999 returns.

Your Committee prefers not to make decisions based on outdated information, and has requested further clarification from the Department of Taxation. It is the intent of your Committee to continue the legislative deliberations on this measure until that information is received.

Your Committee has amended this measure accordingly, by:

- (1) Changing the EITC percentage to an unspecified amount; and
- (2) Inserting an effective date of July 1, 2030, for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1919, 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. 1919, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 624 (Majority) Economic Development and Taxation on S.B. No. 644

The purpose of this measure is to encourage and increase the use of renewable energy to protect the environment and reduce pollution. Specifically, this measure:

- (1) Requires the installation of solar devices for heating water in all new residential construction, beginning January 1, 2009; and
- (2) Expands the existing income tax credit for solar thermal energy systems installed in new homes and retrofitted in existing homes.

Your Committee received testimony in support of this measure from the Windward Ahupua'a Alliance and the Hawaii Association of Realtors. Hawaii Electric Company, The Gas Company, and the Land Use Research Foundation of Hawaii submitted testimony in opposition to this measure. The Department of Business, Economic Development, and Tourism; the Department of Taxation; Hawaii Solar Energy Association; and the Tax Foundation of Hawaii submitted comments on this measure.

Your Committee received a revenue impact statement from the Department of Taxation (Department) that stated this measure would result in a revenue loss of \$24,400,000 per year for fiscal year 2010 and thereafter.

In its methodology, the Department stated that based on 2004 data, total tax credit claims for solar device by individual taxpayers amounted to \$1,800,000. The average increase in credit limits for a solar device is thirty-seven per cent (forty-four per cent for a single-family unit and twenty-nine per cent for a multi-family unit). By applying the average increase of thirty-seven per cent to the current tax credit claims, the amount of tax credit will increase by \$700,000 annually. In 2005, the number of new single-family units was 6,937 and the number of new multi-family units was 2,769. The total tax credit claims for solar devices installed in new residential constructions would be approximately \$23,700,000 (\$22,500,000 for single-family units and \$1,200,000 for multi-family units).

Your Committee has heard a wide range of concerns regarding this measure, and acknowledges that many of the issues raised have not been responded to adequately in the bill. However, your Committee believes the concept of encouraging renewable energy has considerable merit and it is the intention of your Committee to support continued discussion.

Your Committee has amended this measure by:

- (1) Adding "or comparable renewable energy devices" in the findings and purpose and throughout section 2; and
- (2) Inserting an effective date of July 1, 2040, for the purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 644, 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. 644, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Slo). Excused, 1 (English).

SCRep. 625 Economic Development and Taxation on S.B. No. 731

The purpose of this measure is to exempt power-generating facilities and electric cooperatives from the tax on liquid fuel.

Testimony in support of this measure was received from Kaua'i Island Utility Cooperative. The Department of Transportation, Department of Taxation, and Tax Foundation of Hawaii submitted comments.

Your Committee finds that this measure would clarify a question regarding the interpretation of language in chapter 243, Hawaii Revised Statutes, pertaining to which types of liquid fuels are subject to specific taxes.

Your Committee received a revenue impact statement from the Department of Taxation that stated the revenue loss to the State Highway Fund would be \$1,400,000 to \$1,700,000 in fiscal year 2008.

In its methodology, the Department stated the State's fuel tax for non-highway use of diesel oil was \$1,600,000 in fiscal year 2006. The counties did not tax this fuel. Assuming two per cent growth per year, the revenue cost for 2008 would be $\$1.62 \times 1.02 \times 1.02 = \$1,690,000$.

Your Committee is in support of this measure; provided that the savings realized by the power-generating facility are passed on to customers of the facility.

Your Committee has amended this measure by inserting an effective date of July 1, 2035, for the purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 731, 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. 731, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 626 Economic Development and Taxation on S.B. No. 1917

The purpose of this measure is to expand housing opportunities for Hawaii residents by:

- (1) Extending the sunset date for the allocation of conveyance tax revenues to the Rental Housing Trust Fund;
- (2) Requiring the Hawaii Housing Finance and Development Corporation to create an affordable housing inventory registry; and
- (3) Appropriating funds for various homeless and housing programs and projects.

Testimony in support of this measure was received from the Hawaii Housing Finance and Development Corporation, Hawaii Public Housing Authority, City and County of Honolulu Department of Community Services, McCully-Moilili Neighborhood Board #8, Hawaii Family Forum, Catholic Charities Hawai'i, Partners in Care, Hawaii Association of REALTORS, and one individual. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that affordable housing is one of the top public concerns in Hawaii, and the problem is compounded by the spike in land and housing prices in recent years. This measure attempts to address the problem through a combination of direct appropriations and increasing the dedicated source of funding through the conveyance tax.

Your Committee received a revenue impact statement from the Department of Taxation (Department) that the general fund tax revenue would lose \$11,800,000 for fiscal years 2008 and 2009, and the Rental Housing Trust Fund would gain the same amounts. The Department also stated that in fiscal year 2006, conveyance tax collections were \$59,200,000.

Your Committee is strongly supportive of providing financing options for affordable housing, but believes the proposal to again raise the percentage of the conveyance tax earmarked for the Rental Housing Trust Fund merits further legislative deliberations.

Your Committee has amended this measure by making section 6, relating to the conveyance tax transfers, effective July 1, 2020, for purposes of further discussion. 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 Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1917, 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. 1917, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 627 (Joint) Public Safety and Human Services and Public Housing on S.B. No. 1444

The purpose of this measure is to clarify the purpose of committing youth to the Hawaii Youth Correctional Facility.

Specifically, this measure amends the purpose section of the Hawaii Youth Correctional Facility as codified in section 352-2.1(a) of the Hawaii Revised Statutes to substitute:

- (1) "Punishment" with "rehabilitation";
- (2) "Reintegrate" with "prepare for reentry"; and
- (3) "Children" with "youth".

Testimony in support of this measure was submitted by the Office of Youth Services, the American Civil Liberties Union of Hawai'i, and the Community Alliance on Prisons.

Your Committees find that the proposed changes to the statute are necessary to better reflect the purpose of youth correctional facilities and be consistent with terminology usage within the affected offices. Replacing "punishment" with "rehabilitation" will better reflect the programming and activities of the youth correctional facility, which include general education, vocational training, medical and mental health treatment, and substance abuse treatment. Replacing "reintegration" with "reentry," would provide consistency with the terminology used by the Office of Juvenile Justice and Delinquency Prevention. Replacing "children" with "youth" is necessary for accuracy as the term "youth" is commonly used to refer to children over the age of twelve, which is the age group considered for commitment to youth correctional facilities.

Your Committees further find that the term "incarceration" is loaded with connotations of guilt and punishment and should be replaced with the term "custody" to reflect an overall goal of rehabilitating the youth committed to the Hawaii Youth Correctional Facility and to prevent their return to correctional facilities in the future. A recent audit of the Hawaii Youth Correctional Facility by the Auditor of the State of Hawaii noted this confusion within the staff of the facility given the contradictory statutory mandate of punishment and reintegration. Among the many recommendations of the Auditor was a statutory change to the purpose of the Hawaii Youth Correctional Facility for the clarification of its role.

This measure was amended to substitute "custody" for "incarceration" in section 352-2.1(a), Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Public Safety and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1444, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1444, 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, none.

SCRep. 628 Economic Development and Taxation on S.B. No. 994

The purpose of this measure is to allow the sale of cooling from seawater air conditioning district cooling systems to qualify for state enterprise zone benefits.

Testimony in support of this measure was received from Hawaii Energy Policy Forum and Honolulu Seawater Air Conditioning, LLC. The Department of Business, Economic Development, and Tourism and the Department of Taxation submitted comments.

Your Committee finds that the list for “qualified business” in a state enterprise zone already includes wind energy, and adding other alternative energy production would further promote the State’s goal of lessening its dependency on fossil fuels.

Your Committee received a revenue impact statement from the Department of Taxation (Department) that stated the revenue loss to the State would be approximately \$5,200,000 in the first year.

In its methodology, the Department stated that according to the “From Ocean Depths, Air Conditioning for the Tropics”, Environmental News Network, April 05, 2005, the proposed system would cost \$100,000,000. By applying the four per cent general excise tax (GET) rate, the amount of GET exemption would be \$4,000,000. The Department assumed the net profit to be twenty-five per cent of the cost, or \$25,000,000. By applying the six per cent average income tax rate, the amount of income tax would be \$1,500,000. The first year income tax credit (eighty per cent) amounted to \$1,200,000. The amount of employment security contributions was assumed to be one per cent of the net profit, and the premium tax rate is two and one-half per cent. The first year employment security contribution tax credit amounted to \$5,000. The total revenue loss is \$5.2 million (\$4,000,000 + \$1,200,000 + \$5,000).

Your Committee finds this measure is a positive step in meeting the State’s goals for energy self sufficiency, and it is the intent of your Committee to encourage continuing legislative discussions.

Your Committee has amended this measure by inserting an effective date of July 1, 2025, for the purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 994, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 994, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 629 Energy and Environment on S.B. No. 1702

The purpose of this measure is to ensure a cleaner and healthier environment for Hawaii by increasing the success rate of the deposit beverage container program.

The measure accomplishes this purpose by amending the deposit beverage container program to require dealers in high density areas and rural areas to operate redemption centers.

Your Committee received testimony in support of this measure from the Sierra Club, Hawai’i Chapter. The Department of Health submitted testimony in support of this measure with comments. Your Committee received testimony in opposition to this measure from the Governor’s Policy Office; the Hawaii Food Industry Association; Reynolds Recycling; the Retail Merchants of Hawaii; Safeway Inc.; and Aloha Glass Recycling, Inc.

Your Committee finds that the deposit beverage container program has proven to be an overwhelming success for Hawaii’s environment. Your Committee further finds that the success rates will only increase with redemption centers being open in high density and rural areas, extending hours of redemption centers operated in high density areas, and by enabling dealers to comply with the program by operating reverse vending machines.

Your Committee amended this measure by:

- (1) Clarifying that a dealer can subcontract with a certified redemption center to be operated on the dealer’s premises or within one thousand feet of the premises;
- (2) Requiring redemption centers to remain open at least thirty-five hours per week, of which not less than five hours shall be on a Saturday or Sunday and shall remain open until 7 p.m. on at least two weekdays; provided that the center is located in a high density population area as defined by the director in rules;
- (3) Allowing consumers to request the refund value be computed by container count for loads of two hundred containers or less;
- (4) Clarifying that properly operated and maintained reverse vending machines may be used by redemption centers and dealers to satisfy the redemption requirements; provided that the reverse vending machine is operational and accessible during normal business hours of the center or store where it is located; and
- (5) Clarifying that dealers as well as redemption centers may refuse to pay the refund on certain non-conforming containers as described in section 342G-116.

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. 1702, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1702, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Hooser, Trimble).

SCRep. 630 Ways and Means on S.B. No. 586

The purpose of this short form bill is to amend the laws relating to state funds.

Your Committee has amended this measure by inserting provisions that make an appropriation for staffing and operating expenses relating to the establishment of the Office of the Legislative Analyst.

Your Committee finds that the Office of the Legislative Analyst was created pursuant to Act 347, Session Laws of Hawaii 1990, codified as section 21F-6, Hawaii Revised Statutes. That position has never been filled.

As affirmed by the record of votes of the members 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. 586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 586, S.D. 1, and be recommitted to the Committee on Ways and Means, for further consideration.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 5 (English, Hooser, Menor, Hemmings, Whalen).

SCRep. 631 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Economic Development and Taxation on S.B. No. 1035

The purpose of this measure is to establish each November 20th as the Makahiki Commemoration Day.

There was no testimony submitted on this measure. Your Committees note that there are supporters of this measure on Rapa Nui.

Your Committees find that Makahiki was a significant time throughout Polynesia. The rising of the makalii, Pleiades, marks the beginning of the Makahiki season that covers four consecutive months. Conflict and war were set aside and unity and peace prevailed as the people paid tribute to the god Lono. To perpetuate the ancient wisdom of land conservation, abundance, unity, and peace during the four months of Makahiki, Polynesian regional governments celebrate the Makahiki season and have designated November 20th as the start of the Makahiki observance. Groups from Hawaii, Samoa, Tonga, New Zealand or Aotearoa, Easter Island or Rapa Nui, Wallis and Futuna, and the Marquesas Islands all gather in Tahiti to celebrate Matahiti Tau Auhune, a time of harvest.

It is your Committees' intent to support the establishment of each November 20th as the Makahiki Commemoration Day. Your Committees have amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Economic Development and Taxation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1035, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1035, 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, 2 (Ige, Tokuda).

SCRep. 632 Transportation and International Affairs on S.B. No. 1237

The purpose of this measure is to provide an option to turn off the audible reverse warning system on trucks for noise control purposes between the hours of 10:00 p.m. and 6:00 a.m.

This measure applies if the vehicle is:

- (1) Equipped with a rearview camera system in the rear that operates whenever the vehicle is reversing;
- (2) Equipped with flashing lights in the rear of the vehicle which are activated when a vehicle is reversing; or
- (3) Guided by a person, other than the driver of the vehicle, who is positioned behind the vehicle with a clear view of both the vehicle's rearward path and the vehicle's driver.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT), Hawaii Transportation Association, McCully - Moiliili Neighborhood Board #8, Ala Moana/Kakaako Neighborhood Board, and two individuals. Testimony in opposition was received from the Honolulu Police Department.

Your Committee finds that one of the contributors to noise pollution is the loud beeping sound emitted by large vehicles when they are reversing. This is due to a state law that requires certain large vehicles to be equipped with an audible reverse warning system. This safety measure is meant to warn pedestrians and others in the back of a large vehicle that the vehicle is about to reverse. However, when these vehicles operate late at night or near hospitals or hotels noise pollution results.

The intent of your Committee is to protect and preserve the peace and quiet of communities by removing or reducing the causes of noise pollution, while preserving the safety of these communities provided by warnings activated by noise.

Your Committee has amended this measure on the recommendation of the DOT to delete reference to administrative rules.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs 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 (Hooser, Taniguchi).

SCRep. 633 Transportation and International Affairs on S.B. No. 1287

The purpose of this measure is to repeal the requirement that motor carrier vehicles that include the trailers and pole trailers be inspected and certified once in twelve months and during the month in which the vehicle's certificate of registration is issued.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT); Honolulu Department of Customer Services; Alexander & Baldwin, Inc.; Matson Navigation Company; Hawaii Transportation Association; and Horizon Lines, LLC.

Act 3, Session Laws of Hawaii 2005, enacted the provision which this measure would repeal. The justification at the time for requiring a safety inspection during the month in which the vehicle's certificate of motor vehicle registration is issued, was to spread out DOT's tremendous workload to inspect some 100,000 vehicles in the month of June, when the annual safety inspections expire on motor carrier vehicles. (Senate

Standing Committee Report No. 54, on SB No. 73, 2005) Testimony now indicates that the current law that requires motor carrier companies such as Matson Navigation and Horizon Lines to have their trailers and pole trailers inspected and certified once a year and in the same month in which the vehicle's certificate of registration is issued is logically burdensome. For example, Matson Navigation Company has 6,000 of these trailers and they are located in different locations and jurisdictions. Having them inspected in the same month in which the motor vehicle certificate of registration was issued is burdensome.

Your Committee has amended this measure 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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1287, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1287, 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 (Taniguchi).

SCRep. 634 Transportation and International Affairs on S.B. No. 1509

The purpose of this measure is to limit the use of the high occupancy vehicle lane to vehicles that carry a certain number of persons designated by the Director of Transportation as indicated on official signs or other traffic-control devices.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT).

Your Committee finds that under current law, the DOT is unable to meet the changing needs of the motoring public in the operation of high occupancy vehicle lanes, and the changing traffic demands and traffic volumes. Your Committee believes that DOT should have the flexibility to change occupancy requirements of high occupancy vehicle lanes to meet changing traffic conditions.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of conforming the measure to preferred drafting conventions.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1509, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1509, 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 (Taniguchi).

SCRep. 635 Transportation and International Affairs on S.B. No. 1709

The purpose of this measure is to treat three-wheeled mopeds designed to carry a driver and a passenger seated side by side the same way as single driver mopeds except for the requirement that the driver sit astride and alone on the moped.

Testimony in support of this measure was received from Adventure Rentals, LLC and Shamrock Importers, LLC. Testimony in opposition was received from the Department of Transportation (DOT). Comments were received from the Honolulu Department of Customer Services.

The intent of this measure is to allow three-wheeled mopeds that are designed to carry a passenger on highways, streets, and roadways in the same way as single driver mopeds. Under existing law, two or three-wheeled mopeds are allowed to be driven on highways, streets, and roadways, and on bikeways when bicycle lanes and paths are provided. Testimony indicated that three-wheeled mopeds that are designed to carry a passenger are generally larger than single driver mopeds and present safety issues that may not be covered under existing laws that regulate single driver mopeds. Your Committee believes that these safety and related issues need further discussion and review.

Your Committee has amended this measure by changing the effective date to July 1, 2050, for the interested parties and the DOT to continue discussion on reaching a workable solution to the safety and related issues under the existing moped law.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1709, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1709, 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 (Taniguchi).

SCRep. 636 (Joint) Transportation and International Affairs and Energy and Environment on S.B. No. 523

The purpose of this measure is to require the Department of Transportation (DOT) to include biofuel storage and transmission infrastructure in all harbor improvement master plans.

Your Committees received testimony in support of this measure from the Department of Transportation (DOT).

Your Committees find that Hawaii's dependence on petroleum for about ninety per cent of its energy needs is more than any other state in the nation. This makes the State extremely vulnerable to any oil embargo, supply disruption, international market dysfunction, and many other factors beyond the control of the State. The use of biofuels would counteract the deleterious effects of a sudden shortage of petroleum fuels.

The intent of this measure is for the State to store enough biofuels to be used for the generation of power or heat. Your Committees consider biofuel storage and transmission to be the beginning of the process of weaning the State from dependence upon imported oil.

Your Committees have amended this measure by clarifying the permitted use of biofuel storage and transmission infrastructure on State harbor lands, to confer jurisdiction on the DOT, and to prohibit the manufacture or production of biofuels on State harbor land.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 523, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 523, S.D. 2.

Signed by the Chairs on behalf of the Committees. Ayes, 8. Noes, none. Excused, 3 (Ihara, Kokubun, Taniguchi).

SCRep. 637 Transportation and International Affairs on S.B. No. 1047

The purpose of this measure is to allow a driver who is at least eighteen years of age to obtain a commercial driver's license to drive in intrastate commerce.

Your Committee received testimony in support of this measure from the Hawaii Transportation Association. Testimony in opposition was received from the Department of Transportation and Honolulu Police Department.

Your Committee finds that there is a shortage of commercial drivers in Hawaii and the age requirement for commercial licenses makes recruiting younger individuals, such as high school seniors, difficult because they have to wait years to obtain a license.

The current age required to receive a commercial driver's license is twenty-one. This measure would increase the pool of qualified commercial drivers by lowering the age to eighteen. Your Committee is keenly aware that lowering the age may not solve the problem of the shortage of drivers, and may present highway safety concerns. The measure addresses these concerns by requiring compliance with federal regulations, limiting the type of commercial vehicle that can be operated, prohibiting the transportation of hazardous materials and school passengers and requiring drivers to have prior driving experience and a clean driving record.

In addition, your Committee believes that increasing the eligible pool of commercial drivers will increase demand for commercial driving schools and other instructional programs to enable the licensing of more commercial drivers. High school seniors would be more inclined to consider commercial driving as a career if the license eligibility age were eighteen.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1047 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 (Taniguchi).

SCRep. 638 (Joint) Intergovernmental and Military Affairs, Transportation and International Affairs and Economic Development and Taxation on S.B. No. 1028

The purpose of this measure is to authorize the counties to regulate both guided and unguided commercial bicycle tour businesses on State and county highways.

Your Committees received testimony in support of this measure from the State of Hawaii, Department of Transportation; the Kula Community Association; the CKM Cultural Resources, LLC; the Kula Community Association Sub-Committee on Commercial Bicycle Tours; and one individual. Testimony in opposition to this measure was submitted by Maui Mountain Cruisers; Cruiser Phil's Volcano Riders; Maui Sunriders Bike Company; Maui Downhill Bicycle Tours; and Haleakala Bike Company.

Your Committees find that there have been many safety concerns expressed by the public regarding commercial bicycle tours. In certain areas of the State, the current volume of commercial bicycle tour operations, both guided and unguided, pose significant safety concerns for vehicles and bicycle traffic alike. The popularity of these tours has grown substantially over the years, as has the population in certain residential areas. This growth of sometimes competing interests has led to alleged incidents of volatile confrontations between commercial bicycle tour operators and residents, thereby exacerbating the safety issues raised by the public.

Your Committees further find that this measure addresses these concerns by permitting the council of any county in the State to adopt and provide for the enforcement of ordinances that will improve roadway safety where commercial bicycle tours are conducted. This measure is of particular significance in areas currently without laws or rules governing commercial bicycle tour operations on State and county highways.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Transportation and International Affairs and Economic Development and Taxation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1028 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, 5 (Ige, Taniguchi, Tsutsui, Hemmings, Slom).

SCRep. 639 Human Services and Public Housing on S.B. No. 424

The purpose of this measure is to amend the law relating to human services.

Your Committee has amended this measure by inserting language that amends section 346-68, Hawaii Revised Statutes, to expand the Bridge to Hope Program to enable heads of households receiving financial assistance and participating in the First-to-Work programs to pursue educational activities beyond the new two-year federal limit.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 424, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 424, S.D. 1, and be recommitted to your Committee on Human Services and Public Housing for further consideration.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Sakamoto, Hemmings).

SCRep. 640 Judiciary and Labor on S.B. No. 470

The purpose of this measure is a Short Form bill entitled Employment.

Your Committee recommends that the measure pass with amendments, for recommitment for further consideration.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 470, S.D. 1, and be recommitted to the Committee on Judiciary and Labor, for further consideration.

Signed by the Chair on behalf of the Committee. Ayes, 5. Ayes with Reservations, 1 (Gabbard). Noes, none. Excused, none.

SCRep. 641 Intergovernmental and Military Affairs on Gov. Msg. No. 271

Recommending that the Senate advise and consent to the nomination of the following:

ADJUTANT GENERAL AND DIRECTOR OF CIVIL DEFENSE

G.M. No. 271 Major General Robert G. F. Lee, for a term to expire 12-6-2010,

Your Committee reviewed the personal statement and resume submitted by the nominee, and finds Major General G. F. Lee to have the necessary qualifications to be nominated as the Adjutant General and Director of Civil Defense.

Your Committee received testimony in support of the nomination of Major General Robert G. F. Lee, from a United States Senator; the Commander of the 298th Regiment, Multifunctional Training Brigade, Regional Training Institute, Hawaii Army National Guard; the Commander of the Hawaii Air National Guard; the Director of the Office of Veterans Services; the Advisory Board on Veterans Services; the Department of Public Safety; the Hawaii Wing of the Civil Air Patrol; the Deputy Commanding General, Department of the Army, Headquarters, United States Army, Pacific; the Chairman of the Hawaii Commissioning Committee, Honolulu Council, Navy League of the United States; the United States Army Reserve Ambassador; the Reserve Officers Association, Department of Hawaii; the Chair of the Armed Services Committee; the Office of Hawaiian Affairs; the Honolulu Advertiser; McCabe, Hamilton & Renny Co., Ltd; Castle & Cook Hawaii; Bank of Hawaii; Maui Realty Company, Inc.; Go For Broke Association, 100th Battalion 442nd Infantry; The Estate of James Campbell; the Director of the Laborers-Employers Cooperation and Education Trust; the Chamber of Commerce of Hawaii; Healthcare Association of Hawaii; the Chair of the Aloha Chapter of the Military Officers Association of America; the President of the 100th Infantry Battalion Veterans; and nine individuals.

Your Committee received testimony in opposition to the nomination of Major General Robert G. F. Lee from one individual.

Your Committee finds that Major General Robert G. F. Lee was appointed the Adjutant General, State of Hawaii, Department of Defense, on January 1, 2003. His previous assignment was as Commanding General of the 9th Regional Support Command, U.S. Army Reserve – Pacific from February 8, 1999, until his appointment as Adjutant General. He is the Director of the State Civil Defense, providing direct support to the Office of Veterans Services, and is the Homeland Security Advisor to the Governor.

Your Committee further finds that in May 1971, General Lee, received his commission through ROTC at the University of Hawaii. Upon completion of the Air Defense Artillery Basic Course, he was assigned to the U.S. Army Reserve and served as a platoon leader in the 411th Engineer Battalion and the 322nd Civil Affairs Group. In 1972, General Lee was assigned to the 100th Battalion, 442nd Infantry, and served in successive assignments as mortar platoon leader, company commander, and battalion operations officer. In 1980, he served two years on active duty assigned to the 100th Battalion, 442nd Infantry as Assistant Air Operations Officer. In 1982, General Lee was reassigned as the Ground Liaison Officer in the Corps Operations Staff, IX Corps (Reinforcement). In 1988, he returned to the 100th Battalion, 442nd Infantry as its Commanding Officer. In 1991, following command, he served as Assistant Chief of Staff for Operations and Training, IX Corps (Reinforcement)/9th Army Reserve Command. In 1996, he was appointed as the Chief of Staff, 9th Army Reserve Command.

Your Committee further finds that General Lee's civilian career includes twenty-seven years of service overhauling nuclear submarines at Pearl Harbor Naval Shipyard with his final assignment as Superintendent of Nuclear Regional Maintenance for the Pacific Nuclear Submarine Fleet. He also served as the Pacific Area General Manager for Perot Systems Government Services.

Your Committee further finds that General Lee holds a Bachelor's degree in Mechanical Engineering and a Master's degree in Business Administration from the University of Hawaii. He is a licensed professional engineer in mechanical and nuclear engineering. His military education includes the Army War College, the Command and General Staff Officers Course, the Infantry Officer Advanced Course, and the Air Force Ground Operations School. General Lee has earned numerous awards and decorations including the Legion of Merit, the Meritorious Service Medal, the Army Commendation Medal, and the Army Achievement Medal.

Your Committee further finds that General Lee's intimate knowledge of both the challenges and possibilities facing the State Civil Defense make him an invaluable asset in maintaining Hawaii's key role in the security of the Pacific and ensuring economic prosperity. Based on consistently high performance by the National Guard, the United States Army and United States Air Force continue to include the Hawaii National Guard in their transformation plans. For example, the 154th Air Wing is still the largest and most complex air wing in the National Guard. Hawaii, unlike most states, has three flying units.

Your Committee further finds that the State Civil Defense has grown in size and responsibility. The Emergency Operations Center now operates twenty-four hours a day, seven days a week. This is a critical part of the National Incident Management System which unifies Federal, State, and local lines of government to manage hazards and incidents. Hawaii is also a member of the Emergency Management Assistance Compact which will improve Hawaii's response to large scale disasters. The State Civil Defense continues to prepare for other emergencies ranging from a nuclear dirty bomb to a flu pandemic and will continue to use funding from the Homeland Security to improve emergency preparedness and response for State Civil Defense agencies at the county level.

Your Committee further finds that the Department of Defense is an enduring team of the Hawaii Army National Guard, Hawaii Air National Guard, State Civil Defense, Office of Veterans Services, and the Youth Challenge Academy. The professionals that serve in these organizations are vital to the future of the State and nation as they serve in times of crisis and conflict. To this end, your Committee finds that General Lee's evidenced commitment to the ideals and values of honor, integrity, duty, respect, loyalty, selfless public service, and personal courage combined with his rich experience and heightened understanding of the multi-faceted components of these organizations make him the preeminent nominee to superbly lead the State, by fulfilling the duties and responsibilities of Adjutant General and Director of Civil Defense.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee, after full consideration of the background, 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, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 642 Intergovernmental and Military Affairs on S.B. No. 646

The purpose of this measure is to establish civil penalties for property owners who fail to make reasonable efforts to repair properties left in a dangerous condition and authorize counties to place a lien on the property for costs incurred.

No testimony on this measure was submitted.

Your Committee finds that property owners who fail to make reasonable efforts to repair dangerous conditions on their properties present unnecessary risks to others. The presence of hazardous property conditions leave citizens at considerable risk of personal injury.

Your Committee further finds that in the years following hurricanes and natural disasters, some property owners remain uninsured or choose to use their insurance proceeds in a manner inconsistent with the intended purpose of repairing their dangerous structures.

The intent of your Committee is to establish penalties for property owners failing to make reasonable efforts to repair their dangerous properties.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 646 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, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 643 Intergovernmental and Military Affairs on S.B. No. 1818

The purpose of this measure is to exempt nonprofit corporations that are granted a concession or concession space by a county from the fifteen-year time limitation on the grant of county concessions or concession space if the council of the respective county approves a resolution that waives the limitation.

Testimony in support of this measure was submitted by the Office of the Mayor, County of Maui and the County Council, County of Maui.

Your Committee finds that it is important to provide the counties with more leverage in granting nonprofit entities with longer lease terms. Leases of greater than fifteen years are often necessary to help worthy nonprofit organizations secure grant funds and to perform capital improvements for programs that provide substantial community benefits.

To this end, your Committee amended this measure to further clarify the language regarding exempting nonprofit organizations from the fifteen-year limit on the grant of county concession or concession space.

It is the intent of your Committee to provide an exemption to nonprofit corporations from the fifteen-year limit on the grant of county concessions or concession space, providing each county with greater authority and discretion over the use and management of county property.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1818, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1818, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 644 Ways and Means on S.B. No. 1311

The purpose of this measure is to make more efficient the method of paying the comptroller and the deputy comptroller.

Specifically, this measure removes the requirement that checks for the payment of salaries to the comptroller and the deputy comptroller be signed by the Governor.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services.

Your Committee finds that the requirement for the Governor to sign the paychecks of the comptroller and the deputy comptroller is an internal control that is no longer necessary. The existing statutory requirement contained in section 40-53(b), Hawaii Revised Statutes, that directs all state employees (which will include the comptroller and deputy comptroller when this measure is enacted), to direct deposit their paychecks into an account in a financial institution for purposes of establishing a financial record, is a sufficient and adequate control.

As affirmed by the record of votes of the members 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 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, 4 (Chun Oakland, Hooser, Kim, Menor).

SCRep. 645 Ways and Means on S.B. No. 1523

The purpose of this measure is to streamline the collection of service charges for dishonored payments to the State.

This bill increases the service charge to a uniform flat fee for all dishonored payments made to the State, and authorizes collection agencies, in addition to the Attorney General, to collect the dishonored payment and service charge on behalf of the State. The bill also eliminates interest charges on the service charge for dishonored payments to the State.

Your Committee received testimony in support of this Judiciary package bill from the Judiciary.

Your Committee finds that an increased service charge has now become necessary to defray the increased costs of processing a dishonored payment and recollecting payment for the original amount owed and the service charge. Furthermore, standardization of the service charge for all dishonored payments will ease the administrative burdens of determining what form of payment was made and which service charge amount is applicable, as is being currently done. Also, deletion of the interest charge is desirable because the benefits of obtaining the relatively small interest amount is more than outweighed by the costs of monitoring, computing, and collecting that interest amount. Lastly, authorizing collection through a collection agency will provide an additional method of collection.

As affirmed by the record of votes of the members 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. 1523 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, 2 (Chun Oakland, Menor).

SCRep. 646 Ways and Means on S.B. No. 1711

The purpose of this measure is to increase the salaries of deputies and first assistants of legislative service agencies from not more than eighty-seven per cent to not more than ninety-two per cent of the salary of the head of the agency.

The Office of the Auditor, Office of the Ombudsman, and the Legislative Reference Bureau submitted testimony in support of this measure.

Your Committee finds that this measure would create parity between deputies and first assistants in the legislative branch and their counterparts in the executive branch and also promote recruitment and retention of qualified 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. 1711 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, 2 (Chun Oakland, Menor).

SCRep. 647 Intergovernmental and Military Affairs on Gov. Msg. No. 301

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL DEFENSE ADVISORY COUNCIL

G.M. No. 301 GERALD L. COFFEE, for a term to expire 6-30-2011,

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Gerald L. Coffee to have the necessary qualifications to be nominated to the Civil Defense Advisory Council.

Your Committee received testimony in support of Gerald L. Coffee from the Director of Civil Defense, State Department of Defense. Mr. Coffee served in the United States Navy for twenty-eight years where he was shot down on a combat mission in Vietnam and was subsequently captured and spent seven years as a Prisoner of War. Since his retirement from active duty military service, he became a professional speaker sharing his message of faith, hope, and perspective with hundreds of America's major corporations and military associations. Mr. Coffee is a member of many military organizations, including the Honolulu Council of the Navy League, and the Military Officers Association of America. He also continues to actively support the Aloha Council of The Boy Scouts of America, The Salvation Army, The Nature Conservancy, and the Fellowship of Christian Athletes. He has served as the Chair of the State Civil Defense Advisory Council since 2003, where he continues to serve as a conduit for his community in Civil Defense matters. He has participated in numerous Civil Defense events and contributed his leadership and expertise to Civil Defense programs.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee, after full consideration of the background, 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, 2. Noes, none. Excused, 1 (Tsutsui).

SCRep. 648 Intergovernmental and Military Affairs on Gov. Msg. Nos. 392, 393 and 394

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY BOARD ON VETERANS' SERVICES

G.M. No. 392 CYNTHIA L. STINE, for a term to expire 6-30-2011.;

G.M. No. 393 WILLIAM T. HONJIYO, for a term to expire 6-30-2011.; and

G.M. No. 394 GILBERT N. HOUGH, for a term to expire 6-30-2009

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Cynthia L. Stine, William T. Honjiyo, and Gilbert N. Hough to have the necessary qualifications to be nominated to the Advisory Board on Veterans' Services.

Your Committee received testimony in support of Cynthia L. Stine from the Office of Veterans' Services, State of Hawaii, Department of Defense. Ms. Stine served honorably in the United State Air Force for twenty years. Since retiring, she has worked as a sincere and tireless advocate for veterans in organizations including the American Legion, the Air Force Association, the Veterans of Foreign Wars and Disabled American Veterans. She currently serves as the Chair of the Advisory Board on Veterans' Services and has done an exceptional job taking a proactive approach to every issue and project the Advisory Board on Veterans' Services has undertaken. Her considerable knowledge of the issues and needs of veterans make Ms. Stine a valuable asset to the Advisory Board on Veterans' Services.

Your Committee received testimony in support of William T. Honjiyo from the Office of Veterans' Services, State of Hawaii, Department of Defense and from the Kauai Veterans Club. Mr. Honjiyo served honorably in the United States Army for twenty years retiring as a Lieutenant Colonel and completing two tours in Vietnam as a combat commander and staff officer. After his retirement, Mr. Honjiyo served as the President of the Kauai Veterans Council and played a significant role in keeping the veterans organizations on Kauai actively informed of veterans' events and issues. Mr. Honjiyo has done an excellent job over the past several months serving as the Kauai representative to the Advisory Board on Veterans' Services and brings a wealth of knowledge and commitment to the issues affecting veterans making him an important component of the Advisory Board on Veterans' Services.

Your Committee received testimony in support of Gilbert N. Hough from the Office of Veterans' Services, State of Hawaii, Department of Defense and from the Kauai Veterans Council. Mr. Hough served thirty years in the United State Navy as a Master Chief Petty Officer. He is a member of many military organizations including the Disabled American Veterans, the Veterans of Foreign Wars, the American Legion, the Fleet Reserve Association, and the Navy Crypto Veterans Association. Mr. Hough served as the Director for Veterans Employment and Training Services with the United States Department of Labor where he assisted veterans returning from deployments transitioning to the civilian work force. Mr. Hough has served as Vice Chair of the Advisory Board on Veterans' Services for the past several months, bringing not only his professional expertise, but an unrelenting commitment to serving this nation's veterans.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Tsutsui).

SCRep. 649 Intergovernmental and Military Affairs on Gov. Msg. Nos. 302 and 303

Recommending that the Senate advise and consent to the nominations of the following:

CIVIL RIGHTS COMMISSION

G.M. No. 302 CORAL WONG PIETSCH, for a term to expire 6-30-2011; and

G.M. No. 303 LISA ANN S. L. WONG, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Coral Wong Pietsch and Lisa Ann S. L. Wong to have the necessary qualifications to be nominated to the Civil Rights Commission.

Your Committee received testimony in support of Coral Wong Pietsch from the Department of Labor and Industrial Relations, State of Hawaii; the Hawaii Civil Rights Commission; the Hawaii Employers Council; and two individuals. Ms. Pietsch currently serves as the Senior Civilian Counsel for Headquarters, United States Army Pacific Command where she is responsible for civil and administrative law matters. She is also a member of the United State Army Reserves and is the first female General Officer in the two hundred twenty-eight year history of the United States Army Judge Advocate General Corps. Ms. Pietsch has served on the Hawaii Civil Rights Commission since 2003, and has been the Chair since 2004. Under her leadership, the Commission has focused its efforts on reduction of the length of time to investigate complaints, increased efficiency, and improvements in investigation, public education, and mediation. Her demonstrated commitment to the preservation of the civil rights of all individuals makes her a valuable asset to the Hawaii Civil Rights Commission.

Your Committee received testimony in support of Lisa Ann S. L. Wong from the Department of Labor and Industrial Relations, State of Hawaii; the Hawaii Civil Rights Commission; the Hawaii Employers Council; the Hawaii Convention Center; and three individuals. Ms. Wong has worked in the human resources field since 1976 and has a broad working knowledge of fair employment practices and laws from a business perspective, with experience in conducting internal investigations and preparing responses to complaints of discrimination. She has served as a Commissioner for the Hawaii Civil Rights Commission since 2003, making substantial contributions to discussions and deliberations. Ms. Wong brings a fresh, open-minded, and practical working knowledge to the Commission where she continues to serve as an essential component to the Hawaii Civil Rights Commission.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee, after full consideration of the background, 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, 2. Noes, none. Excused, 1 (Tsutsui).

SCRep. 650 (Joint) Economic Development and Taxation and Ways and Means on S.B. No. 678

The purpose of this measure is to exempt from the general excise tax amounts received by the operator of the Hawaii Convention Center for reimbursement of costs or advances made pursuant to a contract with the Hawai'i Tourism Authority.

Written testimony in support of this measure was received from the Department of Taxation; Department of Business, Economic Development, and Tourism; and Hawai'i Tourism Authority. The Tax Foundation of Hawaii submitted written comments.

Your Committees received a fiscal impact statement from the Department of Taxation (Department) that the revenue loss would be approximately \$700,000. The Department did not submit a statement of methodology or information as to whether the loss was calculated as a one-time or annual amount.

Your Committees find that this measure will enable the use of the Hawaii Convention Center Special Fund for the operation and marketing of the Center and not to cover general excise tax liabilities of the operator.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 678, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees. Ayes, 9. Noes, none. Excused, 5 (Ige, Menor, Tokuda, Hemmings, Whalen).

SCRep. 651 Economic Development and Taxation on S.B. No. 856

The purpose of this measure is to prohibit the construction or development of hotels or transient accommodations on the real property controlled by the Natural Energy Laboratory of Hawaii Authority.

The Natural Energy Laboratory of Hawaii Authority (NELHA) submitted comments on this measure.

Your Committee has heard that written guidelines established by NELHA in 1998 specifically prohibit residential and commercial hotel uses of any type. However, your Committee believes that the emphasis on self sufficiency for NELHA may have raised the concern that development of transient accommodations would be one means of achieving this self sufficiency.

Your Committee has amended this measure by inserting an effective date of July 1, 2030, for the purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 856, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 856, 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 (Ige).

SCRep. 652 Tourism and Government Operations on S.B. No. 260

The purpose of this measure is to recognize September 21 of each year as "Peace Day."

Your Committee received testimony in support of this measure from the Retail Merchants of Hawaii; Buddhist Study Center; The League of Women Voters of Hawaii; Hawaii State Teachers Association; Jodo Mission of Hawaii; Wahiawa Lions Club, Inc.; Honpa Hongwanji Mission of Hawaii; Domestic Violence Clearinghouse and Legal Hotline; Junior Young Buddhist Association; and five individuals.

The intent of annually recognizing a Peace Day is to promote peace programs, improve international relations, and increase educational awareness of peace. This measure does not make Peace Day a holiday.

Peace Day has its origins in "The International Day of Peace" which was celebrated on September 21, 2006, in two hundred countries and 3,500 peace day events, including all one hundred ninety-two members of the United Nations. The purpose was to promote a global movement for a culture of peace. Especially in these dangerous and turbulent times, your Committee believes there is a need to consciously and actively focus on the goals of peace for all mankind. This measure would bring it to the consciousness of citizens of the State once a year.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 260 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, none. Excused, 1 (Tsutsui).

SCRep. 653 Tourism and Government Operations on S.B. No. 247

The purpose of this Act is to designate the Asian Lunar New Year as a week of commemoration.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and one individual.

Your Committee finds that Hawaii embraces many different ethnic celebrations. Chinese New Year has become a part of island tradition. Designating an official state observance of the Asian Lunar New Year is a recognition of the richly diversified nature of the State's population. Your Committee notes that the week of commemoration would not be considered a state holiday.

Your Committee has amended this measure to make a technical, nonsubstantive amendment for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 247, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Tsutsui).

SCRep. 654 Tourism and Government Operations on S.B. No. 866

The purpose of this measure is to prohibit anyone who has served on the board of directors of the Hawaii Visitors and Convention Bureau (HVCB), a private entity, from serving on the board of the Hawaii Tourism Authority (HTA) for a two-year period immediately following service on the board of the HVCB.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority and one individual.

Your Committee finds that the *Special Master's Report to the Hawaii Tourism Authority on Recommendations Regarding The Hawaii Visitors and Convention Bureau*, dated December 31, 2003, by the Candon Consulting Group, LLC, recommended that the independence of the respective boards of directors of the HTA and the HVCB be preserved. There have been and are individuals who have served consecutively as directors of both the HTA board and the HVCB board and visa-versa. This situation invites questions about the arm's length nature of the relationship between these two boards and their respective organizations. If enough members of each board regularly switch from one to the other, the independence of each entity would diminish or disappear. Your Committee notes that the intent of this measure is already embodied in HTA's current policy.

Your Committee believes that because tourism marketing contracts are executed between the HTA and the HVCB through a process that is exempt from the State Procurement Code, it is necessary to establish safeguards such as the two-year board service moratorium to ensure propriety.

The intent of this measure is to ensure that the HTA and HVCB boards function independently from each other and that the relationship between the two boards remain at arm's length when the two entities transact tourism marketing contracts.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 866, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 866, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Tsutsui).

SCRep. 655 Judiciary and Labor on S.B. No. 966

The purpose of this measure is to amend article V, section 1, of the Constitution of the State of Hawaii to lower the age qualification for the office of governor and lieutenant governor from thirty years to twenty-five years. The age qualification for the office of lieutenant governor is automatically lowered to the same age qualification as the governor because of article V, section 2 of the Constitution.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, the League of Women Voters of Hawaii, Vote Outreach! Hawaii, and numerous concerned citizens.

Your Committee finds that this measure will encourage Hawaii's younger citizens to apply their skills, abilities, and accomplishments toward making a difference through the political process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 966 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. 656 Judiciary and Labor on S.B. No. 46

The purpose of this measure as received is to make technical revisions to law pertaining to public employees.

Your Committee received no testimony on this measure.

Your Committee previously heard S.B. No. 684, A Bill for an Act Relating to Uniform Information Practices, which proposed an amendment to the Uniform Information Practices Act (Modified), chapter 92F, Hawaii Revised Statutes (HRS), to require public disclosure of proposed compensation or compensation changes for administrative positions in the University of Hawaii System. At the hearing on S.B. No. 684, your Committee received testimony in support from the University of Hawaii Professional Assembly. The University of Hawaii opposed the measure. The Office of Information Practices offered comment.

The Office of Information Practices testified that a requirement to disclose information at a public meeting would more appropriately be placed in chapter 92, HRS, governing public meetings, or the substantive law governing the public agency, rather than the in chapter 92F, HRS, which pertains to records. Because the title of S.B. No. 864 would not encompass that revision, it was announced during decision-making on S.B. No. 864, that S.B. No. 46 would be amended to include the intended revisions in appropriate statutory sections.

Your Committee finds that certain employees of the University of Hawaii are the highest paid public employees in the State of Hawaii, and that meaningful public comment on the salaries and salary increases for excluded managerial and executive administrators in the University of Hawaii System is a matter of intense public interest and statewide concern.

Accordingly, your Committee has amended S.B. No. 46 by:

- (1) Deleting the amendment to section 76-11, HRS; and
- (2) Amending sections 89C-4, 92-5(a), 304A-1001, and 304A-1004, HRS, to require the Board of Regents to disclose proposed compensation or change in compensation for high level administrative positions in the University of Hawaii System.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 46, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 46, 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. 657 Judiciary and Labor on S.B. No. 1063

The purpose of this measure is to require the governor, in filling vacancies to the state senate, state house of representatives, and United States Senate, to select from a list of three prospective appointees nominated by the political party of the prior incumbent. This measure also requires prospective appointees to be registered members of nominating political parties at the time their names are submitted to the governor.

Your Committee received testimony in support of this measure from the Democratic Party of Hawaii, the O'ahu County Committee of the Democratic Party of Hawaii, and a concerned individual. The Governor testified in opposition to this measure.

Your Committee finds that a procedure that guarantees that vacancies are filled in a fair and timely manner is essential to the integrity of the legislative process.

Your Committee has amended this measure by restructuring the amendments to section 17-1, Hawaii Revised Statutes in section 2 of this bill by setting out new language in new subsections rather than incorporating by reference the new language in section 17-3(a), Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1063, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1063, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Gabbard). Noes, none. Excused, 1 (Inouye).

SCRep. 658 Judiciary and Labor on S.B. No. 1613

The purpose of this measure is to amend various provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii pursuant to chapter 23G, Hawaii Revised Statutes, to correct errors, update references, clarify language, and delete obsolete or unnecessary language.

Your Committee received testimony in support of this measure from the Legislative Reference Bureau.

Your Committee finds that all of the statutory amendments proposed by the measure are of a purely technical nature and either contain no substantive changes to the law, or, if they have any substantive effect, are done simply to correct the types of errors noted in this report.

Your Committee finds the reasons for the respective technical amendments made in the bill are as follows:

Section 1. The amendment made by L 2006, c 45, §2 to section 6E-11(a), HRS, inadvertently omitted the existing phrase "controlled by the State or any of its political subdivisions," in the second sentence. Section 6E-11, HRS, should be amended to ratify the revisor's reinstatement of the omitted language, which is indicated by brackets.

Section 2. Section 36-27, HRS, was amended by Acts 75, 305, and 316 in 2006. The amendment made by L 2006, c 316, §4 inadvertently omitted the ending of the section, without which the section lacked substance. Section 36-27, HRS, should be amended by deleting the brackets around the referenced text at the ending of the section to ratify the revisor's insertion of the language.

In addition, section 36-27(16), HRS, refers to section 231-3.2, HRS, regarding the integrated tax information management systems special fund. Section 231-3.2, HRS, is being repealed as functus in section 21 of this bill. To conform to this repeal, section 36-27, HRS, should be amended to delete the reference to the integrated tax information management systems special fund.

Lastly, section 36-27(23), HRS, refers to the center for nursing special fund under "section [304A-2163]". Act 75 amended section 36-27(23), HRS, by changing the section number pertaining to the center for nursing special fund to the section number in the new chapter (304A) created by the Act. The revisor renumbered some of the sections of the new chapter and, accordingly, changed the section number in section 36-27(23), HRS, to make the proper reference. Section 36-27, HRS, should be amended by deleting the brackets around "section [304A-2163]" to ratify the revisor's insertion of the correct section number.

Section 3. Section 36-30(a), HRS, was amended by Acts 75, 305, and 316 in 2006. The amendment made by L 2006, c 316, §5 inadvertently omitted the ending of the section, without which the section lacked substance. Section 36-30(a), HRS, should be amended by deleting the brackets around the referenced text at the end of the section to ratify the revisor's insertion of the language.

In addition, section 36-30(a)(15), HRS, refers to section 231-3.2, HRS, regarding the integrated tax information management systems special fund. Section 231-3.2, HRS, is being repealed as functus in section 21 of this bill. To conform to this repeal, section 36-30(a), HRS, should be amended to delete the reference to the integrated tax information management systems special fund.

Lastly, section 36-30(a)(20), HRS, refers to the center for nursing special fund under "section [304A-2163]". Act 75 amended section 36-30(a)(20), HRS, by changing the section number pertaining to the center for nursing special fund to the section number in the new chapter (304A) created by the Act. The revisor renumbered some of the sections of the new chapter and, accordingly, changed the section number in section 36-30(a)(20), HRS, to make the proper reference. Section 36-30, HRS, should be amended by deleting the brackets around "section [304A-2163]" to ratify the revisor's insertion of the correct section number.

Section 4. Section 27-42, HRS, relating to the governor's special advisory council for technology development, is repealed as functus in section 20 of this bill.

To conform to this repeal, section 84-17(c), HRS, should be amended to delete the council reference.

Section 5. L 2006, c 183, amended chapter 132D, HRS, by, among other things, changing the term "special fireworks" to "display fireworks". Act 183 amended section 132D-16, HRS, to reflect the change to "display fireworks", but inadvertently retained the term "special fireworks" in the last paragraph of subsection (c).

Section 132D-16(c), HRS, should be amended by deleting the brackets around the word "display" to ratify the revisor's substitution of the word "display" for "special".

Section 6. L 2006, c 27, §1(2) amended section 134-2(e), HRS, by changing the reference to the "United States Department of the Treasury" to the "United States Department of Justice". Section 134-2(a), HRS, should also be amended to refer to the "United States Department of Justice". The Attorney General's justification sheet for Act 27 (SB 2263) notes that "the federal department with authority over firearms is no longer the Department of the Treasury, it is the Department of Justice".

In addition, in the last sentence of section 134-2(e), HRS, because the phrase "the applicant is not a citizen of the United States" appears twice, the latter phrase should be deleted as redundant.

Section 7. L 2006, c 27, §1(2) amended section 134-2(e), HRS, by changing the reference to the "United States Department of the Treasury" to the "United States Department of Justice". Subsections (c) and (d) of section 134-3, HRS, should also be amended to refer to the "United States Department of Justice". The Attorney General's justification sheet for Act 27 (SB 2263) notes that "the federal department with authority over firearms is no longer the Department of the Treasury, it is the Department of Justice".

Section 8. L 2006, c 27, §3 amended section 134-9(a), HRS, to require the county police chiefs to "perform an inquiry on an applicant [for a license to carry a firearm] by using the National Instant Criminal Background Check System, to include a check of the Immigration and Customs Enforcement databases, where the applicant is not a citizen of the United States, before any determination to grant a license is made." Senate Standing Committee Report No. 2410 stated that "an inquiry on the National Instant Criminal Background Check System [was intended to apply] to all the various licenses issued by county police chiefs". However, the language "to include a check of the Immigration and Customs Enforcement databases, where the applicant is not a citizen of the United States," may be read as requiring the check only for noncitizens.

Section 134-9(a), HRS, should be amended to delete the comma after "databases" to clarify that the inquiry applies to all applicants, citizens and noncitizens.

Section 9. L 2006, c 174, §1 created section 183-5, HRS, which provides for general administrative penalties for violations of chapter 183, HRS. Act 174, §5, amended section 195F-4(a)(2)(F), HRS, by providing that moneys in the forest stewardship fund collected from the "imposition of fines or penalties for violations of this chapter and chapters 185 and 195F or any rule adopted thereunder" shall be used for various enumerated activities. As a result of the amendment, section 195F-4(a)(2)(F), HRS, refers to chapter 195F twice ("this chapter" and "195F") but fails to refer to moneys from penalties collected under chapter 183, HRS (forest reserves, water development, zoning), including the general administrative penalties under section 183-5, HRS. Act 174, §4 amended section 183-16, HRS, to provide that moneys collected from fines or penalties for violations of chapter 183, 185, and 195F, HRS, are deposited in the forest stewardship fund.

In addition, Act 174 reformatted section 195F-4(a)(2), HRS, causing confusion as to whether clauses (i) to (iii) apply only to subparagraph (F) or to the entire paragraph (2).

Section 195F-4(a), HRS, should be amended to add a reference to the deposit of moneys from fines and penalties under chapter 183, HRS, delete the extra reference to chapter 195F, HRS, and reformat paragraph (2) to clarify that subclauses (i) to (iii) apply to the entire paragraph (2).

Section 10. L 2006, c 229, enacted chapter 485A, the Uniform Securities Act, to replace the Uniform Securities Act (Modified), chapter 485, effective July 1, 2008.

Section 211G-13(e), HRS, contains references to chapter 485 and should be amended to refer to chapter 485A, effective July 1, 2008.

Section 11. L 2006, c 110, §3 amended section 235-51(b), HRS, by more specifically deleting the December 31, 1998 and December 31, 2000 head of household tax income schedule and adding a new tax income schedule for taxable years beginning after December 31, 2006. In the process of doing so, a change occurred in the tax schedule for taxable years beginning after December 31, 2001. The specific part affected is for the following consecutive income ranges, “over \$12,000 but not over \$18,000”, and “over \$21,600 but not over \$24,000”, leaving a gap in the taxable income range for amounts in between those income ranges. It is noted that the “over \$21,600” amount appeared without the usual Ramseyer convention and formerly read “over \$18,000”. The “over \$21,600” amount should be restored back to “over \$18,000” to close the obvious gap in the income tax levels for the set period beginning after December 31, 2001 through December 31, 2006.

In addition, L 2006, c 110, §3 amended section 235-51(b), HRS, by providing that for taxable years beginning after December 31, 2006, if the taxable income is over \$28,800 but not over \$36,000, the tax shall be \$1,512 plus 7.20% of excess over \$28,000. The beginning dollar amount upon which to assess the 7.20% should be “\$28,800”.

Section 235-51(b), HRS, should be amended to reflect the correct dollar amounts.

Section 12. L 1990, c 184 authorized the counties to establish a general excise and use tax surcharge through, among other things, the enactment of sections 46-16.7, 235-16, 237-8.5, 238-2.5, and 248-2.5, HRS. The authorization for the surcharge was granted only if the counties adopted an ordinance before October 1, 1992, to take effect on January 1, 1993, and remain in effect for ten years through December 31, 2002. Since the counties were not successful in adopting an ordinance to establish the surcharge, sections 235-16, 237-8.5, 238-2.5, and 248-2.5, HRS, were subsequently repealed as functus by L 2003, c 135, and section 46-16.7, HRS, was repealed as functus by L 2006, c 38.

Section 235-110.7, HRS, as amended by L 1990, c 184, §§7, 8, and L 1992, c 235, §6, still contains language relating to this now-repealed surcharge authorization.

To conform, section 235-110.7, HRS, should be amended to delete, as functus, the language related to the authorization to establish the surcharge for the period from January 1, 1993, through December 31, 2002.

Section 13. L 2006, c 258, §2 enacted section 367D-8, HRS. The first sentence of section 367D-8, HRS, provides “The department of public safety and the office of youth services shall submit an annual report to the legislature no later than twenty days before the convening of each regular session...”. The last sentence provides “The first report shall be submitted no later than twenty days before the convening of the regular session of 2006.” Act 258 became effective on July 1, 2006. Therefore, the first report could not have been submitted “twenty days before the convening of the regular session of 2006.”

The last sentence of section 367D-8, HRS, relating to submission of the first report before the convening of the regular session of 2006 should be deleted as functus.

Section 14. L 2006, c 229, enacted chapter 485A, the Uniform Securities Act, to replace the Uniform Securities Act (Modified), chapter 485, effective July 1, 2008. Section 412:3-201(b)(6)(H) and (I), HRS, contains references to chapter 485 and should be amended to refer to chapter 485A, effective July 1, 2008.

Section 15. L 2006, c 229, enacted chapter 485A, the Uniform Securities Act, to replace the Uniform Securities Act (Modified), chapter 485, effective July 1, 2008. Section 412:3-202, HRS, contains references to chapter 485 and should be amended to refer to chapter 485A, effective July 1, 2008.

Section 16. L 2006, c 229, enacted chapter 485A, the Uniform Securities Act, to replace the Uniform Securities Act (Modified), chapter 485, effective July 1, 2008. Section 412:3-206, HRS, contains a reference to chapter 485 and should be amended to refer to chapter 485A, effective July 1, 2008.

Section 17. L 2006, c 229, enacted chapter 485A, the Uniform Securities Act, to replace the Uniform Securities Act (Modified), chapter 485, effective July 1, 2008. Section 417E-1, HRS, in the definition of “broker-dealer”, provides that “broker-dealer” means a “dealer” as defined in section 485-1.” The new chapter 485A, HRS, contains the definition of “broker-dealer” in section 485A-102, HRS. Section 417E-1, HRS, should be amended to conform the reference to the definition of “broker-dealer” in section 485A-102, HRS, effective July 1, 2008.

Section 18. L 2006, c 182, §1 enacted section 706-606.2, HRS. The sentence following paragraph (b) begins “With regard to any fire or monetary penalty that may be imposed...”. The revisor substituted the word “fine” for “fire” to correct this obvious error.

Section 706-606.2, HRS, should be amended by deleting the brackets around “fine” to ratify the revisor’s substitution. In addition, section 706-606.2, HRS, should be amended by adding subsection designations to conform to the style of the Hawaii Penal Code.

Section 19. L 2006, c 230, §29, amended section 707-711(1), HRS, by, among other things, amending paragraph (e) to provide that “For the purposes of this paragraph, “educational worker” means: any administrator, specialist, counselor, teacher, or employee of the department of education; a person who is a volunteer in a school program, activity, or function that is established, sanctioned, or approved by the department of education; or a person hired by the department of education on a contractual basis and engaged in carrying out an educational function.”

L 2006, c 298, §16, also amended section 707-711(1)(e), HRS, by adding “an employee of a charter school” to the definition of “educational worker”. In order to blend the amendments to the definition of “educational worker” made by Acts 230 and 298, the revisor added the word “or” between the phrases “employee of the department of education” and “an employee of a charter school”.

Section 707-711(1)(e), HRS, should be amended by deleting the brackets around the word “or” to ratify the revisor’s insertion of “or”.

Section 20. Section 27-42(g), HRS, states “This section is repealed on December 31, 2005”. Section 27-42, HRS, has not been amended to delete or extend this repeal and by operation of law, is repealed.

Section 27-42, HRS, should be formally repealed.

Section 21. L 1999, c 155, §1, enacted section 231-3.2, HRS, relating to the integrated tax information management systems special fund. Section 231-3.2(d), HRS, stated that the section “shall be repealed on July 1, 2004”. L 2004, c 115, §1, extended the repeal date to July 1, 2005.

L 1999, c 155, L 2004, c 115, and section 231-3.2, HRS, were not amended to extend the July 1, 2005 repeal date. Thus, section 231-3.2, HRS, is repealed by operation of law, and is functus. Section 231-3.2, HRS, should thus be formally repealed.

Section 22. L 1999, c 178, §9 enacted section 231-8.6, HRS, entitled the "Hawaii Internet Tax Freedom Act". Section 231-8.6(d), HRS, provides "[t]his section shall not apply to taxable years beginning after December 31, 2005".

L 1999, c 178 and section 231-8.6, HRS, were not amended to change the December 31, 2005 applicability date. Section 231-8.6, HRS, is functus and should be formally repealed.

Section 23. L 2000, c 195, §1 enacted section 235-110.4, HRS, relating to the hotel construction and remodeling tax credit. Section 235-110.4(e), HRS, provides "[t]he tax credit allowed under this section shall be available for taxable years beginning after December 31, 1998, and shall not be available for taxable years beginning after December 31, 2002". L 2001, Third Special Session, c 10, §2(3) extended the tax credit availability to December 31, 2005.

L 2000, c 195, L 2001, Third Special Session, c 10, and section 235-110.4, HRS, were not amended to extend the tax credit beyond December 31, 2005. Section 235-110.4, HRS, is functus and should be formally repealed.

Section 24. L 2001, Third Special Session, c 10, §1 enacted section 235-110.45, HRS, relating to the residential construction and remodeling tax credit. Section 235-110.45(e), HRS, provides "[t]he tax credit allowed under this section shall be available for taxable years beginning after December 31, 2000, and shall not be available for taxable years beginning after December 31, 2003". L 2002, c 174, §2 amended section 235-110.45, HRS, but did not amend section 235-110.45(e), HRS.

L 2001, Third Special Session, c 10, L 2002, c 174, and section 235-110.45, HRS, were not amended to extend the tax credit beyond December 31, 2003. Section 235-110.45, HRS, is functus and should be formally repealed.

Section 25. L 2001, c 293, §2 enacted section 235-110.92, HRS, relating to an income tax credit for the construction, repair, or reconstruction of drought mitigating water storage facilities. Section 235-110.92(e), HRS, provides "[t]he credit allowed under this section shall be available for taxable years beginning after December 31, 2000, and shall not be available for taxable years beginning after December 31, 2005".

L 2001, c 293, §2, and section 235-110.92, HRS, were not amended to extend the tax credit beyond December 31, 2005. Section 235-110.92, HRS, is functus and should be formally repealed.

Section 26. L 2001, c 221, §3 enacted section 237-29.65, HRS, which provided a general excise tax exemption for public Internet data centers. Section 237-29.65(c), HRS, provides "[t]his section shall apply to gross income or gross proceeds received after June 30, 2001, but not after December 31, 2005".

L 2001, c 221, §3, and section 237-29.65, HRS, were not amended to extend this general excise tax exemption beyond December 31, 2005. Section 237-29.65, HRS, is functus and should be formally repealed.

Section 27. L 2001, c 221, §3 enacted section 237-29.75, HRS, which provided a general excise tax exemption for the sale of a net operating loss by a qualified high technology business. The last sentence of section 237-29.75, HRS, provides "[t]his section shall be repealed on December 31, 2005".

L 2001, c 221, §3, and section 237-29.75, HRS, were not amended to extend this general excise tax exemption beyond December 31, 2005. Section 237-29.75, HRS, is functus and should be formally repealed.

Section 28. L 2001, c 221, §4 enacted section 239-13, HRS, which provided a public service company tax exemption for public Internet data centers. Section 239-13(c), HRS, provides "[t]his section shall apply to gross income received after June 30, 2001, but not after December 31, 2005".

L 2001, c 221, §4, and section 239-13, HRS, were not amended to extend the exemption beyond December 31, 2005. Section 239-13, HRS, is functus and should be formally repealed.

Section 29. The prefatory language of L 2006, c 184, §3 states that "Section 414-64, Hawaii Revised Statutes, is amended by amending subsections (b) and (d) to read as follows". However, subsections (b) and (c) of section 414-64, HRS, were the subsections amended.

The prefatory language of L 2006, c 184, §3 should be amended to state that "subsections (b) and (c)" of section 414-64, HRS, were amended.

Your Committee has amended section 32, the effective date section of this bill, to correctly reflect that sections 10, 14, 15, 16, and 17 of this bill should take effect on July 1, 2008, rather than January 1, 2008. The amendments to those sections replace the reference to chapter 485 with chapter 485A, the new Uniform Securities Act, which takes effect on July 1, 2008, pursuant to Act 229, Session Laws of Hawaii 2006.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1613, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1613, 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 (Inouye).

SCRep. 659 Judiciary and Labor on S.B. No. 1617

The purpose of this measure is to protect property owners by adding a new section to chapter 663, Hawaii Revised Statutes, Tort Actions, that limits the liability of an owner of an interest in real property toward a person who is injured or dies in the course of or as a result of committing, on the property owner's premises: murder in the first or second degree; attempted murder; any class A or class B felony enumerated in the Hawaii Penal Code (including attempt or conspiracy); any felony punishable by life imprisonment; any other felony in which the defendant inflicts great bodily injury on any person (other than an accomplice) or in which the defendant uses a firearm; or any felony in which the defendant personally uses a dangerous or deadly weapon.

Your Committee received testimony in support of this measure from Lessons in Firearms Education and numerous concerned individuals. The Attorney General and the Hawaii Rifle Association testified in support and suggested amendments.

Your Committee finds that further consideration is appropriate regarding the Attorney General's suggestions to expand "owner" to include tenants and other household members, and to delete the provision that confers the limitation on liability only defendant is convicted of the felony (or included felony or misdemeanor).

To permit further discussion, your Committee has amended this measure by changing its effective date to July 1, 2059.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1617, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1617, 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. 660 Judiciary and Labor on S.B. No. 58

The purpose of this measure is to exempt the executor and administrator of a deceased dentist's estate or the guardian or other authorized representative of an incapacitated dentist from the requirements of chapter 448, Dentistry, under certain circumstances.

Your Committee received testimony in support of this measure from the Board of Dental Examiners, the Hawaii Dental Association, and numerous concerned individuals.

Your Committee finds it prudent to remove regulatory requirements that unduly impede the orderly transition of a dental practice in the event that a dentist dies or becomes incapacitated.

Your Committee has amended this measure by:

- (1) Deleting the savings clause in section 2 as unnecessary because this bill does not impose new or additional penalties;
- (2) Changing the effective date to July 1, 2050 to promote further discussion; and
- (3) Making technical nonsubstantive revisions for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 58, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 58, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 661 Judiciary and Labor on S.B. No. 1016

The purpose of this measure is to enact the Uniform Athlete Agents Act, which provides for regulation of sports agents through registration and required submission of background data, imposes contract terms on representation agreements to the benefit of student-athletes, and provides educational institutions a right to notice and a civil cause of action for damages if specific duties are breached.

Your Committee received testimony in support of this measure from the University of Hawai'i and the Hawaii Commission to Promote Uniform Legislation. The Department of Commerce and Consumer Affairs opposed this measure. The Department of Education supported the intent of this measure, but deferred to the Department of Commerce and Consumer Affairs.

Your Committee finds that in Hawaii, where sporting events provide such enjoyment, regulation of sports agents will benefit the entire community. Professional sports representation is a lucrative business. Misguided recruitment decisions may result in eligibility problems, and unscrupulous agents can harm educational institutions and student-athletes alike. This uniform legislation will enable various jurisdictions to obtain dependable information about agents' professional conduct in other states.

Your Committee has amended this measure by:

- (1) Modifying the phrase "the student-athlete shall inform the athletic director of the educational institution at which the student-athlete is enrolled that the student-athlete has entered into an agency contract" in subsection (b) of § -10, Notice to educational institution, by adding "or intends to enroll" after "is enrolled" for consistency with § -10(a); and
- (2) Adding to § -16, Civil penalties, a new sentence on deposit of penalties, for consistency with language in § -8, Fees and expenses, regarding deposits into the compliance resolution fund.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1016, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1016, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 662 Ways and Means on S.B. No. 823

The purpose of this measure is to expand the use of special purpose revenue bonds to include the infrastructure costs of low- and moderate-income housing projects.

Your Committee received comments in support of this measure from the County of Kauai Department of Water and the Hawaii Association of Realtors.

Your Committee finds that the infrastructure costs in a housing project can substantially increase the cost of individual units in a housing project.

This measure provides the means to allow the infrastructure costs in a low- and moderate-income housing project to be financed through special purpose revenue bonds to reduce the cost of such housing projects to ultimately address the housing shortage problem 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. 823, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 663 Ways and Means on S.B. No. 1253

The purpose of this measure is to provide quality health care in the State's community hospital system by enabling the Hawaii Health Systems Corporation to operate efficiently and autonomously.

Specifically, this measure exempts the Hawaii Health Systems Corporation from the State's Procurement Code (chapter 103D, Hawaii Revised Statutes). However, the measure encourages the Corporation to use the code where possible, provided that if the Corporation does use a provision of the code, the Corporation does not waive its exemption from any other provision of the code.

Your Committee received several comments in support of this measure from the Hawaii Health Systems Corporation. The State Procurement Office of the Department of Accounting and General Services submitted comments.

Your Committee believes that exemption from the Procurement Code will enable the Hawaii Health Systems Corporation to operate more efficiently and autonomously as envisioned by 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. 1253 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 664 Ways and Means on S.B. No. 1712

The purpose of this measure is to establish a new regulatory program to oversee mixed martial arts contests.

Specifically, this measure:

- (1) Requires all persons involved in mixed martial arts contests, including contestants, promoters, managers, seconds, physicians, referees, and judges, to be licensed by the Director of Commerce and Consumer Affairs;
- (2) Provides for the revocation or suspension of any licenses issued;
- (3) Establishes limits on the number of rounds and the duration of rounds in each mixed martial arts contest;
- (5) Requires each mixed martial arts contest to have a permit to be held;
- (6) Establishes a fee for each mixed martial arts contest;
- (7) Requires the presence of at least two licensed physicians to be in attendance at each mixed martial arts contest;
- (8) Provides for the imposition of penalties for violation;
- (9) Repeals chapter 440D, Hawaii Revised Statutes, relating to no rules combat and similar contests; and
- (10) Makes an appropriation for the implementation and operation of the new mixed martial arts regulatory program.

Your Committee received comments from the Auditor in strong support of this measure. The Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division, offered its comments.

Your Committee notes that the number of contestants, spectators, and unregulated contests involving mixed martial arts has been steadily increasing in the State. This heavy contact sport has the potential to result in extensive harm to its contestants and needs to be regulated for the protection of the contestants, spectators, and the general public.

Your Committee has amended this measure by:

- (1) Specifying that the appropriation in this measure is for the implementation of the regulatory program and for the establishment of an unspecified number of staff positions; and
- (2) Changing the effective date of this measure to provide that sections 1 and 2 of this measure shall become effective on July 1, 2009; provided that section -6 of section 1 shall take effect upon approval and section 3 shall take effect on July 1, 2007.

As affirmed by the record of votes of the members 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. 1712, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1712, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 665 Ways and Means on S.B. No. 1152

The purpose of this measure is to enhance the achievement of students through a smaller school environment.

More specifically, the measure establishes the framework and criteria for the Department of Education to implement smaller learning communities, including the creation of smaller schools or schools-within-schools.

The Department of Education and the Good Beginnings Alliance submitted comments on this measure. The Land Use Research Foundation of Hawaii submitted comments in opposition.

Your Committee finds that students in smaller schools are more successful academically than those in larger schools, have higher graduation rates, and are more likely to take advanced-level courses and to participate in extracurricular activities.

Your Committee further finds that although Hawaii has explored smaller learning communities in the past, the State has not been able to implement a system-wide smaller learning communities initiative.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion; 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. 1152, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1152, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 666 Ways and Means on S.B. No. 1145

The purpose of this measure is to appropriate a grant to the Hawaii 3R's school repair and maintenance program. Additionally, the measure appropriates funds for a Hawaii 3R's program coordinator position within the Department of Education.

Comments in support of this measure were submitted by the Department of Education and the University of Hawaii.

Your Committee finds that Hawaii 3R's has saved the State money by completing repair and maintenance projects at public schools. The program generates savings for the State by leveraging state grant funds with federal funds, private donations, and volunteer programs from various community organizations and businesses.

Accordingly, your Committee recognizes that it is necessary to continue to provide funding for Hawaii 3R's to fund grants that cannot be funded through Hawaii 3R's other funding sources. Additionally, your Committee finds that funding the program coordinator position to coordinate public and private efforts to repair and maintain public schools will contribute to the continued success of the Hawaii 3R's program.

Your Committee has amended this measure by changing the amount of the appropriations to an unspecified sum 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. 1145, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1145, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 667 Ways and Means on S.B. No. 79

The purpose of this measure is to implement the recommendations relating to education made by the Interagency Working Group established pursuant to the Reinventing Education Act of 2004.

Specifically, this measure repeals the transfer of certain fiscal functions from the Department of Budget and Finance to the Department of Education.

Your Committee received comments in support of this measure from the Department of Budget and Finance and the Department of Education.

Your Committee finds that since the transfer of functions was amended in Act 225, Session Laws of Hawaii 2006, from July 1, 2006 to July 1, 2007, the Department of Budget and Finance has not transferred any materials or records to the Department of Education.

Accordingly, your Committee has amended this measure to remove all references in section 1 of the measure to the transfer of certain fiscal functions from the Department of Education back to the Department of Budget and Finance.

As affirmed by the record of votes of the members 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. 79, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 79, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 668 Ways and Means on S.B. No. 1922

The purpose of this measure is to support Hawaii's creative media by:

- (1) Creating financial incentives for and appropriating funds to the Academy for Creative Media at the University of Hawaii to develop plans for a permanent facility in Hawaii;
- (2) Appropriating funds for a digital media incubator facility; and
- (3) Establishing and appropriating funds for the Music and Enterprise Learning Experience (MELE) program at the University of Hawaii-Honolulu Community College to develop the technical business skills required by Hawaii's music artists and music industry.

The Department of Business, Economic Development, and Tourism; National Defense Center of Excellence for Research in Ocean Sciences; Department of Taxation; University of Hawai'i at Manoa; Enterprise Honolulu; Aloha Agency; COJODA Productions LLC; Ho'ike Technology; Ho'akea Communications; Pacific Islanders in Communications; SEE/RESCUE Corporation; Searider Productions; five faculty members and thirty-three students of the Academy for Creative Media at the University of Hawai'i at Manoa; and seventeen individuals provided written testimony in support of this measure.

Your Committee finds that Hawaii's dynamic creative media sector is a significant contributor to the State's economy, in particular for the positive impact it is having on Hawaii's workforce and the creative options it offers for students.

Your Committee has amended this measure by:

- (1) Designating the University of Hawaii as the expending agency in section 4, relating to the Academy for Creative Media; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1922, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1922, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 669 Ways and Means on S.B. No. 1504

The purpose of this measure is to authorize the Department of Taxation, by rule adopted pursuant to chapter 91, Hawaii Revised Statutes, to require the electronic, telephonic, or optical filing of tax returns under certain conditions.

The Department of Taxation submitted written comments in support of this measure.

Your Committee finds that authorizing the Department of Taxation to require electronic, telephonic, or optical filing of tax returns under certain conditions should decrease the time it takes to process those tax returns and any applicable tax refunds.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050; and
- (2) Making technical, nonsubstantive changes for the 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. 1504, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1504, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 670 Ways and Means on S.B. No. 1066

The purpose of this measure is to require the Department of Agriculture to charge a fee for inspection, quarantine, and eradication services for invasive species.

The measure also establishes a Pest Inspection, Quarantine, and Eradication Fund to act as a receptacle for various sources of governmental funding with respect to inspection and quarantine treatment services.

Your Committee received comments in support from the Nature Conservancy, the Sierra Club, and two concerned citizens on this measure. The Department of Budget and Finance, Hawaii Automobile Dealers Association, Alexander and Baldwin Inc., Horizon Lines, the Hawaii Transportation Association, and the Hawaii Food Industry Association submitted comments opposing the measure.

The Chairperson of the Board of Agriculture, the Chairperson of the Board of Land and Natural Resources, and the Airlines Committee of Hawaii submitted comments.

Your Committee finds that the fight against invasive species is only good as the system that inspects and quarantines these pests upon their infiltration into the State. Currently, a major obstacle in the fight against invasive species is the cost of various governmental programs including programs that provide inspection and quarantine treatment services.

This measure addresses this obstacle by providing the means to raise funding levels by charging fees for inspection and quarantine treatment services at strategic points across the State. Also, the fee is assessed only on those persons who are most likely to be transporting invasive species into Hawaii's borders.

Your Committee has amended the measure by:

- (1) Changing the term "eradication" to "quarantine treatment" to more accurately describe the services performed; and
- (2) Making technical 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. 1066, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1066, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (English, Kim, Hemmings, Whalen).

SCRep. 671 Ways and Means on S.B. No. 651

The purpose of this measure is to require recycling receptacles to be housed in all state offices and buildings.

No comments were submitted.

Your Committee finds that recycling receptacles should be made available in all state office buildings for aluminum cans, glass bottles, plastic containers, white and colored paper, and newspaper. Further, the purchase and maintenance of the recycling receptacles should be included along with recycling pick-up in the recycling service contracts with the recycling companies.

Your Committee has amended this measure by:

- (1) Changing the effective date of this measure to July, 1 2015, to facilitate further discussion; and
- (2) Making technical non-substantive amendments 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. 651, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 651, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (English, Kim, Hemmings, Whalen).

SCRep. 672 Ways and Means on S.B. No. 1991

The purpose of this measure is to support the development of moderate income housing for our seniors in communities that also provide a continuum of health care services.

Specifically, this measure authorizes the issuance of special purpose revenue bonds not to exceed \$120,000,000 to assist the Craigsides Retirement Residence, a Hawaii non-for-profit corporation, in acquiring the land and the planning, design, and construction of the facility.

Comments in support of the measure were submitted by the President and Chief Executive Officer of Arcadia and Craigsides Retirement Residences and Hawaii Long-Term Care Association.

Your Committee finds that development of a retirement community that provides continuing health care for residents is a much needed option for seniors in Hawaii. Authorizing the issuance of special purpose revenue bonds to assist in the development of Craigsides Retirement Residence will help keep the project affordable for seniors who have moderate incomes.

Your Committee has amended this measure by making a technical nonsubstantive change 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. 1991, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1991, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 673 Ways and Means on S.B. No. 967

The purpose of this measure is to provide tax deductions to living organ and tissue donors to minimize the financial burdens associated with the donation.

Written comments in support of this measure was submitted by the Filipino Coalition for Solidarity; Hawai'i Coalition on Donation; National Federation of Filipino American Associations; National Kidney Foundation; Nursing, Advocates and Mentors, Inc.; Oahu Filipino Community Council; two members of the Organ Donation Center of Hawaii; Philippine Nurses Association-Hawaii; United Filipino Council of Hawaii; and two individuals. Written comments were submitted by the Department of Taxation, Asian American Network for Cancer Awareness Research and Training, and the Tax Foundation of Hawaii.

The measure enables organ donors to deduct up to \$10,000 in travel and lodging expenses and lost income or wages from their adjusted gross income.

Your Committee amended this measure to postpone the effective date to ensure further discussion. Technical, nonsubstantive changes have also been made 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. 967, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 967, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 674 Ways and Means on S.B. No. 1210

The purpose of this measure is to benefit Hawaii's ever-growing senior population by helping to increase the number of continuing care senior retirement housing projects in the State.

Specifically, this measure increases the amount of special purpose revenue bonds authorized for issuance for the Honolulu Neighborhood Housing Services, Inc., from \$80,000,000, originally authorized in 1999, to \$160,000,000, and to extend the lapsing date for the issuance of the bonds to June 30, 2011.

Your Committee received comments in support of this measure from GMR LLC.

Your Committee has made technical nonsubstantive amendments for purposes of clarity and to conform to drafting conventions.

As affirmed by the record of votes of the members 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, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1210, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 675 Ways and Means on S.B. No. 732

The purpose of this measure is to hire lifeguards for the islands of Kauai and Maui in areas under the jurisdiction of the Department of Land and Natural Resources, subject to county matching funds.

Your Committee received comments in support of this measure from the Department of Land and Natural Resources and the County of Kauai Fire Department.

Your Committee finds that the islands of Kauai and Maui do not have lifeguards at state beach parks, Makena Beach and Ke'e Beach, respectively. This measure would ensure the safety of swimmers at these beaches for both visitors and residents alike.

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. 732, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 732, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 676 Ways and Means on S.B. No. 1833

The purpose of this measure is to strengthen the rights of employees under the state family leave law.

More specifically, the bill clarifies that only an employee has the option to substitute accrued paid leave, including vacation, personal, or family leave for any part of the four-week period allowed for family leave per year. The current law allows either the employer or employee to decide what type of leave to apply while the employee is out on family leave.

Your Committee received comments in support of the measure from the Hawaii Family Forum, Hawaii Government Employees Association, Hawaii State AFL-CIO, and the International Brotherhood of Electrical Workers Local Union 1260. The Chamber of Commerce of Hawaii, National Federation of Independent Businesses, and the Retail Merchants of Hawaii submitted comments in opposition. The Department of Labor and Industrial Relations submitted comments.

Your Committee finds that a growing number of employees need to take family leave to care for elderly family members and loved ones, which often necessitates substituting other types of leave, including vacation leave, when the amount of allowed family leave is depleted. Your Committee finds that employees should not be forced to exhaust their accrued vacation leave to care for a seriously ill family member. The manner of taking family leave is a decision for the employee.

Your Committee has amended this bill by:

- (1) Changing the effective date of July 1, 2050 to facilitate further discussion on this measure; and
- (2) Make technical, nonsubstantive amendments 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. 1833, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1833, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 8. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 677 Ways and Means on S.B. No. 625

The purpose of this measure is to require the Judiciary to implement and administer a certification program and to appoint and use certified court interpreters for legal proceedings.

Your Committee received comments in support of the measure from: the Hawaii State Judiciary, Office on Equality and Access to the Courts, the Disability and Communication Access Board, the National Association of Judiciary Interpreters & Translators, the Hawaii Registry of Interpreters for the Deaf, the Centro Hispano de Hawaii, five faculty members of the Ilokano and Philippine Drama and Film Program, University of Hawaii, the Hawaii Interpreter Action Network, the Hawaii Newspaper Guild, and fourteen individuals. The Hawaii Civil Rights Commission submitted comments.

Your Committee finds that Hawaii is one of only three states that has not yet implemented a certified court interpreter program for the deaf, the hard-of-hearing, and the limited-English proficient. Currently, anyone can register as a court interpreter and there are no standards or minimum requirements established by statute or rule. Hawaii has a diverse population and many residents are not native English speakers. Consequently, there is great need for competent interpretation services, particularly where legal proceedings are concerned.

Your Committee finds that this measure will ensure that persons who are deaf, hard-of-hearing, or limited-English proficient will understand and be able to express themselves during court proceedings.

Your Committee has amended this measure by:

- (1) Changing the definition of "certified interpreter" by including American Sign Language interpreters who are otherwise certified by state or national organizations; and
- (2) Making technical nonsubstantive changes to conform to proper ramsyering conventions and for purposes of style, 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. 625, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 625, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 678 Ways and Means on S.B. No. 1950

The purpose of this measure is to ensure that the state and county governments are able to maintain a qualified, stable, and experienced workforce in the face of unprecedented low unemployment and an aging workforce.

Specifically, this measure authorizes the rehiring of state or county employees who have been retired for at least five consecutive calendar years without affecting the receipt of their retirement benefits and without accruing additional credit or benefits.

Your Committee received testimony in support of this measure from the Judiciary, the HGEA/AFSCME, State of Hawaii Organization of Police Officers, Honolulu Police Department, the Mayor and the Director of Human Resources of the County of Hawaii, and the Chairperson of the Maui County Council.

Your Committee finds that it is crucial for the state and county governments to continue to operate with a qualified and stable workforce. This measure will help to achieve that while contributing to further funding the Employees' Retirement System's unfunded liability.

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

- (1) Changing the period that a retired employee must wait to return to government employment from at least five consecutive calendar years to an unspecified number of years;
- (2) Changing the effective date to July 1, 2040, for the purpose of facilitating further discussion; and
- (3) Making technical nonsubstantive amendments 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. 1950, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1950, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 679 Ways and Means on S.B. No. 1034

The purpose of this measure is to provide a specific exemption from the general excise and use taxes for fuel purchased from the foreign trade zone for consumption or use in air transportation.

The Department of Business, Economic Development, and Tourism; Hawaii Airlines; Aloha Airlines; the Transport Workers Union; the International Association of Machinists and Aerospace Workers; the Aircraft Service International Group; the Aloha Airlines Pilots' Union; the Hawaii Chapter of the March of Dimes; and the Chamber of Commerce of Hawaii submitted written comments in support of this measure. The Department of Taxation and the Tax Foundation of Hawaii submitted written comments.

Your Committee finds that purchase of fuel from Hawaii's Foreign Trade Zone should receive similar tax exemptions as purchases of all other products in the foreign trade zone. This measure will help in lowering fuel costs for Hawaii's airline industry.

Your Committee has amended this measure by changing the effective date from July 1, 2007, to July 1, 2050, 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. 1034, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1034, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 680 Ways and Means on S.B. No. 679

The purpose of this measure is to establish procedures for the Governor to declare a tourism emergency and to establish a Tourism Emergency Trust Fund.

Specifically, this measure provides that, in the event that a statewide tourism emergency is declared, the Board of Directors of the Hawaii Tourism Authority would have the authority, to implement tourism emergency measures. In addition, a Tourism Emergency Trust Fund is created to be used exclusively to provide for the development and implementation of emergency measures to respond to and mitigate any adverse effects on the tourism industry that may result from a substantial interruption of Hawaii's commerce.

The Department of Business, Economic Development, and Tourism, Hawaii Tourism Authority, and the Hawaii Chamber of Commerce submitted comments in support of this measure.

Your Committee finds that a world conflict, terrorism, natural disaster, or disease outbreak can pose a substantial economic threat to Hawaii's tourism industry. Because tourism is the main economic driver in the State's economy, the effects of a tourism disruption would ripple across all of the main industries in the State. This measure would create a method to help mitigate the economic effects of a tourism emergency.

Your Committee further finds that the tourism emergency plan should also include providing emergency assistance to tourists who may be in Hawaii at the time of the emergency.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the measures implemented in response to a tourism emergency include providing emergency assistance to tourists in Hawaii during the emergency period;
- (2) Changing the date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) 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. 679, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 679, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 681 (Joint) Economic Development and Taxation and Ways and Means on S.B. No. 1221

The purpose of this measure is to establish the important agricultural lands (IAL) agricultural business tax credit.

Specifically, this measure establishes an agricultural business investment tax credit that:

- (1) Creates a nonrefundable tax credit that is equal to one hundred per cent of the aggregate investments made in a qualified agricultural business, including agricultural business investments made by the agricultural business itself;
- (2) Staggers the payment of the tax credit over a five-year period;
- (3) Provides a partial recapture if the investment is withdrawn or sold during that five-year period or if the business no longer qualifies as a qualified agricultural business; and

- (4) Caps the total credit to be generated in a particular tax year at \$2,500,000.

The Hawaii Farm Bureau; Maui County Farm Bureau; Hawaii Agricultural Research Center; Hawaii Crop Improvement Association; Alexander & Baldwin, Inc.; and Maui Land & Pineapple Company, Inc., submitted written comments in support of this measure. The Agribusiness Development Corporation, Department of Taxation, and Tax Foundation of Hawaii submitted written comments.

Your Committees received a fiscal impact statement from the Department of Taxation (Department) that the revenue loss to the State would be approximately \$27,800,000 annually.

In its methodology, the Department estimated qualifying inflation-adjusted farm expense totals at about \$70,600,000. It was assumed that one-half of farm land in Hawaii would qualify as IAL. In 2006, allocations from the Irrigation Repair and Maintenance Special Fund were approximately \$15,000,000; it is assumed that fifty per cent of this amount, or \$7,500,000, would be allocated to IAL related projects. Therefore, a one hundred per cent tax credit would result in a revenue loss of approximately \$27,800,000 ($\$70,600,000 \times 50\%$)-\$7,500,000).

Your Committees have considered the concerns of the Department of Taxation and continue to address these issues. Your Committees find that further legislative discussion is merited, given the important incentives that this measure would provide for Hawaii's agricultural economy.

Your Committees have amended this measure by:

- (1) Clarifying the percentage of qualified agricultural costs allowed in the year the costs were incurred and for four years after, with unspecified maximum amounts for each of the five years;
- (2) Changing the amount of the credit from one hundred per cent to an unspecified percentage;
- (3) Inserting unspecified effective dates; and
- (4) Making technical amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1221, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1221, S.D. 2.

Signed by the Chairs on behalf of the Committees. Ayes, 10. Noes, none. Excused, 4 (Ige, Menor, Hemmings, Whalen).

SCRep. 682 Ways and Means on S.B. No. 835

The purpose of this measure is to appropriate funds to the University of Hawaii to enable the College of Tropical Agriculture and Human Resources to develop a long range plan for a food innovation and security center.

Your Committee received comments in support of the measure from the Hawaii Crop Improvement Association and Big Island Candies. The Chairperson of the Board of Agriculture and the College of Tropical Agriculture and Human Resources submitted comments.

Your Committee finds that establishing a food innovation and security center will assist in expanding diversified agriculture in this State. Specifically, such a center will help Hawaii's agricultural and value-added businesses produce commercially-viable products whose quality and value will offset the State's high costs of land, labor, water, and transportation.

Your Committee has amended this measure by changing the appropriation to an unspecified amount in order to promote continued discussion of the matter. Your Committee 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 S.B. No. 835, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 835, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 683 Ways and Means on S.B. No. 1234

The purpose of this measure is to help remedy the poor health statistics of native Hawaiians in the State.

Specifically, this measure establishes a state designation of native Hawaiian health centers that follows the mandates provided for the federal Native Hawaiian Health Care Improvement Act. This measure also recognizes that, until such time as there is a sovereign Hawaiian nation recognized by the United States and the State of Hawaii, the Department of Health shall coordinate with Papa Ola Lokahi to oversee the implementation of state health programs resulting from the designation of native Hawaiian health centers.

Your Committee received comments in support of this measure from McKinley High School, Waianae Comprehensive Health Center, Native Hawaiian Traditional Healing, Archinoetics, SEE/RESCUE, Bendet, Fidell, Sakai & Lee, and one individual. Papa Ola Lokahi offered comments.

Your Committee believes that the establishment of a state designation of native Hawaiian health centers is necessary and will benefit the health of native Hawaiians in the State.

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

- (1) Clarifying that there is no blood-quantum requirement for membership on the governing boards of any native Hawaiian health center in section 2 of the measure;
- (2) Deleting subsection (b) of the new section 321- , Hawaii Revised Statutes, as being redundant because federal law or regulation would preempt state rules; and
- (3) Inserting language in section 3 to acknowledge that health care is provided by agencies other than the Department of Health.

Your Committee 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 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, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 684 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1421

The purpose of this measure is to create consistency between the osteopathy licensing law, in chapter 460, Hawaii Revised Statutes (HRS), and the licensing law for physicians of medicine and surgery, in chapter 453, HRS.

The Board of Medical Examiners submitted written comments in support of this measure.

Your Committee finds that the regulatory laws that govern doctors of osteopathy should parallel those of medical doctors, as the two professions have a similar scope of practice. Your Committee notes the testimony of the Board of Medical Examiners that it is of the opinion that the subject matter from chapter 453, HRS, as covered by this measure, should equally apply to osteopaths.

Your Committee has amended this measure to 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 Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1421, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1421, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 685 Commerce, Consumer Protection and Affordable Housing on S.B. No. 55

The purpose of this measure is to repeal the provision in section 448-9.4, Hawaii Revised Statutes, allowing the passing of a regional examination, in lieu of the American Board of Dental Examiners (ADEX) examination, to meet the Board of Dental Examiner's examination requirements for licensing in the State.

Testimony in support of this measure was submitted by three individuals. The Board of Dental Examiners (Board) submitted testimony in opposition to this measure.

Your Committee finds that during the 2005 Regular Session, the Legislature made various amendments to the dental licensing laws and some confusion has arisen as to the examination requirements for dental licensing. This law will clarify that the ADEX examination, which, based upon the testimony of the Board, was approved in December 2005, is the examination that dentists seeking licensure must pass in order to meet the dental licensing requirements in this State.

Your Committee has amended this measure to change the effective date to July 1, 2010, in order to allow those who are already in the process of applying for licensure based upon their passing of a regional examination to complete that process under the current law.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 55, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 55, 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. 686 Commerce, Consumer Protection and Affordable Housing on S.B. No. 163

The purpose of this measure is to provide greater protection to consumers who engage the services of contractors.

Specifically, this measure:

- (1) Establishes a complaint database on contractors;
- (2) Authorizes the Contractors Licensing Board (Board) to award attorneys fees in proceedings for violations of chapter 444, Hawaii Revised Statutes (HRS);
- (3) Specifies that the responsible managing employee (RME) of a contracting entity is not exempt from the requirements of chapter 444, HRS;
- (4) Specifies that the RME of a contracting entity must meet certain requirements prior to being issued a license; and
- (5) Requires license revocation for a contractor's failure to properly supervise employees and subcontractors for gross negligence.

Testimony in support of this measure was submitted by an individual. The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs submitted comments on this measure. The Contractors License Board opposed some sections in this measure. Testimony in opposition to this measure was received from the Subcontractors Association of Hawaii.

Your Committee finds that consumers need to be protected when entrusting their homes and property to contractors for construction or repairs. However, based upon the testimony submitted, the creation of a new database for contractors may be unnecessary at this time as the Department of Commerce and Consumer Affairs already has a complaints database in place for use by consumers.

Your Committee has amended this measure to address some of the concerns of the contractors by:

- (1) Removing the new language regarding the contractor database;
- (2) Removing the requirement that the Board shall revoke a license for certain violations of chapter 444, HRS, including the language requiring license revocation for a contractor's failure to properly supervise employees and subcontractors for gross negligence;
- (3) Deleting the increase in the amount that may be recovered per contract;
- (4) Changing the effective date to promote further discussion; and

- (5) Making technical, nonsubstantive changes for the purposes of clarity and style.

The intent of this measure, as amended, is to authorize the Board to implement reasonable attorneys fees for violations of chapter 444, HRS, and to specify that RMEs are subject to the requirements of chapter 444, HRS.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 163, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 163, 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 (Ige).

SCRep. 687 (Majority) Commerce, Consumer Protection and Affordable Housing on S.B. No. 1003

The purpose of this measure is to modify the manner in which the membership of the Contractors Licensing Board (Board) is appointed by requiring that at least three members be appointed from a list of nominees submitted by the Speaker of the House of Representatives and at least three members be appointed from a list of nominees submitted by the President of the Senate.

Your Committee received testimony in support of this measure from the Hawaii Building and Construction Trades Council, the International Union of Elevator Constructors, the Sheet Metal Workers' International Association, the Plumbers and Pipefitters Local 675, and the Building Trade Council. The Contractors Licensing Board submitted testimony in opposition to this measure.

Your Committee finds that under existing law, all members of the Board are appointed by the Governor. Your Committee also finds that the construction industry in Hawaii has grown to become a more prominent industry in the State and this measure will lend diversity to the composition of the Board by allowing more than one governmental entity to be involved in the nomination process.

Your Committee has amended this measure by changing the effective date to promote further discussion, and 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 Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1003, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1003, 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. 688 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1697

The purpose of this measure is to amend the definition of "contractor" under the Contractor Repair Act.

Testimony in support of this measure was submitted by the Real Estate Commission, the Building Industry Association of Hawaii, and the Hawaii Association of Realtors. Comments were received from the Subcontractors Association of Hawaii.

Your Committee finds that this measure clarifies the definition of "contractor" to delete the reference to a person who sells a dwelling. Your Committee notes that the testimony from the Subcontractors Association of Hawaii raised the concern as to whether consumers who buy a home from an owner-builder would have protection under the Contractor Repair Act, as they are not specifically referenced in the definition of a "contractor".

Your Committee is in agreement that the original intent of the Contractor Repair Act was not to include the "selling a dwelling" in the definition of "contractor" but to include an owner-builder, as provided in section 444-2(7), Hawaii Revised Statutes, who shall not offer to sell or lease the subject building or structure within one year after construction is complete.

Your Committee, upon the recommendation of the Hawaii Association of Realtors, has amended this measure by adding a purpose section.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1697, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1697, 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 (Ige).

SCRep. 689 (Majority) Commerce, Consumer Protection and Affordable Housing on S.B. No. 1010

The purpose of this measure is to remove private or governmental accounting experience as meeting the required professional experience for a license in public accountancy and to remove the requirement that a candidate have a baccalaureate degree in accounting prior to taking the certified public accountant (CPA) examination.

Your Committee received testimony in support of this measure from the Hawaii Association of Public Accountants and forty-seven individuals. Testimony in opposition to this measure was received by the Board of Public Accountancy of the Department of Commerce and Consumer Affairs, the State Auditor, the Department of Taxation, the Hawaii Society of Certified Public Accountants, and fifteen individuals. Comments were received from Horwath Kam & Company.

Your Committee finds that the public is better served when candidates for a CPA license are required to obtain their work experience in public accounting rather than through private or government experience. In addition, your Committee finds that allowing all candidates with a baccalaureate degree other than in accounting to take the CPA exam does not change the CPA licensing requirements, but simply allows those candidates to take the exam at an earlier date. This would open the accounting profession to a larger pool of potential CPAs. This measure will also benefit potential CPA candidates who attended a school that did not offer a baccalaureate degree in accounting, by allowing them to take the exam earlier and encouraging them to stay in the accounting field.

Your Committee has amended this measure by changing the effective date to allow section 1, relating to the professional experience requirements, to take effect on July 1, 2010, rather than upon approval. Your Committee finds that this amendment will allow those persons who are already in the processes of meeting the CPA experience requirements in private or government accounting or auditing work to complete these requirements and an opportunity to obtain their CPA license under the current law.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1010, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1010, 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. 690 (Majority) Commerce, Consumer Protection and Affordable Housing on S.B. No. 1248

The purpose of this measure is to require applicants for various types of electrical licensing to provide evidence of successful completion of an accredited academic or apprenticeship program covering the principles of electrical theory and the requirements of the National Electric Code, in addition to the current requirements under chapter 448E, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the International Brotherhood of Electrical Workers; the Hawaii Electricians Training Fund; K&H Electric, Inc.; MGM Electrical Services; the Electrical Contractor Association of Hawaii; Brilliant Ideas, Inc.; Ron's Electric, Inc.; the Hawaii Chapter of the American Society of Safety Engineers; and three individuals. Testimony in opposition to this measure was received from the Board of Electricians and Plumbers, the Plumbing and Mechanical Contractors Association of Hawaii, the Plumbers & Fitters United Association, and the Plumbers and Pipefitters Local 675.

Your Committee finds that providing the requirement for academic and apprenticeship training for applicants for various types of electrical licensing will ensure that those persons have the ability to satisfy the level of proficiency required to complete electrical work in a safe manner.

Your Committee has amended this measure by:

- (1) Clarifying that the new requirements for licensing are to complete an accredited academic program and a five-year apprentice program or have various levels of full-time experience, depending on the type of electrical licensing being sought;
- (2) Changing the effective date to promote further discussion; and
- (3) Providing that the new qualifying requirements for a supervising electrician, a supervising specialty electrician, and a supervising industrial electrician, shall not take effect until four years after the effective date of the measure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing 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, 3. Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

SCRep. 691 (Majority) Commerce, Consumer Protection and Affordable Housing on S.B. No. 1116

The purpose of this measure is to regulate the imposition of rental application fees by landlords.

Specifically, this measure requires landlords to inform prospective tenants of their right to dispute inaccurate tenant screening report information.

Your Committee received testimony in support of this measure from Legal Aid Society of Hawaii and one individual. The Hawaii Association of Realtors submitted testimony in opposition to this measure.

Your Committee finds that landlords frequently charge prospective tenants for the opportunity to apply for rental housing units. These fees are frequently not returned to unsuccessful applicants, which is a serious detriment to many low-income renters. Also, many tenants are unaware of their rights under the federal fair reporting laws that allow applicants to dispute inaccurate information in their credit reports. The intent of this measure is to require landlords to inform tenants of their right to dispute inaccurate credit information that may negatively impact their ability to be offered a rental unit.

Your Committee has amended this measure, upon the recommendation of the Legal Aid Society of Hawaii, by:

- (1) Specifying that the requirements of this measure shall not apply to landlords who rent three or less units;
- (2) Specifying that when the application fee is not refunded to the applicant, the landlord must provide a written explanation in sufficient detail explaining the reasons an applicant did not receive the unit; 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 Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1116, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1116, 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 (Slom). Excused, 1 (Ihara).

SCRep. 692 Commerce, Consumer Protection and Affordable Housing on S.B. No. 60

The purpose of this measure is to amend section 514E-5.5, Hawaii Revised Statutes (HRS), to require that disclosures clearly state that the operation of foreign time share plans is also exempt under chapter 514E, HRS. This measure also provides that failure to abide by the disclosure requirements shall result in the loss of the exemption.

Your Committee received testimony in support of this measure from the Time Share Administrator of the Department of Commerce and Consumer Affairs and Marriott International, Inc.

Your Committee finds that Act 278, Session Laws of Hawaii 2006 (Act 278), amended chapter 514E, HRS, by adding a new section that exempted the offering and purchase of foreign time share plans from the requirements of chapter 514E, HRS. Your Committee further finds that the intent of Act 278 was to exempt not only the offer or purchase of foreign time share plans from chapter 514E, HRS, but their operation as well. This measure also clarifies that a developer of foreign time share plans who fails to abide by the disclosure requirements in section 514E-5.5, HRS, will forfeit the exemption.

Your Committee has amended this measure to make technical, nonsubstantive amendments 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 Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 60, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 60, 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 (Ihara).

SCRep. 693 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1935

The purpose of this measure is to require the Department of Commerce and Consumer Affairs to regulate the check cashing industry through licensing requirements.

Your Committee received testimony in support of this measure from Financial Service Providers of Hawaii, Inc.; Legal Aid Society of Hawaii; and the Hawai'i Alliance for Community-Based Economic Development (HACBED). The Department of Commerce and Consumer Affairs and one individual provided comments on the measure.

Your Committee finds that deferred deposit transactions, or payday loans, are short-term loans that have the potential to trap consumers in a cycle of debt that does not allow them to build assets for their future. Hawaii is one of only four states that does not require a license to provide a payday loan. In 2005, the Office of the State Auditor conducted a sunrise analysis on the regulation of check cashing and deferred deposit agreements and recommended that chapter 480F, Hawaii Revised Statutes, be strengthened to be more consumer friendly.

Your Committee has amended this measure by:

- (1) Requiring registration, rather than licensing, of check cashers with the Department of Commerce and Consumer Affairs;
- (2) Raising the limit on the maximum amount of a deferred deposit transaction from twenty-five per cent to thirty per cent of a consumer's gross monthly income;
- (3) Including language to require the availability of an extended repayment plan after any consumer has entered into four or more consecutive transactions (back-to-back agreements within twenty-four hours of the payment of a previous transaction); provided that the customer requests the option within twenty-four hours of the last payment due date; and
- (4) Changing the effective date to July 1, 2050 to encourage more discussion on this matter.

The intent of this measure, as amended, is to take into consideration the concerns of both consumers and the industry regarding regulating check cashing and payday lending.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1935, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1935, 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. 694 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1418

The purpose of this measure is to require mortgage rescue consultants to provide homeowners with a written contract specifying the services they are entitled to under the contract and to notify homeowners of the right to cancel at any time before the services are fully performed.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Legal Aid Society of Hawai'i, and one individual.

Your Committee finds that mortgage rescue consultants often prey upon homeowners who are in arrears of their mortgage payments or going through foreclosure proceedings. While mortgage rescue consultants offer help to distressed homeowners for a fee or some other type of consideration, the homeowners often get little or nothing in return and in the most egregious of cases, the homeowner loses the home to the mortgage rescue consultant.

The intent of this measure is to protect consumers from foreclosure scams by requiring mortgage rescue consultants to provide homeowners with a written contract specifying the services they are entitled to under the contract and to notify homeowners of the right to cancel any time before those services are fully performed.

Your Committee has amended this measure to 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 Commerce, Consumer Protection, and Affordable Housing 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 695 (Majority) Commerce, Consumer Protection and Affordable Housing on S.B. No. 1419

The purpose of this measure is to protect Hawaii consumers from price gouging in the purchase of gasoline during periods of abnormal disruption of the marketplace caused by extraordinary adverse circumstances.

Specifically, this measure includes gasoline price gouging as an unfair or deceptive trade practice under section 480-2, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Transportation Association, and one individual. The Western States Petroleum Association submitted testimony in opposition to this measure.

Your Committee finds that Hawaii's geographic isolation makes it vulnerable to high gasoline prices, especially during times of catastrophic world events and other disruptions to the marketplace. The intent of this measure is to ensure that Hawaii consumers are protected from price

gouging by making it an unfair or deceptive trade practice for any gasoline-related business to sell or offer to sell any gasoline product for an amount that represents an unconscionably excessive price during any abnormal disruption to the market, regardless of whether that disruption occurred in Hawaii or in other parts of the world.

Your Committee has amended this measure to 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 Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1419, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1419, 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. 696 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1426

The purpose of this measure is to encourage the private development of safe rooms. Specifically, this measure amends the definition of "wind resistive devices" to include residential safe rooms within the meaning of section 431:22-104(b), Hawaii Revised Statutes (HRS) and makes safe rooms eligible for grants under section 431:22-104, HRS.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the State Department of Defense, and the Hawaii Lumber Products Association. Comments were submitted by the Structural Engineers Association of Hawaii.

Your Committee finds that during the Special Session of 2005, the State Department of Defense was tasked with developing design criteria for public shelter and residential safe rooms. Now that criteria have been developed, the intent of this measure is to encourage the private development of safe rooms by providing incentives through grants from the loss mitigation grant fund.

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 Affordable Housing 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, 5. Noes, none. Excused, 1 (Ige).

SCRep. 697 Commerce, Consumer Protection and Affordable Housing on S.B. No. 49

The purpose of this measure is to allow the Board of Examiners in Naturopathy to authorize the administration of natural medicines by injections.

Specifically, this measure requires the Board of Examiners in Naturopathy to adopt a formulary and qualifications for administering natural medicines by injection, and to grant the authority to qualified naturopathic physicians. It also establishes a temporary advisory committee to recommend a formulary and qualifications.

Written comments in support of this measure were submitted by the Board of Examiners in Naturopathy. Written comments in opposition of this measure were submitted by the Hawaii Medical Association.

Your Committee finds that, currently, the Board of Examiners in Naturopathy is not authorized to allow naturopathic physicians to administer natural medicines by injection. However, the Board may authorize the diagnosis, treatment, and care of patients using natural methods or modalities and nature's remedies of the type taught in education and training at naturopathic medical colleges. Your Committee further finds that the Board contends that the administration of natural medicines by injection is within the scope and practice of naturopathy because, among other things, it is taught in naturopathy classes and naturopathy students are clinically trained in the use of injections in teaching clinics at naturopathic colleges.

This measure will extend the authority to administer natural medicines by injection to naturopathic physicians within the boundaries as established by a temporary advisory committee. Its recommendations to the Board of Examiners in Naturopathy will establish the formulary of natural medicines that naturopathic physicians may administer by injection and the qualifications needed before one may administer injections. The temporary advisory board shall be comprised of naturopathic physicians, a person licensed in medicine, and a person licensed as a pharmacist, all of whom your Committee believes are qualified and appropriate to address concerns with this authority before recommending the formulary and qualifications.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 49, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 698 (Majority) Commerce, Consumer Protection and Affordable Housing on S.B. No. 53

The purpose of this measure is to ensure that hospital and medical insurance policies providing benefits for mental illness and alcohol and drug dependence include coverage for marriage and family therapy services.

Written comments in support of this measure were submitted by the Hawai'i Psychological Association. Written comments on the measure were also submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that individuals who suffer from mental illnesses or alcohol and drug dependence do not suffer alone. Although they often receive support from their families, they and their families also must endure great pains and hardships as a result of the illnesses or addictions. Marriage and family therapy can provide necessary assistance to affected individuals, including counseling on the impact on family members from assessment or diagnosis through intervention or treatment, as appropriate. Currently, several states provide reimbursements for marriage and family therapy under their insurance laws. Your Committee determines that the provision of marriage and family therapy services will ensure the provision of a necessary form of treatment that will positively impact individuals and families dealing with mental illnesses or drug and alcohol addictions.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 53 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ige, Sakamoto).

SCRep. 699 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1674

The purpose of this measure is to allow medical practitioners in radiology licensed to practice in another state, to provide radiology services by telemedicine while in Hawaii to a patient who is located in the state in which the medical practitioner is licensed to practice radiology.

The measure also makes numerous technical, nonsubstantive amendments to the laws relating to the practice of medicine and surgery and radiologic technology.

The Board of Medical Examiners submitted comments on this measure.

Your Committee finds that this measure would enable radiologists to practice radiology via telecommunications to patients from this State to the state of licensure. Your Committee believes that radiologists should not be required to obtain Hawaii licensure if services are not being provided to patients in the State.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1674, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 700 Commerce, Consumer Protection and Affordable Housing on S.B. No. 923

The purpose of this measure is to remove the December 31, 2007, sunset date of section 514B-146, Hawaii Revised Statutes (HRS), relating to delinquent condominium association maintenance fees.

Specifically, this measure removes the sunset date from Act 164, Sessions Laws of Hawaii (SLH) 2004, as amended by Act 93, SLH 2005, as amended by Act 273, SLH 2006.

Your Committee received testimony in support of this measure from the Real Estate Commission of the Department of Commerce and Consumer Affairs, the Hawaii Independent Condominium and Co-op Owners, the Hawaii Council of Associations of Apartment Owners, and the Hawaii Chapter of the Community Associations Institute. The Hawaii Bankers Association submitted comments on this measure.

Your Committee finds that section 514B-146, HRS, provides a reasonable and fair process to assist condominium associations with the problem of collecting unpaid maintenance fees from apartment owners. The intent of this measure is to remove the sunset date of December 31, 2007, in order to allow this section to continue to provide relief to condominium associations in collecting delinquent maintenance fees, especially in cases where an apartment owner is undergoing foreclosure proceedings.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing 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 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. 701 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1017

The purpose of this measure is to expand access to zero interest housing loans to promote homeownership.

The measure accomplishes this purpose by removing the requirement that funds from the Hawaii Habitat for Humanity Association's zero interest revolving fund be used only on land leased from the State and by making technical amendments related to the repeal of chapter 201G, Hawaii Revised Statutes, by Act 180, Session Laws of Hawaii 2006.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs and Hawaii Habitat for Humanity. Comments on this measure were submitted by the Hawaii Housing Finance and Development Corporation.

Your Committee finds that Hawaii Habitat for Humanity provides a valuable service to the people of Hawaii by providing low-income families with safe and affordable self-help houses with zero interest loans. Hawaii Habitat for Humanity helps many low-income families achieve the goal of homeownership at a time when affordable housing in the State is out of reach for many families.

The intent of this measure is to ensure that Hawaii Habitat for Humanity Association's zero-interest revolving fund can continue to assist low-income families achieve homeownership in the State.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1017 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 (Ihara, Sakamoto).

SCRep. 702 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1249

The purpose of this measure is to create a new category of liquor license for condominium hotels.

No written comments on this measure were submitted to your Committee.

Your Committee finds that the advent of the condominium hotel ownership and operating structure is a relatively new concept that has recently been gaining popularity in this State. While many former hotel operations have converted to a condominium hotel ownership and operating structure, this new structure has created an interpretation and application problem with respect to liquor licensing laws. Specifically, the restrictive nature of the definition of "premises" contained in the existing Class 12 hotel liquor licensing requirements would require that a

licensed liquor establishment be situated and operated on the hotel portion, not the condominium portion, of the condominium hotel. Such a restrictive interpretation could lead to the inconsistent application and enforcement of liquor licensing laws when trying to fit condominium hotels into the existing liquor licensing framework for hotels.

Your Committee finds that creating a new liquor licensing category to specifically address the unique ownership and operational structure of condominium hotels would promote the consistent interpretation and application of liquor licensing laws. Your Committee also finds that the establishment of a separate category for condominium hotel liquor licenses is necessary to provide adequate guidance to county liquor commissioners to ensure that the liquor licensing laws that govern the sale of liquor on such premises are uniformly interpreted and applied throughout a respective county's jurisdiction.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1249, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 703 Ways and Means on S.B. No. 1364

The purpose of this measure is to facilitate environmental cleanups. Specifically, this measure repeals the sunset date on the Hawaii Brownfields Cleanup Revolving Fund.

The Department of Health, the Office of Planning of the Department of Business, Economic Development, and Tourism, and one concerned individual submitted comments in support of this measure.

Your Committee finds that this measure will enable the State to continue to offer low-interest loans to eligible landowners and prospective purchasers of contaminated properties to clean up those properties. Repealing the sunset date will also ensure the continuation of federal funding for brownfields cleanup.

As affirmed by the record of votes of the members 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. 1364, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (English, Kim, Hemmings, Whalen).

SCRep. 704 Ways and Means on S.B. No. 1962

The purpose of this measure is to provide an income tax deduction to residential unit owner occupants for the installation of an automatic fire sprinkler system in an older condominium project between July 1, 2007, and June 30, 2012.

This measure limits the tax deduction to owner occupants for new installation of an automatic fire sprinkler system that serve an entire residential or mixed use condominium that was constructed before December 31, 1975.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations. Written comments in opposition was received from the Department of Taxation.

Your Committee believes that fire safety is an issue of major public concern, especially in older multi-family dwellings, such as condominiums.

As affirmed by the record of votes of the members 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. 1962, S.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 705 Ways and Means on S.B. No. 600

The purpose of this measure is to exempt from state income taxation, one hundred per cent of the capital gains realized during taxable years 2008-2012, from a sale of the leased fee interest in condominium units to an association of apartment owners or residential cooperative corporations.

Your Committee received comments in support of this measure from the Hawaii Association of Realtors, Hawaii Independent Condominium & Cooperative Owners, and Monarch Properties, Inc. Written comments were received from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that in 2004, the City and County of Honolulu's Leasehold Task Group was charged with finding voluntary solutions that would allow apartment owner-occupants to acquire their leased-fee interest. One of the recommendations of the Task Group was for tax legislation that would motivate lessors to sell their leased-fee interest to lessee owner-occupants. Exempting the lessor's sale proceeds from the capital gains tax under state law is one such tax legislation that could motivate lessors to sell.

Your Committee believes that this measure would provide residential lessees with an opportunity to be fee simple homeowners in an increasingly expensive and competitive housing market, and it is the intent of your Committee to support this modest option. More importantly, exempting these sales from the State's capital gains tax could result in the voluntary conversion of leasehold to fee simple ownership for residential lessees throughout the State, preventing the anticipated displacement of many older residents whose leasehold terms will soon expire.

As affirmed by the record of votes of the members 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. 600 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 706 Ways and Means on S.B. No. 898

The purpose of this measure is to require the Department of Taxation to report annually on qualified high technology businesses and related tax incentives to properly evaluate their effectiveness.

Your Committee received written comments in support of this measure from the High Technology Development Corporation and the Department of Taxation. Written comments were received from the Tax Foundation of Hawaii.

Your Committee finds that high technology tax credits can provide incentives vital to the continued growth of Hawaii's technology and innovation industries. However, in its 2005-2007 report, the Tax Review Commission stated that due to a lack of current data, definitive results could not be calculated for the high technology business investment tax credit, one of the credits currently offered by the State. While the information is being filed with the Department of Taxation, and could be made available to enable the Tax Review Commission to evaluate and report on the effectiveness of the high tech tax incentives, the lack of resources has made it difficult to collect the available data from the records of the Department of Taxation.

It is the intent of your Committee to provide for greater transparency and evaluation of high technology tax incentives as a means of ensuring that the credits meet their intended outcomes.

As affirmed by the record of votes of the members 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. 898, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 707 Ways and Means on S.B. No. 1497

The purpose of this measure is to bring Hawaii tax law into compliance with changes to the Internal Revenue Code, by amending section 235-2.3(a), Hawaii Revised Statutes, relating to conformance with the Internal Revenue Code, to replace the date December 31, 2005, with December 31, 2006.

Written comments in support of this measure were submitted by the Department of Taxation. Written comments on this measure were submitted by the Tax Foundation of Hawaii.

Your Committee finds that five federal laws enacted in 2006 would affect Hawaii tax law. Updating Hawaii's tax conformance law will diminish discrepancies with regard to the application of the new federal laws as they relate to Hawaii's 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. 1497, S.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 708 Ways and Means on S.B. No. 1092

The purpose of this measure is to extend the lapse date for an appropriation out of the state educational facilities special fund.

Specifically, this measure allows the Department of Education until June 30, 2008 to spend the appropriated \$40,000,000 for public school repair and maintenance projects.

Your Committee received comments in support of this measure from the Department of Education.

Your Committee finds that the original bond fund appropriation was allotted in December of 2006 which left the Department only six months to encumber the funds.

This measure provides the Department with ample time to encumber the funds until the end of fiscal year 2007-2008.

As affirmed by the record of votes of the members 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. 1092 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 709 Ways and Means on S.B. No. 50

The purpose of this measure is to appropriate funds to guarantee the viability of the Hawaii AIDS clinical research program.

Your Committee received comments in support of this measure from two professors from the University of Hawaii at Manoa John A. Burns School of Medicine, the Life Foundation, the Maui AIDS Foundation, Hawaii Island HIV/AIDS Foundation, and two private citizens. The vice-president for Research and Graduate Education at the University of Hawaii at Manoa John A. Burns School of Medicine submitted comments.

Your Committee finds that the Hawaii clinical trials unit, as a part of the University of Hawaii John A. Burns School of Medicine, is a vital element in Hawaii's fight against HIV and AIDS. The unit ensures that Hawaii's unique ethnic groups are properly represented in national multi-state HIV and AIDS trials, provides necessary and essential care for the geographically removed people of Hawaii, and obtains funding for its vital projects. However, the National Institute of Health has given notice to the unit that it will no longer receive federal funds.

Your Committee finds that the continued existence of the Hawaii AIDS clinical trials unit is of utmost importance and if it would cease to exist, the fight against HIV and AIDS would be seriously compromised. Your Committee further finds that appropriating funds to the unit ensures that it can be maintained and be productive.

As affirmed by the record of votes of the members 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. 50, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 710 Ways and Means on S.B. No. 1919

The purpose of this measure is to provide a comprehensive set of asset building opportunities for Hawaii's low- and moderate-income families by establishing a self-sufficiency standard that will determine a recipient's assistance allowance.

Specifically, this measure:

- (1) Establishes a refundable state earned income tax credit;
- (2) Provides for financial education to temporary assistance to needy families applicants and recipients;
- (3) Expands the provision of individual development accounts; and
- (4) Appropriates funds.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development and Tourism; Hawai'i Alliance for Community-Based Economic Development; Aloha United Way; Hawaii Government Employees Association; 3Point; and two individuals. Written comments were received from the Department of Taxation, Department of Human Services, and Tax Foundation of Hawaii.

Your Committee finds that the provisions of this measure present a unique and multi-faceted approach to helping Hawaii's low-income families to achieve self-sufficiency, but the extent of revenue losses is yet unclear. Your Committee believes that continuing legislative deliberations on this measure is necessary to more fully analyze and determine the merits of this unique, multi-faceted approach to helping Hawaii's families.

As affirmed by the record of votes of the members 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. 1919, S.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 711 Ways and Means on S.B. No. 704

The purpose of this measure is to treat the gross income received by trusts whose sole beneficiary is blind, deaf, or totally disabled in the same way as the gross income received from business or other activities of individuals who are blind, deaf, or totally disabled or of business entities owned or operated by the blind, deaf, or totally disabled under the general excise tax law.

Your Committee received comments in support of this measure from one individual. Written comments were received from the Tax Foundation of Hawaii.

Your Committee finds that the income received by trusts whose sole beneficiaries are blind, deaf, or totally disabled, are currently taxed at the four or the four and one-half per cent rate under the general excise tax law, but should be taxed at the lower rate of one-half per cent in the same way as businesses owned or operated by the blind, deaf, or totally disabled.

As affirmed by the record of votes of the members 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. 704 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 712 Ways and Means on S.B. No. 1454

The purpose of this measure is to rename the hospital and medical facilities special fund to the office of health care assurance special fund to reflect the current name of the Office of Health Care Assurance.

This measure also requires that all moneys collected by the Office of Health Care Assurance in the form of fees and fines be deposited into the fund and allows the moneys deposited to be used to offset the Office of Health Care Assurance's operational expenses.

No comments were submitted.

Your Committee finds that there is a need to rename the hospital and medical facilities special fund to reflect the change in the office's name to the Office of Health Care Assurance in 1998. Additionally, current uses of the moneys in this fund are limited to offsetting the office's educational program expenses. However, due to increased demands, operating expenses have increased. Your Committee further finds that this bill, allowing fees and fines to be deposited into the fund and allowing the moneys to be used for the Office of Health Care Assurance's operational expenses, will allow the Office of Health Care Assurance to continue to carry out its functions by offsetting operational costs, in lieu of annual general fund budget requests.

As affirmed by the record of votes of the members 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. 1454 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 713 Ways and Means on S.B. No. 1281

The purpose of this measure is to appropriate funds for fiscal year 2007-2008 salary increases and other cost adjustments for officers and employees of legislative agencies who are excluded from collective bargaining.

Your Committee received comments in support of this measure from the Office of the Auditor, the Legislative Reference Bureau, the Office of the Ombudsman, the Hawaii State Ethics Commission, and the Hawaii Government Employees Association, AFSCME, AFL-CIO.

Your Committee finds that this bill is a vehicle to provide funding for any salary increases that may be authorized for excluded employees in the legislative service agencies as the result of collective bargaining agreements. Your Committee finds it is necessary to keep this vehicle available during session while collective bargaining is ongoing.

As affirmed by the record of votes of the members 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. 1281 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 714 Ways and Means on S.B. No. 1007

The purpose of this measure is to treat licensed securities professionals who work on commission basis the same way as licensed insurance and real estate professionals under the general excise tax laws.

SunAmerica Securities, Inc., submitted written comments in support of this measure. The Tax Foundation of Hawaii submitted written comments.

Your Committee finds that licensed investment brokers and their licensed agents should be allowed to each pay the general excise tax on the portion of the commission that each receives instead of requiring each to pay on the entire commission amount.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 1007, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1007, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 715 Ways and Means on S.B. No. 907

The purpose of this measure is to change the name of the Office of Space Industry to the Office of Aerospace Development.

This bill also clarifies the duties of the office and appropriates sums for various activities of the Office of Aerospace Development.

Comments in support of this measure were received from the Department of Business, Economic Development, and Tourism, the Chancellor and two members of the faculty and staff of the University of Hawaii at Hilo, Auburn University Space Research Institute, Colorado School of Mines Center for Space Resources, Enterprise Honolulu, Hawaii Island Economic Development Board, JAMSS America, Inc., Japan-United States Science, Technology, and Space Applications Program, NASA Ames Research Center Space Portal for Enterprise and Commerce, SpacePartnerships.com, a former Governor of the State of Hawaii, and one additional individual.

Your Committee finds that the Department of Business, Economic Development, and Tourism maintained an Office of Space Industry from 1988 through 1995. However, for the past twelve years the office has operated in an "ad hoc" manner to identify and promote aerospace related opportunities in Hawaii. The changes proposed in this measure would formalize and strengthen these activities and expand the Office's role in serving as a catalyst in the further development of aerospace opportunities for Hawaii.

It is the intent of your Committee to support the broader concepts of an Office of Aerospace Development and the promise of the Pacific International Space Center for Exploration Systems in particular. Your Committee believes that one of the most important outcomes of this measure should be enhanced workforce development opportunities and support for Hawaii's emerging industries.

Your Committee has amended this measure by:

- (1) Changing the sums to be appropriated to unspecified amounts to facilitate further discussion; 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. 907, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 907, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 716 Ways and Means on S.B. No. 1920

The purpose of this measure is to:

- (1) Recodify and rename existing motion picture, digital media, and film production tax provisions;
- (2) Increase the motion picture, digital media, and film production tax credits from fifteen and twenty per cent to twenty and twenty-five per cent, and increase reporting requirements; and
- (3) Repeal the Hawaii Television and Film Development Board, delete references to the Board from the Hawaii Television and Film Development Special Fund and elsewhere, and require the Department of Business, Economic Development, and Tourism to assume the responsibilities of the Board.

The Department of Business, Economic Development, and Tourism and one individual provided written testimony in support of this measure. The Department of Taxation, PacifiCap Group, Tax Foundation of Hawaii, and one individual submitted written comments.

Your Committee finds that this measure would consolidate related tax provisions, and the proposal has generated a number of comments regarding the outcomes of the proposed legislation. Your Committee further finds that the measure would benefit from additional legislative discussion.

Your Committee has amended this measure by making technical amendments 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. 1920, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1920, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 717 Ways and Means on S.B. No. 1499

The purpose of this measure is to conform Hawaii tax law to federal tax law as it relates to tax administration and criminal tax enforcement.

The Department of Taxation submitted written comments in support of this measure. The Tax Foundation of Hawaii submitted written comments.

Your Committee finds that this measure will enhance tax compliance by conforming Hawaii's tax law to federal tax law, including by establishing penalties for persons who prepare tax returns that unrealistically understate tax liability and for the promotion of abusive tax shelters, and by criminalizing the wilful failure to collect and pay over taxes.

Your Committee has amended this measure by making technical, nonsubstantive changes for the 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. 1499, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1499, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 718 Ways and Means on S.B. No. 1931

The purpose of this measure is to appropriate funds for an educational workforce working group under the Department of Business, Economic Development, and Tourism, to examine and address workforce and education issues and to submit a report to the legislature.

Furthermore, this measure requires separate reports from the Department of Education and the University of Hawaii on educational or workforce issues. Finally, this measure appropriates funds to the Department of Education to establish workforce development liaison and support staff positions.

Your Committee received comments in support of this measure from the Department of Business, Economic Development, and Tourism. The Department of Education submitted comments.

Your Committee finds that this measure is necessary for the State to be able to comprehensively and systematically address the workforce needs of this State, and to meet those needs through the public educational systems.

Your Committee has amended this measure by changing the effective date from July 1, 2007 to July 1, 2050 in order to promote continued discussion of the matter. Your Committee 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 S.B. No. 1931, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1931, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 719 Ways and Means on S.B. No. 76

The purpose of this measure is to require the Department of Education to develop a plan to provide temperature control systems that incorporate energy conservation initiatives, and other energy saving measures, in all public school facilities.

Comments in support of this measure was submitted by the Department of Education. Sopogy, Inc. submitted comments on this measure.

Your Committee finds that although Hawaii's tropical climate is ideal for outdoor recreational activities, it is not necessarily conducive to learning for public school students. Many of Hawaii's public schools are not equipped with air conditioning or other temperature reduction measures, which can make the classroom environments uncomfortable and even unbearable for students and teachers alike. Your Committee is committed to providing public school students with comfortable learning environments. Your Committee believes that creative and innovative methods for establishing suitable classroom environments for students may be utilized, including the use of alternative energy resources, incentives for energy consumption or cost reduction, alternative materials for buildings, and other energy efficient measures.

Your Committee has amended this measure by:

- (1) Changing the appropriation in section 3 to an unspecified amount to facilitate further discussion; and
- (2) Making technical non-substantive 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. 76, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 76, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 720 Ways and Means on S.B. No. 80

The purpose of this measure is to increase the pool of qualified teachers available to teach in the schools in the State.

Specifically, this measure creates the Felix stipend revolving fund for the collection of stipend repayments for University of Hawaii students who have breached their contractual agreements under the Felix consent decree recruitment and retention program and provides funding for stipends for other students under the recruitment and retention program.

Your Committee received comments in support of this measure from the Department of Education and the University of Hawaii, College of Education. Comments in opposition were received from the Department of Budget and Finance.

Your Committee believes that this measure not only recovers moneys from those who have violated their stipend contracts but also makes use of moneys in the new fund for stipends to other students to enhance recruitment and retention of qualified teachers for the State's schools.

Your Committee has amended this measure by changing the effective date of this measure to July 1, 2040 to facilitate further discussion. Your Committee has also made 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 80, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 80, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 721 Ways and Means on S.B. No. 688

The purpose of this measure is to appropriate funds for the P-20 Initiative Program.

Your Committee received comments in support of the measure from the Department of Education and the Hawaii P-20 Initiative.

Your Committee finds that the Hawaii P-20 Initiative is a consortium of public and private educators, officials from the University of Hawaii and the Department of Education, and community leaders who work together to improve academic achievement in the State. The mission of the Initiative is to develop and initiate educational plans for the twenty-first century to promote lifelong learning for students from early childhood education to career and workforce preparation.

Your Committee has amended the measure by:

- (1) Changing the appropriation to an unspecified amount to facilitate further discussion on this matter; and
- (2) Making 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. 688, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 688, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 722 Ways and Means on S.B. No. 1146

The purpose of this measure is to establish the Senator Hiram L. Fong scholarship program and the Senator Oren E. Long scholarship program at the University of Hawaii.

The Senator Hiram L. Fong Commission submitted comments in support of this measure. Comments on the measure were submitted by the Interim Associate Vice President for Student Affairs of the University of Hawaii, the Department of Education, and the Attorney General.

Your Committee finds that the proposals to establish these scholarship programs reflect the recommendations of the Senator Hiram L. Fong Commission, which was established by the Legislature in an earlier session.

Your Committee has amended this measure by changing the appropriation figures to unspecified amounts for the purposes of promoting continued discussion of the matter. Your Committee 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 S.B. No. 1146, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1146, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 723 Ways and Means on S.B. No. 597

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Sopogy, Inc.

Specifically, the measure assists Sopogy, Inc. with the planning, designing, construction, equipping, and operating of a solar farm power plant at the Natural Energy Laboratory of Hawaii Authority in Keahole, Hawaii.

Your Committee received comments in support of this measure from the Department of Business, Economic Development, and Tourism, Natural Energy Laboratory of Hawaii Authority, Hawaii Renewable Energy Alliance, and Hawaii Energy Policy Forum.

Your Committee finds that Sopogy, Inc. has experienced successes in the development of solar farm power plants to generate electricity. The Natural Energy Laboratory of Hawaii Authority in sun-baked Keahole, Hawaii, is an ideal location for the development of a solar farm power plant to demonstrate how electricity could be produced by using solar power systems in Hawaii. Sunlight provides a clean and renewable source of energy to produce thermal and electrical energy.

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 S.B. No. 597, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 597, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 724 Ways and Means on S.B. No. 31

The purpose of this measure is to provide monetary assistance to a deceased veteran's survivor or an interested party to transport the remains of the veteran to the Philippines for funeral and burial services.

More specifically, the bill provides for a maximum grant for a veteran who joined the New Filipino Scouts upon submittal of an unpaid, itemized invoice by a survivor or interested party.

Your Committee received comments in support of the measure from: the Office of Veteran Affairs; the State Advisory Board on Veterans Services; the Filipino Coalition for Solidarity; the Oahu Filipino Community Council; the Nursing, Advocates & Mentors, Inc.; the National Federation of Filipino American Associations, Region 12; the United Filipino Council of Hawaii; the Asian American Network for Cancer Awareness Research and Training; and the Philippine Nurses Association-Hawaii.

Your Committee finds that under current law, many deceased Filipino veterans' survivors and interested parties cannot afford to transfer the remains of the veteran to the Philippines. In addition, only some Filipino veterans are eligible for interment at state or federal veterans' cemeteries.

Your Committee finds that this bill resolves the issue by providing financial support in the form of a grant for veterans who joined the New Filipino Scouts, were United States citizens, and residents of Hawaii. In addition, only those survivors of veterans that are not eligible for interment in a state or federal veterans' cemetery are eligible for the grant. After enactment, survivors of these veterans and interested parties can provide the veterans with a proper burial in the Philippines.

Your Committee amended the bill to make technical, nonsubstantive changes for consistence, 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. 31, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 31, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 725 Ways and Means on S.B. No. 1526

The purpose of this measure is to correct inadvertent errors that prevents the unitary salary commission from setting the salaries of the Administrative Director of the Courts and the Deputy Administrative Director.

The Judiciary submitted comments in strong support of this measure.

Your Committee finds that due to inadvertent statutory errors that are not resolvable in a timely manner, the unitary salary commission does not have the authority, as intended, to set the salaries of the Administrative Director of the Courts and the Deputy Administrative Director.

This measure resolves this problem by linking the Administrative Director's salary to eighty per cent of the salary of the Chief Justice (whose salary is set by the unitary salary commission) and linking the Deputy Administrative Director's salary to ninety-five per cent of the salary of the Administrative Director.

Your Committee further finds that linking the Administrative Director of the Court's salary to the salary of the Chief Justice is consistent with the salary link between the Governor and the Administrative Director of the State.

Your Committee has amended the bill by:

- (1) Qualifying and prefacing the percentages of each salary with the phrase "not exceed" to provide flexibility in determining appropriate salaries for each position;
- (2) Changing the effective date to June 30, 2050 to facilitate further discussion on this matter; and
- (2) Making technical, nonsubstantive changes for purposes of consistency, 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. 1526, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1526, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 726 Ways and Means on S.B. No. 1112

The purpose of this measure is to appropriate funds for the expansion of community-based gender-responsive programs for women and girls who are incarcerated at state correctional facilities.

Comments in support of this measure were submitted by the Community Alliance on Prisons, Drug Policy Forum of Hawaii, and a concerned private citizen.

Your Committee finds that women and girls have different pathways to crime than their male counterparts, resulting in the importance of gender-responsive programs that more effectively address their specific needs.

Your Committee also finds that successful programs for women offenders recognize that the majority of female offenders are victims of abuse and are more likely to be classified at minimum or community custody levels.

Your Committee has amended this measure by:

- (1) Deleting the amounts appropriated and inserting a blank amount 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 S.B. No. 1112, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1112, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (English, Kim, Hemmings, Whalen).

SCRep. 727 Ways and Means on S.B. No. 1929

The purpose of this measure is to allow the Chief Procurement Officer to assess administrative fines for noncompliance with the Hawaii Public Procurement Code.

The measure further provides that the amount of the fine shall be set by rules adopted by the State Procurement Policy Board.

The State Procurement Office submitted comments in support of this measure. The Department of Accounting and General Services submitted comments on this measure.

Your Committee finds that the existing law is lacking in a provision for administrative fines for noncompliance with procurement laws. Although criminal penalties exist, there are no administrative sanctions for those whose actions fall short of criminal prosecution. The measure will help to ensure compliance with the procurement code.

Your Committee has amended this measure by:

- (1) Clarifying that an administrative fine may be levied against a person *after* the person has been found to have violated the procurement laws; and,
- (2) Making technical non-substantive amendments 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. 1929, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1929, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 728 (Majority) Ways and Means on S.B. No. 750

The purpose of this measure is to ensure stricter compliance with Transient Accommodations Tax requirements from vacation rentals and bed and breakfast establishments by requiring the Department of Taxation to:

- (1) Review the forms and process for collecting the Transient Accommodations Tax from vacation rentals and bed and breakfast establishments and report revenues received from them;
- (2) Work with Hawaii Tourism Authority and counties to identify owners operating vacation rentals and bed and breakfast establishments and enforce transient accommodations tax compliance;
- (3) Share location information on transient accommodations taxpayers with counties; and
- (4) Clarify duties of the Hawaii Tourism Authority.

Testimony in support of this measure was submitted by the City and County of Honolulu, Department of Planning and Permitting; Chair of the Windward Democrats, Oahu County Committee, Democratic Party of Hawaii; Save Oahu's Neighborhood; and twenty-five individuals. Testimony in opposition to this measure was submitted by the Windward Ahupua'a Alliance; President of the BB-TVU Association of Oahu; and thirty-eight individuals. Comments on this measure were submitted by the Tax Foundation of Hawaii and the Department of Taxation.

In comments submitted by the Department of Taxation, the department advised that addresses utilized for audits are obtained from federal tax returns that, by federal law, cannot be shared. This does not speak to the provisions or intent of this bill. Currently, under section 237D-13(a)(10), Hawaii Revised Statutes, the counties have access to state transient accommodation tax returns, which is a state tax having nothing to do with federal returns. Your Committee finds that the transient accommodation tax returns contain taxpayer addresses that are not obtained from federal tax returns. Your Committee also finds that the Department of Taxation has many ways to meet the objectives of this bill without jeopardizing any federal tax returns or information.

Your Committee finds that the State needs a more effective reporting system with respect to Transient Accommodations Tax revenues collected from residential properties. Better reporting will enable the State to provide a more comprehensive tax system that is more equitable and cost-effective. To this end, this measure provides for improved enforcement measures to ensure that owners of vacation rentals and bed and breakfast establishments comply with the Transient Accommodations Tax law.

Your Committee has amended this measure to make technical, nonsubstantive amendments 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. 750, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 750, S.D. 3.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, 1 (Chun Oakland). Excused, 2 (Menor, Hemmings).

SCRep. 729 Ways and Means on S.B. No. 1308

The purpose of this measure is to combine the aquaculture loan revolving fund into the agricultural loan revolving fund, create an aquaculture loan for new aquaculturists, increase loan limits for existing aquaculture loans, and expand eligibility for aquaculture loans.

Your Committee received comments in support of this measure from the Office of Hawaiian Affairs and the Hawaii Aquaculture Association. The Board of Agriculture submitted comments.

Your Committee finds that this measure will create parity between the aquaculture loan program and the agriculture loan program and provide increased administrative efficiency and flexibility to both programs.

Your Committee has amended this measure by:

- (1) Adding clarifying language regarding the types of "private lenders" from whom aquaculturists are unable to procure loans and thus qualifying themselves for loans from the state Department of Agriculture; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1308, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1308, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 730 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 851

The purpose of this measure is to preserve and protect historic and cultural sites by strongly encouraging developers of commercial or residential development projects in the Ko'olauloa District to maintain a minimum shoreline setback of seven hundred fifty feet.

Specifically, this measure requests any developers of commercial or residential development projects planned for the area makai of Kamehameha Highway between Kawela Stream and Marconi Road to:

- (1) Maintain a minimum shoreline setback of seven hundred fifty feet;
- (2) Conduct a comprehensive historic and cultural preservation assessment, pursuant to sections 6E-5.5, 6E-10, and 6E-43, Hawaii Revised Statutes; and
- (3) Comply with all other recommendations from the Oahu Burial Council, the State Historic Preservation Division, and other interested agencies of the Department of Land and Natural Resources.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs; the Sierra Club, Hawaii Chapter; Na Iwi Ola o He'eia-Kea; the Ko'olau Foundation; Hawaii's Thousand Friends; Keep the North Shore Country; the Kuli'ou'ou/Kalani Iki Neighborhood Board; the 'Ilio'ulaokalani Coalition; the Ko'olauloa Neighborhood Board; and one hundred eight individuals. Testimony in opposition to this measure was submitted by the Department of the Attorney General; the Kuilima Resort Company; Villa Management at Turtle Bay Resort, LLC; Ocean Villas at Turtle Bay Resort, and seven individuals. The Department of Land and Natural Resources submitted comments.

The protection and preservation of Hawaii's historic and cultural heritage is of paramount importance for the State, thus, the State Historic Preservation Program under the Department of Land and Natural Resources was established for the purpose of conserving Hawaii's unique heritage. Despite these efforts, commercial and residential development still poses a threat to cultural and historic sites across the State, such as the current proposed expansion of the Turtle Bay Resort on Oahu.

The proposed expansion plans at the Turtle Bay Resort has been a source of great controversy on numerous levels, including concerns relating to the potential environmental, societal, and economic consequences. There is also a great concern over the effect the expansion plans will have to the historic and cultural sites in the area, including the Kahuku habitation area, the Kawela Bay and Kahuku Point archeological areas, the Punahoolapa Marsh, and the ahupua'a of Opana, Hana Ka'oe, and Kahuku. Moreover, several Native Hawaiian burials sites and remains have been found and relocated since the development of the original and existing Turtle Bay Resort, and more are expected to be discovered when project construction commences.

Your Committee finds that preserving and protecting historic and cultural sites is important for future generations to enjoy, visit, and learn from these sites. Thus, strongly encouraging project developers to conduct a comprehensive historic and cultural preservation assessment and maintaining a minimum shoreline set back of seven hundred fifty feet in the Ko'olauloa district will provide further assurances that the historic and cultural sites in the area are protected and preserved.

Although there was overwhelming testimony in support of this measure, your Committee recognizes that the development plans for the Turtle Bay Resort have already been approved and the project developer is currently in the process of obtaining or has already obtained the necessary permits to complete the expansion plans. Your Committee further recognizes the strong legal concerns presented by the Department of the Attorney General, especially with respect to the Department's indication that this measure appears to single out one development in the Ko'olauloa District. Your Committee further finds that the language in this measure appears to be project-driven and that specific language referencing the developer and the project should be deleted from the measure.

Your Committee strongly believes that historic and cultural sites need to be preserved and protected, especially unmarked Native Hawaiian burial sites and remains, which have been discovered or are yet to be discovered along Hawaii's shoreline areas. Although your Committee would like to expand the scope of this measure to include a statewide shoreline setback program, your Committee is prevented from doing so due to the specific title of this measure. Your Committee further believes, however, that shoreline setback measures, emphasizing the importance of historic and cultural preservation assessments, and the protection and preservation of historic and cultural sites with respect to commercial or residential development plans is an important issue, and strongly encourages further discussion on these issues as this measure progresses through the legislative process.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the references made to Oaktree Capital Management, LLC, and Turtle Bay Resorts to broaden the focus from the resort hotel area to the Ko'olauloa area;
- (2) Deleting the references made to Marconi Road and Kawela Stream to broaden the focus from that particular area to the Ko'olauloa area;
- (3) Inserting an effective date of July 1, 2050, to ensure further discussion on this issue; and
- (4) 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 Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 851, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 851, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 2 (Tokuda, Slom). Noes, none. Excused, 1 (Fukunaga).

SCRep. 731 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 938

The purpose of this measure is to encourage Native Hawaiian homestead beneficiaries to participate and engage in the development of their Hawaiian homestead community by amending the Hawaiian Homes Commission Act of 1920, as amended, to require the Department of Hawaiian Home Lands to consult with trust beneficiaries prior to implementing any project that includes commercial development on Hawaiian Home Lands Trust properties.

Testimony in support of this measure was submitted by the State Council of Hawaiian Homestead Associations, the Council for Native Hawaiian Advancement, the Waianae Kai Hawaiian Homestead Association, and three individuals. The Department of Hawaiian Home Lands submitted comments.

Commercial development can be an important tool in the administration of the Hawaiian Home Lands Trust. Prior beneficiary consultation of any potential commercial development plans on Hawaiian Home Lands will better serve the community that the Trust was intentionally created to serve. The Department of Hawaiian Home Lands has implemented regularly scheduled meetings with the trust beneficiaries. However, written testimony indicates that these meetings tend to concentrate on homestead land operational issues or are informational sessions without the opportunity for input from the homestead residents and beneficiaries. Thus, your Committee finds that requiring the Department of Hawaiian Home Lands to consult the beneficiaries prior to engaging in any plans for commercial development on Hawaiian Home Lands will provide an increased opportunity for beneficiaries to actively engage in building their community, and creating spaces and opportunities for their community to perpetuate the Native Hawaiian culture, and live and work within or in close proximity to the Hawaiian Home Lands.

Your Committee has amended this measure by:

- (1) Adding language that declares any amendments made to the Hawaiian Homes Commission Act of 1920 be severable; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to encourage Native Hawaiian homestead beneficiaries to participate and engage in the development of their Hawaiian homestead community.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 938, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 938, 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. 732 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1440

The purpose of this measure is to properly effectuate the purposes of the Hawaiian Homes Commission Act of 1920, as amended, by authorizing the Department of Hawaiian Home Lands to adopt administrative rules that will prescribe terms, conditions, and restrictions on the transfer of Hawaiian homestead leases.

Testimony in support of this measure was submitted by the Department of Hawaiian Home Lands and the State Council of Hawaiian Homestead Associations.

Section 208(5) of the Hawaiian Home Commission Act, 1920, as amended, describes the eligible class of Native Hawaiians to whom homestead lessees may transfer their lease interests. Hawaiian Home Land Trust beneficiaries and homestead residents have expressed numerous concerns regarding homestead lessees transferring their leases to other eligible beneficiaries for money. Your Committee finds that authorizing the Department of Hawaiian Home Lands to adopt administrative rules to establish lease conditions and restrictions will address this practice, and provide guidelines to prevent similar practices from occurring in the future. Your Committee further finds that beneficiary organizations and individuals should be afforded an opportunity to provide input in establishing an administrative framework of appropriate conditions or restrictions on homestead lease interest transfers.

Your Committee has amended this measure by adding language that declares that the amendments made by this measure to the Hawaiian Homes Commission Act of 1920 be severable.

Your Committee believes that this measure, as amended, will properly effectuate the purposes of the Hawaiian Homes Commission Act of 1920, as amended.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1440, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1440, 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. 733 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1639

The purpose of this measure is to preserve cultural and historic property and ensure the proper handling and treatment of historic burial sites by conforming the provisions relating to the treatment of inadvertently discovered Native Hawaiian burial sites to the treatment of previously discovered Native Hawaiian burial sites under chapter 6E, Hawaii Revised Statutes.

Specifically, this measure:

- (1) Amends sections 6E-43 and 6E-43.5, Hawaii Revised Statutes, to:
 - (A) Add inadvertently discovered Native Hawaiian burial sites for the appropriate Island Burial Council to determine whether preservation is warranted;
 - (B) Establish that the appropriate Island Burial Council will have ten days after referral by the Department of Land and Natural Resources to determine whether preservation is warranted of inadvertently discovered remains; and
 - (C) Delete references made to the Hawaiian organization, Hui Malama I Na Kupuna O Hawai'i Nei; and
- (2) Amends section 6E-43.6, Hawaii Revised Statutes, to:
 - (A) Extend the amount of time the Department of Land and Natural Resources and the appropriate medical examiner or coroner have to investigate and determine the proper treatment of multiple inadvertently discovered remains or the inadvertent discovery of a single skeleton; and
 - (B) Delete the provisions relating to the procedures and criteria established for the removal of inadvertently discovered remains.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, the Society for Hawaiian Archeology, the Ko'olauloa Hawaiian Civic Club, and two individuals. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

The provisions under chapter 6E, Hawaii Revised Statutes, relating to burial sites, provide equity in respect, reverence, and treatment for unmarked burial sites found outside the boundaries of demarcated, dedicated, or identifiable cemetery boundaries. Recent inadvertent discoveries of burial sites during construction projects on Oahu include, the Keeaumoku Street Walmart, the Ko'olani luxury condominium, and the Ward Villages project. Timely and appropriate treatment of the inadvertent discovery of unmarked burial sites is necessary to avoid delays for landowners and developers, and provide relief for descendants who express concerns over having their ancestors' remains exposed and their identities unresolved for weeks. Currently, the jurisdiction over inadvertently discovered Native Hawaiian burial sites is under the Department of Land and Natural Resources. Your Committee finds that transferring the jurisdiction of these burial sites to the appropriate Island Burial Councils will more efficiently facilitate the process for the identification and treatment of inadvertently discovered Native Hawaiian burial sites.

The Society for Hawaiian Archeology indicated its concern over the jurisdiction of inadvertently discovered burial sites that were determined to be non-Hawaiian burial sites. Furthermore, the Society was concerned about deleting the requirement that the removal of remains be overseen by a qualified archaeologist. Your Committee notes that a qualified archaeologist who is trained in the proper identification of skeletal remains, ensures that the removal of burial remains is complete, properly identified and documented, and treated properly.

Furthermore, the Department of Land and Natural Resources indicated its concern with the provision that allows the Island Burial Councils ten days after a referral by the Department to make a determination of whether preservation of an inadvertently discovered burial site is warranted. Your Committee notes that the Island Burial Councils currently meet once-a-month, and a ten-day timeframe may cause undue burden on the Burial Councils, which also consist of volunteer council members who will need to take time off over their fulltime employment to attend Burial Council meetings.

Lastly, your Committee notes that references made to the Hawaiian organization, Hui Malama I Na Kupuna O Hawai'i Nei have been deleted throughout this measure. In the State Auditor's Report titled, *Investigation of the Department of Land and Natural Resources' Process for Developing Recommended Candidate Lists for Appointment to the Island Burial Councils* that was submitted to the Governor and Legislature on December 2004, the Auditor indicated that the naming of Hui Malama I Na Kupuna O Hawai'i Nei was the only Hawaiian organization named in law under the burial site provisions under chapter 6E, Hawaii Revised Statutes. The Auditor raised a concern that naming a single Hawaiian organization in statute infers authority and places an official imprimatur on the organization's behavior and practices. Thus, your Committee further finds that a single organization should not be named in statute.

Accordingly, your Committee has amended this measure by:

- (1) Extending the amount of time the appropriate Island Burial Council has to make a determination of whether preservation of an inadvertently discovered burial site is warranted from ten days to fifteen days;
- (2) Adding language to section 6E-43(b), Hawaii Revised Statutes, that indicates that the Department of Land and Natural Resources will be responsible for determining the treatment of the previously identified or inadvertently discovered burial site, if the appropriate Island Burial Council determines that the burial site is a non-Hawaiian burial site;
- (3) Adding clarifying language that the previously identified or inadvertently discovered burial sites referred to under section 6E-43, Hawaii Revised Statutes, are Native Hawaiian burial sites;
- (4) Reinstating the provision relating to the procedures and criteria established for the removal of inadvertently discovered remains under section 6E-43.6, Hawaii Revised Statutes, and deleting within that provision the reference made to the Hawaiian organization, Hui Malama I Na Kupuna O Hawai'i Nei, in accordance with the December 2004 Auditor's Report; and
- (5) Making technical, nonsubstantive amendments for the purposes of consistency and style.

Your Committee believes that this measure, as amended, fulfills its intent, which is to preserve cultural and historic property and ensure the proper handling and treatment of historic burial sites.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1639, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1639, 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 (Fukunaga).

SCRep. 734 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1816

The purpose of this measure is to protect and preserve the Kohala Historical Sites State Monument in Kohala for future generations to experience and enjoy by requiring the Department of Land and Natural Resources to consult with the Kahuna Nui of the Mo'okini Heiau prior to engaging in any improvements or alterations to the monument.

Specifically, this measure amends section 6E-38.5, Hawaii Revised Statutes, to codify language in the land deed that directs the State to consult with the Kahuna Nui of the Mo'okini Heiau on all matters that pertain to the three historic sites within the Mo'okini Complex area.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources; the Office of Hawaiian Affairs; Mo'okini Luakini, Inc. (the Kahuna Nui of the Mo'okini Heiau); and one individual.

Three historical sites are part of the Mo'okini Complex at the Kohala Historical Sites State Monument and includes the Mo'okini Heiau, the Kamehameha Birthsite, and the Kukuipahu Heiau. According to the genealogical chant of the Kahuna Nui of the Mo'okini Heiau, it is estimated that the Heiau was constructed in 480 A.D. Moreover, the Heiau is an artifact from prehistoric Hawaii that reflects the culture and construction capabilities of the Native Hawaiians over one thousand five hundred years ago. The Kamehameha Birthsite is where Kamehameha the Great received his blessings and birthrights in 1758 on the night of his birth. Thus, the Mo'okini Complex is an irreplaceable historical site and a major part of the Kohala Historical Sites State Monument.

The lands of the Mo'okini Complex are approximately 2,915 acres and were donated to the State by the Kohala Corporation in 1978. Included in the deed is a provision that states, prior to making any alterations or improvements within the Mo'okini Complex lands, the State "shall consult with the Kahuna Nui of the Mo'okini Heiau. . ." Furthermore, the Kahuna Nui of the Mo'okini Heiau indicated to your Committee that there have been attempts to make the Mo'okini Complex area a paid tourist destination, and the Kahuna Nui is concerned that routine tour groups will desecrate the unspoiled and culturally sacred lands of the Heiau and its surrounding areas.

Thus, your Committee finds that codifying the language in the land deed that directs the State to consult with the Kahuna Nui of the Mo'okini Heiau on all matters pertaining to the Mo'okini Complex area will fulfill the intent of this measure, which is to protect and preserve the Mo'okini Complex in Kohala for future generations to experience and enjoy.

Your Committee has amended this measure by inserting the proper diacritical marks for Mo'okini.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1816, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1816, 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 (Fukunaga).

SCRep. 735 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Intergovernmental and Military Affairs on S.B. No. 1219

The purpose of this measure is to protect the State's agricultural lands and ensure the affordability of these lands for future agricultural production by providing a one-time opportunity for the counties to petition the Land Use Commission to reclassify agricultural district lands with preexisting residential uses to allow for these dwellings to be a permissible use.

Testimony in support of this measure was submitted by the Department of Agriculture and the Land Use Research Foundation of Hawaii. Testimony in opposition to this measure was submitted by the Office of Planning, the Office of Hawaiian Affairs, Hawaii's Thousand Friends, and two individuals.

Under section 205-2, Hawaii Revised Statutes, the Land Use Commission is authorized to classify all land in the State into four major land use districts, which include urban, rural, agricultural, and conservation districts. Land classified within an agricultural district ensures that the land will be used for agricultural purposes and preserves the longevity of Hawaii's agricultural industry. Farm dwellings, which are defined as a single-family dwelling located on and used in connection with a farm under section 205-4.5(4), Hawaii Revised Statutes, are considered a permissible use in an agricultural district.

Your Committees find that there are certain dwellings situated on designated agricultural districts that do not meet the definition of a farm dwelling. Some of these residences are situated on land classified as agricultural districts, but the land no longer has any relation to agriculture. Reclassifying the land to allow these preexisting dwellings to be considered a permissible use will ensure that these agricultural districts will remain for any future agricultural purposes.

Your Committees have amended this measure by:

- (1) Clarifying that those dwellings, which do not meet the criteria for farm dwellings must be in existence prior to January 1, 2000, for the counties to petition the Land Use Commission for land reclassification;
- (2) Changing the effective date from taking effect upon its approval to January 1, 2009, to allow ample time for the Land Use Commission to implement the provisions and designate important agricultural lands under chapter 205, part III, Hawaii Revised Statutes;
- (3) Changing the sunset date from January 1, 2009, to January 1, 2010, to allow the counties one year to petition the Land Use Commission for land reclassification relating to preexisting residential uses on agricultural districts; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees believe that this measure, as amended, fulfills its intent to protect the State's agricultural lands and ensure the affordability of these lands for future agricultural production.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1219, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1219, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

SCRep. 736 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Transportation and International Affairs on S.B. No. 768

The purpose of this measure is to increase effective enforcement of the laws and rules that protect and conserve the State's natural resources by designating Division of Conservation and Resources Enforcement vehicles as authorized emergency vehicles.

Specifically, this measure:

- (1) Amends section 291-31.5, Hawaii Revised Statutes, to allow Division of Conservation and Resources Enforcement vehicles to operate, affix, display, or possess a lamp, reflector, or illumination device that appears to be the color blue; and
- (2) Amends section 291C-1, Hawaii Revised Statutes, to include vehicles authorized pursuant to section 291-31.5, Hawaii Revised Statutes, under the definition for "authorized emergency vehicle."

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Department of Public Safety, the Nature Conservancy, and ten individuals. Testimony in opposition to this measure was submitted by the Police Department, City and County of Honolulu and one individual.

The Department of Land and Natural Resources Division of Conservation and Resources Enforcement officers need the proper equipment to allow them to more effectively enforce the laws and rules that protect and conserve the State's natural resources. Several Division of

Conservation and Resources Enforcement officers testified to your Committees that there have been numerous situations where Division Enforcement officers have been involved in risky or dangerous circumstances while investigating possible violations of or enforcing conservation laws and rules.

Your Committees find that blue lights affixed to Division of Conservation and Resources Enforcement vehicles act as a deterrent when used during conspicuous patrols in state parks, hunting areas, forests, harbors, coastal areas, and other public recreational areas. The blue light is immediately identifiable as a color of authority, particularly during the night or during adverse weather conditions, and can enhance the Division's ability to respond to natural or manmade disasters, search and rescue, and wild land fires.

The Honolulu Police Department had concerns about the display of blue lights on vehicles from agencies other than police vehicles because of the public's association of blue lights with police vehicles. Your Committees note the suggestion made by the Honolulu Police Department to authorize the use of blue lights on Division of Conservation and Resources Enforcement vehicles only in a combination of blue and red to set these vehicles apart from Honolulu Police Department and other county police department vehicles.

Your Committees are also concerned that the language in this measure under section 1 may imply that the Chairperson of the Board of Land and Natural Resources may be able to authorize other Department vehicles to use and display blue lights other than Division of Conservation and Resources Enforcement vehicles. Thus, your Committees believe that the language needs to be amended to only apply to Division of Conservation and Resources Enforcement vehicles.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the language under section 1 and replacing it with language that creates a new section under chapter 291, Hawaii Revised Statutes, which allows only the Division of Conservation and Resources Enforcement to affix and display a lamp, reflector, or illumination device that appears to be the colors blue and red; and
- (2) Deleting the reference to section 291-31.5, Hawaii Revised Statutes, under the definition for "authorized emergency vehicle" and replacing it with a reference to the new section under chapter 291, Hawaii Revised Statutes, in section 1 of this measure.

Your Committees believe that this measure, as amended, fulfills the intent of this measure, which is to increase effective enforcement of the laws and rules that protect and conserve the State's natural resources.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 768, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 768, 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 (Hooser, Taniguchi, Tsutsui).

SCRep. 737 Education on S.B. No. 98

The purpose of this measure is to repeal the transfer of public health nurses who supervise school health aides from the Department of Health to the Department of Education.

This measure also repeals the School Health Services Program from chapter 321, Hawaii Revised Statutes, and establishes a new program under the Department of Education, chapter 302A, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Department of Education, the Department of Health, and sixteen individuals. Testimony in opposition of this measure was submitted by the Hawaii Government Employees Association and four individuals.

Your Committee finds that pursuant to Act 51, Session Laws of Hawaii 2004, as amended, the Department of Education was established as a separate jurisdiction within the State. Accordingly, the transfer of authority and personnel to the Department of Education, which included Public Health Nurse and School Health Aide positions from the Department of Health, was accomplished. Your Committee understands that the aforementioned transfer was intended to provide a coordinated school health services program within the Department of Education; however, concerns have arisen regarding problems associated with the transfer of Public Health Nurse positions, as well as the security of existing School Health Aide positions upon transfer to the Department of Education.

Your Committee further finds that the Departments of Health and Education have executed a Memorandum of Understanding that will allow Public Health Nurses who supervise School Health Aides to remain within the Department of Health while providing clinical supervision to the Department of Education's School Health Aides. Your Committee believes that maintaining the status quo with regard to the Public Health Nurse positions will provide a more efficient use of personnel and resources.

However, under the weighted student formula, the concern exists as to whether all existing School Health Aide positions will survive. Your Committee finds that these employees are concerned for their livelihood and the situation does not reveal what will ultimately happen to each of these employees. Therefore, your Committee determines that this measure should provide a means by which School Health Aides can be trained and educated to serve in other positions within the Department of Education, if necessary and appropriate.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Department of Education to provide career pathways development and training opportunities for School Health Aides in the School Health Services field and other fields within the Department of Education to ensure the opportunity for continued employment with the Department of Education; and
- (2) Making technical, nonsubstantive changes for purposes of clarity and to reflect preferred drafting 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. 98, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 98, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 6. Ayes with Reservations, 1 (Taniguchi). Noes, none. Excused, 1 (Hee).

SCRep. 738 Ways and Means on S.B. No. 1837

The purpose of this measure is to establish certain requirements concerning condominium property management agreements.

Comments in support of this measure were submitted by the Hawaii Independent Condominium & Cooperative Owners. Marriott International, Inc. submitted comments opposing section 3 of the measure.

Your Committee finds that property management companies have an advantage over condominium associations because the property management companies dictate when property management agreements can be terminated. Property management companies require provisions in bylaws that remove authority to terminate the agreement from the board and require a qualified majority of unit owners to do so. Based on practical experience and the lack of statutory regulation, it is very difficult to terminate a property management agreement. In addition, your Committee finds that there is confusion about the extent of the definition of "unit owner" in terms of serving on the board, who can be charged for assisted living services, and specific rights of owners to participate in board meetings.

This measure resolves those issues by adding a statute governing property management agreements that requires the agreements to be in writing and the board's right to terminate the agreement. The bill clarifies the definition of unit owner by specifically excluding a time share owner, provides that only owners who actually receive assisted living services can be charged for the services, and reemphasizes an owner's right regarding board meetings.

As affirmed by the record of votes of the members 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. 1837, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 739 Ways and Means on S.B. No. 1717

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist public utilities with capital improvement projects for the benefit of the public health, safety, and general welfare.

Your Committee received comments in support of this measure from the Hawaiian Electric Company, Inc.

Your Committee finds that the proceeds of the sale of the special purpose revenue bonds authorized by this measure will be used for the construction of facilities that will benefit ninety-five per cent of Hawaii's population. This type of financing will be less expensive than other types of financing and will result in lower rates than other types of financing used to fund utility capital improvement projects.

As affirmed by the record of votes of the members 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. 1717, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 740 Ways and Means on S.B. No. 1409

The purpose of this measure is to set an annual maximum aggregate tax of \$200,000 on gross premiums to be paid by a captive insurance company.

Your Committee received comments from the Department of Commerce and Consumer Affairs, State Insurance Commissioner, in support of this measure. Your Committee also received comments on this measure from the Tax Foundation of Hawaii.

Your Committee notes that presently the annual premium tax paid by Hawaii captive insurance companies is based on a percentage of the total amount of premiums that are written. Putting a maximum cap on the annual premium taxes paid to the State will encourage more insurance companies to conduct more business in the State through Hawaii captive insurance companies.

As affirmed by the record of votes of the members 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. 1409 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 741 Ways and Means on S.B. No. 1848

The purpose of this measure is to provide additional funding to support public, educational, and governmental access channels of cable television in underserved areas of the State.

More specifically, the measure authorizes the Director of Commerce and Consumer Affairs to use moneys in the compliance resolution fund, after the operational expenses for the administration of cable television are met. Additionally, the measure clarifies that annual fees paid by cable operators may be used to support public, educational, or governmental access facilities, equipment, and operations for underserved areas.

The Department of Commerce and Consumer Affairs submitted comments on the measure.

Your Committee finds that, in 2003, the Department of Commerce and Consumer Affairs conducted a number of public meetings throughout the State relating to public, educational, and governmental access channels on cable television. The public comments identified a number of areas underserved by these required access channels. However, your Committee further finds that there are already uses planned for these compliance resolution funds to enhance the Institutional Network, which allows Hawaii state government and education to serve the public statewide. While acknowledging value of PEG access in underserved areas, the Committee recognizes that continued expansion of the Institutional Network is of critical importance to the entire State of Hawaii.

Accordingly, upon further consideration, your Committee has amended this bill to:

- (1) Clarify that the Department of Commerce and Consumer Affairs's use of moneys from the compliance resolution funds shall not negatively impact the development of the institutional network; and
- (2) Make 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. 1848, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1848, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 742 Ways and Means on S.B. No. 1402

The purpose of this measure is to appropriate funds out of the loss mitigation grant fund for the loss mitigation grant program.

Your Committee received supporting comments from the Department of Commerce and Consumer Affairs and the Hawaii Lumber Products Association. The Department of Defense deferred to the Department of Commerce and Consumer Affairs for comment and recommendations.

Your Committee finds that Act 5, Special Session, Session Laws of Hawaii 2005 appropriated \$2,000,000 for the loss mitigation grant program to provide grants for the installation of wind resistive devices for dwellings. The funds, however, have since lapsed due to the time consuming development of technical standards and program guidelines needed to administer the program.

This measure re-appropriates the lapsed funds under Act 5 to allow the grants to be awarded as intended under the loss mitigation grant program.

Your Committee has amended the measure by changing the appropriation to an unspecified 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. 1402, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1402, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 743 Ways and Means on S.B. No. 1934

The purpose of this measure is to require the Department of Taxation to allow an individual taxpayer to request that the taxpayer's refund be electronically deposited into more than one account at financial institutions.

Your Committee received written comments in support of this measure from the Hawai'i Alliance for Community-Based Economic Development and 3Point. Written comments in opposition was submitted by the Department of Taxation. Written comments were submitted from the Tax Foundation of Hawaii.

Your Committee finds that for many people, particularly lower income taxpayers, a tax refund is the only substantial amount of "discretionary" income they may receive in a year. Your Committee has heard of individuals who use the tax refund to pay down debt, access a mortgage assistance program, and make tuition payments – expenses that would not be "affordable" otherwise.

Income splitting is a standard asset management tool for the wealthy, allowing a person to split assets into separate pools for spending and for saving. This measure would provide a similar opportunity for a Hawaii taxpayer, without regard to income level, to split the financial asset that the tax refund represents.

Your Committee notes that both the federal government and California allow an individual's tax refund to be electronically deposited in more than one financial account. It is the intent of this measure to provide Hawaii residents with refund splitting options comparable to that provided by the federal government, which allows the refund to be split into a maximum of three accounts. Electronic deposit into separate financial accounts ensures that the refund is more likely to be reserved for extraordinary expenses.

As affirmed by the record of votes of the members 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. 1934, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 744 Ways and Means on S.B. No. 711

The purpose of this measure is to establish a ten-year statute of limitations on tax collections, and to clarify that the three-year statute of limitations on tax assessments for the general excise tax, use tax, and other period taxes begins at the filing of each periodic return.

Your Committee received written comments in support of this measure from The Hawaii Chamber of Commerce of Hawaii, Hawaii Society of Certified Public Accountants, and two individuals. Comments were received from the Tax Foundation of Hawaii. Written comments opposing this measure was submitted by the Department of Taxation.

Your Committee finds that under existing law, Hawaii has no statute of limitations on the collection of delinquent taxes, unlike the federal government, which has a ten-year statute of limitations.

With regard to the three-year statute of limitations on assessment of periodic returns, your Committee finds that the existing law is confusing, and leaves law abiding taxpayers vulnerable to misinterpretation of their responsibilities in filing. Your Committee believes clarification would be in the best interests of both taxpayers and the State in its efforts to administer Hawaii tax law in a judicious and efficient manner. The provisions in this measure will provide needed conformity with federal tax law, as well as ensure clarity for Hawaii taxpayers in meeting their tax obligations in a timely manner.

As affirmed by the record of votes of the members 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 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Fukunaga, Menor, Hemmings).

SCRep. 745 Ways and Means on S.B. No. 896

The purpose of this measure is to support the operations and programs of a state-operated technology incubator and innovation center in the Kakaako district of downtown Honolulu.

More specifically, this measure authorizes the High Technology Development Corporation to negotiate a lease agreement and guaranty for a period of ten years for approximately ninety-nine thousand square feet of laboratory and office space in a life sciences research complex in Kakaako. This measure also appropriates unspecified amounts for fiscal year 2007-2008 and fiscal year 2008-2009 for this purpose.

Your Committee received comments in support of this measure from the Department of Business, Economic Development, and Tourism, the High Technology Development Corporation, the Hawaii Community Development Authority, the University of Hawaii John A. Burns School of Medicine, the University of Hawaii Office of Technology Transfer and Economic Development, Ambient Micro, LLC, Applied Marine Solutions, Cardax Pharmaceuticals, Geo-Recovery Hawaii, Inc., Hawaii Science and Technology Council, Honolulu Seawater Air Conditioning, LLC, Kamehameha Schools, KUD International and Phase 3 Properties, Kuehnle AgroSystems, LLC, National Defense Center of Excellence for Research in Ocean Studies, Neptune Technologies, Inc., The Pacific Resource Partnership, Pacific Sun Energy Corporation, Quantum Leap Interactive, 21st Century Systems, Inc., and three private citizens. The Economic Development Alliance of Hawaii submitted comments.

Your Committee finds that there is a shortage of incubator and specialized laboratory space, particularly near the medical school, and that there is widespread support for the state-of-the-art facilities that would be provided through this measure. It is the intent of your Committee to continue legislative discussions 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. 896, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 746 Ways and Means on S.B. No. 1688

The purpose of this measure is to assist small, innovative dual use high technology companies to accelerate vital technology development and commercialization in Hawaii.

Specifically, this measure establishes a research and development follow-on funding program for Hawaii-based small businesses that received federal funding through the Hawaii Technology Development Venture or the National Defense Center of Excellence for Research in Ocean Sciences and appropriates an unspecified amount to the Hawaii Strategic Development Corporation, which is to administer the program. The specific allocations of moneys in the funding program for the Hawaii Technology Development Venture and the National Defense Center of Excellence for Research in Ocean Sciences for fiscal years 2007-2008 and 2008-2009 are also unspecified.

Your Committee received comments in support of this measure from National Defense Center of Excellence for Research In Ocean Sciences, Applied Marine Solutions, Oceanic Imaging Consultants, Inc., Ambient Micro, LLC, Technical Research Associates, Inc., Oceanit, Pipeline Communications and Technology, Inc., BDI maritime, Enterprise Honolulu, and numerous individuals. The Department of Business, Economic Development and Tourism, and the Hawaii Strategic Development Corporation offered comments.

Your Committee believes that establishing the research and development follow-on funding program is an important step in assisting these small, innovative, dual use technology companies in Hawaii to succeed and diversify the State's 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. 1688, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 747 Economic Development and Taxation on S.B. No. 870

The purpose of this measure is to establish and designate an archaeological data survey as an on-line database program of the State of Hawaii Museum of Natural and Cultural History.

Testimony in support of this measure was received from Bishop Museum. The Department of Land and Natural Resources, Office of Hawaiian Affairs, and Society for Hawaiian Archaeology submitted comments.

Your Committee finds that there is a wealth of archaeological material in Hawaii that could be made available on-line for the benefit of both cultural specialists and the general public. Your Committee has heard a number of concerns raised, however, regarding sources of data for the on-line database, access and confidentiality issues, and possible duplication of services.

Your Committee further finds that addressing the concerns before establishment of an on-line database is critical to its success. To this end, your Committee requested the parties involved to discuss and recommend amendments, which would resolve most, if not all the concerns. Your Committee thanks the organizations involved for doing so in a timely manner.

Your Committee notes that this measure, as amended, will focus first on data held by Bishop Museum for the on-line database. In essence, this will function somewhat as a "pilot project" and allow the database to be developed, evaluated, and refined by Bishop Museum before additional agencies and organizations contribute data.

Your Committee has amended this measure accordingly, by:

- (1) Specifying the types of materials to be included in the on-line database, beginning with the collections of Bishop Museum;
- (2) Authorizing the museum, in consultation with the Office of Hawaiian Affairs, to withhold from the database, either temporarily or permanently, information that may pose a threat to the protection of valuable archaeological sites and artifacts;
- (3) Making a technical amendment for the purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 870, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 870, 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 (Ige).

SCRep. 748 Ways and Means on S.B. No. 1315

The purpose of this measure is to:

- (1) Make the Access Hawaii Committee permanent; and
- (2) Authorize the committee to provide oversight of the State's internet portal manager.

The Department of Commerce and Consumer Affairs, High Tech Development Corporation, and the State Procurement Office submitted comments in support. The Judiciary and the Office of Information Practices submitted comments.

Your Committee finds that the Internet plays an integral role in the government's responsibility to provide accessibility of government information and availability of its resources to the general public.

Your Committee recognizes the importance of a governing body to oversee the State's portal manager and its contractor to help ensure that the State's resources are utilized efficiently and effectively.

Your Committee has amended this measure by:

- (1) Requiring the committee to submit an annual report to the Governor and the Legislature; 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. 1315, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1315, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 749 Ways and Means on S.B. No. 880

The purpose of this measure is to fund a temporary committee to establish the museum of Hawaiian music and dance. This measure provides the criteria to determine the appropriate type of institution that should be established, its location, and possible financing mechanisms, and requires an initial business plan for the museum of Hawaiian music and dance.

The Department of Business, Economic Development, and Tourism and the State Foundation on Culture and the Arts submitted comments in support. The Hawaii Tourism Authority and the Office of Hawaiian Affairs submitted comments.

Your Committee finds that a museum of Hawaiian music and dance would preserve and perpetuate the Hawaiian culture, as well as promote appreciation for various art forms for present and future generations. The committee would report its findings and recommendations to the Legislature before the 2008 regular session.

Your Committee has amended this bill by changing the effective date of the measure to July 1, 2007.

As affirmed by the record of votes of the members 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, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 880, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 750 Ways and Means on S.B. No. 148

The purpose of this measure is to satisfy the Hawaii State constitutional mandate requiring taxpayers to receive a tax credit or refund when the balance of the state general fund exceeds five per cent of general revenues for each of two successive fiscal years.

The measure accomplishes this purpose by providing a tax credit for each resident individual taxpayer, who files an individual income tax return for the taxable year 2007, and who is not claimed or is not eligible to be claimed as a dependent by another.

Your Committee received written comments in support of this measure from the Department of Taxation. The Tax Foundation of Hawaii submitted written comments on this measure.

Your Committee finds that providing a tax credit, as opposed to a refund, is the most efficient mechanism for satisfying the mandate of article VII, section 6 of the Constitution of the State of Hawaii.

Your Committee amended this measure by making technical, nonsubstantive changes for the 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. 148, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 148, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 751 Ways and Means on S.B. No. 1882

The purpose of this measure is to establish a food income tax credit in an unspecified amount.

Written comments supporting the intent of this measure were submitted by the Department of Taxation. Written comments on this measure were submitted by the Tax Foundation of Hawaii.

Your Committee finds that a food income tax credit should be established. However, proposals to exempt such transactions from the general excise tax should be weighed carefully. To this end, your Committee supports continued discussion on this issue.

Your Committee has amended this measure by making technical amendments 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. 1882, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1882, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 752 Ways and Means on S.B. No. 100

The purpose of this measure is to help increase the number of licensed teachers in Hawaii by making it easier for the Hawaii Teacher Standards Board's to perform its duties efficiently.

More specifically, the measure:

- (1) Authorizes the Board to suspend its policies, rules, and standards in extenuating circumstances; and
- (2) Enables the Board to amend certain fees and charges related to the performance of its duties.

The Department of Education and the University of Hawaii submitted comments in support of this measure. The Hawaii Teachers Standards Board offered comments.

Your Committee finds that an independent governing body like the Hawaii Teachers Standards Board needs flexibility in its operations to license more than 12,000 teachers in the State, particularly with accommodating extenuating circumstances.

Your Committee further finds that this measure will enable the Board to act reasonably and responsibly when questions of license equivalence and revocation are considered.

As affirmed by the record of votes of the members 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. 100, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 753 Ways and Means on S.B. No. 1214

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Le Jardin Academy.

Your Committee received comments in support of this measure from the Le Jardin Academy and the Hawaii Association of Independent Schools.

Your Committee finds that this measure will assist Le Jardin Academy with financing and refinancing the construction, improvement, and equipping of its educational facilities. Le Jardin Academy intends to construct a new administrative building and new classrooms that will include science laboratories to be used by both middle and high school students. A gymnasium and an arts center will also be constructed to benefit all students in pre-kindergarten through grade twelve.

As affirmed by the record of votes of the members 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. 1214 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 754 Ways and Means on S.B. No. 603

The purpose of this measure is to improve the public charter school system by clarifying the functions, duties, and roles of the charter school review panel and the Board of Education in the administration and operations of charter schools in the State.

Comments in support of this measure were submitted by the Hawaii Charter Schools Network, West Hawai'i Explorations Academy, Innovations Public Charter School, Halau Ku Mana Public Charter School, students and alumni of charter schools, and private citizens. The University of Hawaii College of Education and the Ho'okako'o Corporation supported the intent of this measure.

Comments in opposition to this measure were received from the Board of Education. The Kamehameha Schools offered comments on this measure.

Your Committee finds the charter schools provide choices for parents and students within the public school system while maintaining a system of accountability for student achievement. Charter schools encourage resourcefulness and develop innovative approaches to educational governance, financing, curricula, and teaching strategies.

This measure strengthens the charter schools system by:

- (1) Allowing a member of a public employees' collective bargaining unit to serve on the charter school review panel (Panel);
- (2) Providing that the Board of Education shall appoint members of the Panel; and providing that the Panel oversees and monitors charter schools, review, approve, or deny significant amendments to detailed implementation plans, review self-evaluation reports, and place charter schools on probation or revoke their charters;
- (3) Allowing local school boards to enter into long-term lease agreements;
- (4) Providing that the Panel shall be accountable to the charter schools and the general public, and increasing the number of members on the Panel;
- (5) Shifting funding for the Panel from the Board of Education to the charter school administrative office;
- (6) Authorizing the establishment of agency-sponsored charter schools and conversion charter schools;
- (7) Providing that the Executive Director shall be hired and may be terminated by the Panel, rather than the Board of Education;

- (8) Increasing the per-pupil allocations for charter schools and including an allocation for start-up charter schools to offset facility, infrastructure, and repair and maintenance costs; and
- (9) Providing an unspecified appropriation.

Your Committee has amended this measure by:

- (1) Removing changes that authorize the establishment of agency-sponsored charter schools and conversion charter schools;
- (2) Retaining the Board of Education's authority to establish the application process for charter schools;
- (3) Changing the effective date of the appropriation section to reflect the start of the fiscal year; and
- (4) 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. 603, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 603, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 755 Ways and Means on S.B. No. 683

The purpose of this measure is to increase the financial support provided to families of underrepresented college student populations by the Running Start Program.

Specifically, this measure allows high school students in the Program to earn college credit for courses one hundred level and above and satisfy their high school graduation requirements. Moneys for the program will be appropriated out of the University of Hawaii scholarship and special assistance fund.

Comments in support of this measure were submitted by the University of Hawaii.

Your Committee finds that the Running Start Program, a joint program of the Department of Education and the University of Hawaii, helps to prepare high school students for college. Eligible high school students may enroll in qualified college-level courses and earn credits for high school graduation and college simultaneously. Running Start provides many students with the motivation, preparation, and opportunity to explore and pursue post-secondary education, which would otherwise be unavailable or unaffordable. Your Committee believes that additional funding is necessary to allow the Running Start Program to keep pace with increased participation in the program and interest in college entry.

Your Committee has amended this measure by:

- (1) Replacing the appropriations with unspecified blank amounts to facilitate further discussion; 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. 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, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 756 Ways and Means on S.B. No. 620

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Hawaii Preparatory Academy.

Your Committee received comments strongly supporting this measure from Hawaii Preparatory Academy and the Hawaii Association of Independent Schools.

Your Committee finds that the special purpose revenue bonds issued pursuant to this measure will allow the Hawaii Preparatory Academy to make substantial capital improvements to its lower and middle school facilities and its upper school dormitories to benefit the student body and the community at large.

Your Committee has amended the measure 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 620, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 620, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 757 Ways and Means on S.B. No. 227

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Hanalani Schools.

Your Committee received comments supporting the measure from Hanalani Schools and the Hawaii Association of Independent Schools.

Your Committee finds that this measure will allow Hanalani Schools to construct three buildings, renovate and upgrade their facilities, and consolidate existing loans. Fund will be used to build an art center to display paintings, drawings, ceramics, textiles, and video productions, an early childhood facility to accommodate the needs of early childhood education, and a faculty housing project:

Your Committee has amended the measure by:

- (1) Adding language as a new section 4 to the bill that will allow for the pooling of bond issues and renumbering the remaining sections accordingly; and

(2) Amending the measure by making 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. 227, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 227, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 758 Energy and Environment on S.B. No. 1462

The purpose of this measure is to repeal the law that requires persons to obtain a permit to transport petroleum contaminated soil.

Your Committee received testimony in support of this measure from the Department of Health (DOH). Comments were received from two individuals.

Your Committee finds that the DOH has seen a significant decrease in the number of releases and cleanups of petroleum contaminated soil. Since federal law required the cleanup of petroleum contaminated soil caused by underground storage tanks by 1998, there has been a dramatic decline in incidences of transportation of contaminated soil, particularly to remediation sites. Your Committee notes that the DOH has increased its oversight on the proper management and disposal of petroleum contaminated soil at both the site of generation and the site of disposal.

Therefore, the intent of this measure is to eliminate redundancy in the State's environmental protection law without threat to the public health, safety, and welfare.

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. 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, 5. Noes, none. Excused, none.

SCRep. 759 Energy and Environment on S.B. No. 992

The purpose of this measure is to require the Department of Business, Economic Development, and Tourism (DBEDT) to post on the department's website, a current list of applications for permits and licenses for hydroelectric projects in and around Hawaii waters.

Your Committee received testimony in support of this measure from DBEDT, World Business Academy, Honolulu Seawater Air Conditioning, LLC, and two individuals.

Under title 16, United States Code, section 797(f), the Federal Energy Regulatory Commission is required to provide notice of any preliminary permit applications for hydroelectric projects to any state or municipality likely to be affected by the application, and to publish notice once each week for four weeks in a daily or weekly newspaper published in any county the project is likely to affect. A preliminary permit is for the sole purpose of maintaining priority of application for a license and can last for up to three years (title 16, United States Code, section 798).

Your Committee finds that applications for development-related permits generally come to the public's attention by word-of-mouth. The intent of this measure is to provide additional public notice of the intent to develop renewable energy projects.

Your Committee has amended this measure 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 Energy and Environment 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 760 (Joint/Majority) Energy and Environment and Economic Development and Taxation on S.B. No. 1793

The purpose of this measure is to clarify the method of selection of members of the Board of Directors (Board) of the Natural Energy Laboratory of Hawaii Authority (NELHA).

Specifically, this measure would:

- (1) Increase from eleven to thirteen, the number of members on the Board; and
- (2) Increase from three to five, the number of public members, with two of them selected from tenants of NELHA and three from the general public;

Your Committees received testimony in support of this measure from Kona Bay Marine Resources, Cyanotech, High Health Aquaculture Inc., and Hawaii Aquaculture Association. The State Attorney General and NELHA submitted comments.

Your Committees find that the tenants of NELHA provide much of the revenue necessary for the operation of NELHA facilities. NELHA tenants could therefore provide useful insight in Board decisions.

However, your Committees are concerned with the potential conflict of interest that may occur when adding tenants to the NELHA Board, particularly in situations where the Board is considering lease rent or water rate issues that directly impact tenants. Allowing tenant Board members to vote on such matters would create unnecessary ethical concerns that may detract from the Board's ability to operate efficiently.

In light of this concern, your Committees have amended this measure by:

- (1) Recusing the tenant members from voting on lease rent or water rate issues, to avoid conflicts of interest; and
- (2) Requiring a super majority vote of seven members to make decisions on lease rent or water rate issues, in recognition of the importance of these issues to the tenants.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development and Taxation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1793, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1793, 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 (Trimble). Excused, 1 (Ige).

SCRep. 761 Ways and Means on S.B. No. 1222

The purpose of this measure is to clarify that, to obtain the State income tax energy tax credit, all energy technology systems must be installed and placed in service in the State of Hawaii.

Written comments in support of this measure was submitted by the Department of Taxation. Plug Power Inc. and the Tax Foundation of Hawaii submitted written comments.

Your Committee amended this measure by changing the effective date so that the measure will apply prospectively, rather than retroactively to taxable years beginning after December 31, 2006.

As affirmed by the record of votes of the members 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. 1222, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1222, S.D. 3.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 762 Ways and Means on S.B. No. 1720

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Jacoby Development, Inc., with the planning, designing, constructing, and equipping of, and the acquisition of lands for, a plasma municipal solid waste processing system on the island of Oahu.

Your Committee received comments in support of this measure from the Nanakuli Hawaiian Homestead Community Association and Geoplasma, LLC, and a private citizen. The Natural Energy Laboratory of Hawaii submitted comments.

Your Committee finds that disposal of municipal solid waste continues to be a problem with no single solution. While much of Oahu's waste is turned into electrical energy at the island's waste-to-energy plant, a large amount of waste and ash residue still goes into the Waimanalo Gulch landfill or the landfill in Nanakuli. Plasma arc technology can convert municipal solid waste into electricity and chemically and biologically inert slag that can be used in, for example, paving materials.

Your Committee has amended this measure by changing the effective date to July 1, 2070, to facilitate further discussion 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 S.B. No. 1720, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1720, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Ayes with Reservations, 3 (English, Hooser, Tokuda). Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 763 Ways and Means on S.B. No. 153

The purpose of this measure is to appropriate moneys to the Department of Health to assess the structural integrity of all hospitals and nursing homes in Hawaii to determine their ability to withstand different types of natural disasters.

The Healthcare Association of Hawaii submitted comments in support of this measure. The Department of Defense, Hawaii Coalition of Care Home Administrators, and the Structural Engineers Association of Hawaii submitted comments.

Your Committee finds there is concern about whether nursing home facilities in the State are designed to withstand a major natural disaster. Because shelter capacity in the State is not sufficient to absorb a full evacuation of these facilities, it would be advisable for these facilities to have the capability to "shelter-in-place" their residents. To do this, however, the facilities need to be designed and constructed to withstand severe natural disasters and shelter their occupants. Although hospitals are generally more prepared for emergencies, they, too, deserve an evaluation of their ability to withstand a natural disaster. Accordingly, it is your Committee's intent to require the Department of Health to assess the structural integrity of nursing homes and hospitals 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. 153, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Whalen).

SCRep. 764 Ways and Means on S.B. No. 1457

The purpose of this measure is to make an emergency general fund appropriation to the Department of Health for the State's obligations under the federal Medicaid title XIX programs.

Your Committee received comments in support of this measure from the State Council on Developmental Disabilities and Easter Seals. The Department of Health submitted comments.

Your Committee finds that emergency funding is needed to support current clients and to reasonably admit individuals into the program in order to fulfill court-ordered obligations.

Your Committee has amended this measure by specifying an appropriation figure of \$4,980,523 and by clarifying the language relating to the exceeding of the general fund expenditure ceiling.

As affirmed by the record of votes of the members 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. 1457, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1457, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 765 Ways and Means on S.B. No. 952

The purpose of this measure is to enable Kahuku Hospital to remain in operation and continue to serve the residents and visitors of the north shore of Oahu.

Specifically, this measure authorizes the Hawaii Health Systems Corporation to acquire Kahuku Hospital. Under this measure:

- (1) None of the liabilities of Kahuku Hospital will become liabilities of the Hawaii Health Systems Corporation;
- (2) The Hawaii Health Systems Corporation, at its discretion, may retain any or all medical and nonmedical employees of Kahuku Hospital and may adjust the levels of services provided by Kahuku hospital; and
- (3) Kahuku hospital shall be exempt from the public agency meetings and records law, the concessions on public property law, and the law requiring tax clearances for contractors.

This measure also makes appropriation of an unspecified amount.

Your Committee received comments in support of this measure from the Oahu Regional CEO of the Hawaii Health Systems Corporation, Healthcare Association of Hawaii, UPW, Hawaii Reserves, Inc., and twenty-nine individuals. The Department of Health and the Office of Information Practices offered comments.

Your Committee finds that this measure will enable Kahuku Hospital to continue its operations; preserve its hospital license; retain its certificate of need and critical access hospital designation; reorganize; and settle its debts.

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

- (1) Adding a subsection (f) to the new section 323F- , Hawaii Revised Statutes, to exempt the purchases of goods and services by, or on behalf of, Kahuku hospital (chapter 103D, Hawaii Revised Statutes);
- (2) Clarifying that Kahuku Hospital is exempt from only part I of chapter 92, Hawaii Revised Statutes, relating to meetings, and not from the entire chapter; and
- (3) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 952, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 952, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Whalen).

SCRep. 766 Ways and Means on S.B. No. 1282

The purpose of this measure is to address the critical shortage of mobile intensive care technicians and paramedics in Hawaii by:

- (1) Establishing the emergency medical technician training stipend program; and
- (2) Appropriating \$300,000 for stipends for ten students to attend a state-qualified mobile intensive care technician program.

Comments in support of the measure were received from American Medical Response, Kauai County Subarea Health Planning Council, a Maui EMS Advisory Committee facilitator, and eight concerned individuals.

Your Committee finds that the critical shortage of mobile intensive care technicians and paramedics will be even more acute, as an estimated two hundred fifty workers will be needed to fully staff Hawaii's emergency medical system in the next five years.

Your Committee further finds that the lack of training and training resources is especially critical on the neighbor islands.

Your Committee has amended this measure by changing the amount appropriated to an unspecified sum 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. 1282, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1282, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 767 Ways and Means on S.B. No. 1481

The purpose of this measure is to establish and fund a pilot program for screening, brief intervention, and referral to substance abuse treatment facilities for people who suffer injuries or trauma resulting from the use of alcohol or illegal substances.

Your Committee received comments in support of the bill from the Lieutenant Governor, the Department of Health, the University of Hawaii at Manoa John A. Burns school of medicine, Mothers Against Drunk Driving, and one private citizen.

Your Committee finds that medical personnel in emergency rooms often encounter people who have sustained injuries or trauma from the abuse of alcohol or illegal substances. At this time, there is no program established that properly seizes these opportunities to help the people who were injured.

Your Committee believes that it would benefit the injured people to receive screening, brief intervention, education, and, if necessary, a referral to an appropriate care or treatment facility as part of an emergency room visit.

Your Committee finds that establishing a pilot project, as recommended by the United States Department of Health and Human Services and as implemented in various other states, would be the most preferable way to address these issues. Your Committee further finds that similar programs are evidence-based, cost-effective, and have shown significant success in treating alcohol and illegal substances abusers receiving the services.

Your Committee amended the bill to:

- (1) Limit the initial duration of the pilot program to two years;
- (2) Clarify that the University of Hawaii at Manoa John A. Burns School of Medicine will establish and administer the pilot program;
- (3) Require the administering agency to submit a report to the Legislature and to make recommendations, including whether to continue the pilot program after the initial two-year period; and
- (4) Make technical nonsubstantive changes for purposes of clarity, style, 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. 1481, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1481, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 768 Ways and Means on S.B. No. 51

The purpose of this measure is to ensure the health, safety, and welfare of individuals in the State who require the services of home care agencies.

Specifically, this measure requires the Department of Health to license home care agencies by adopting rules. This measure defines “home care agencies” and “home care services”. The measure is repealed on June 30, 2009.

Your Committee received comments in support of this measure from the Healthcare Association of Hawaii and Wilson Homecare.

Your Committee finds that the Department of Health should be given an opportunity to regulate home care agencies through licensing. However, the repeal of this measure in 2009 will not provide enough time for rules to be adopted and for the effects of the licensing program to be properly reviewed.

Accordingly, your Committee has amended this measure by changing the repeal date to June 30, 2012 in order to afford the Department of Health sufficient time to adopt rules and to properly review its actions. 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 S.B. No. 51, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 51, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (English, Menor, Whalen).

SCRep. 769 Ways and Means on S.B. No. 971

The purpose of this measure is to extend the sunset date for special purpose revenue bonds issued to the Queen’s Health Systems.

Your Committee received comments in support of this measure from the Queen’s Medical Center and Healthcare Association of Hawaii.

This measure extends from June 30, 2008 to June 30, 2013, the authorization to issue special purpose revenue bonds that will finance the costs of construction, improvements, and equipment of health care facilities and enhance patient care by providing high quality health care services to the people of Hawaii.

Your Committee finds that section 39A-37, Hawaii Revised Statutes, prohibits authorizations of special purpose revenue bonds “for a period exceeding five years of its enactment.” This measure is extending the authorization until 2013--five years after the authorization lapses in 2008, but six years after enactment this year.

Accordingly, in order to address this issue, your Committee has amended this measure to change the effective date to June 29, 2008. Your Committee has also made technical amendments to correctly number the sections of 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 S.B. No. 971, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 971, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 770 Ways and Means on S.B. No. 810

The purpose of this measure is to appropriate funds to establish a “totally integrated community” on the state-owned Waimano ridge lands.

More specifically, a Waimano ridge task force was established by the Department of Health and now funds are appropriated for operating expenses of the task force and to develop an updated comprehensive master plan for the area.

No written comments were submitted regarding this bill.

Your Committee finds that previous legislation requires the State to cooperate with the residents of the Waimano ridge area and to establish a “totally integrated community” master plan. Yet, because of an economic downturn, the master plan was never implemented.

Your Committee finds that appropriating funds for the Waimano ridge task force, to update the master plan and to adjust it to the changed circumstances, and to create one permanent, full-time Waimano ridge facilities manager position will accomplish the goal of establishing a totally-integrated, community friendly environment in the Waimano ridge area.

Your Committee amended the bill to make technical nonsubstantive changes for clarity, style, 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. 810, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 810, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Whalen).

SCRep. 771 (Majority) Ways and Means on S.B. No. 1283

The purpose of this measure is to support the University of Hawaii John A. Burns School of Medicine with its operating expenses.

Specifically, this measure allows the twenty-eight per cent of tobacco settlement funds that are currently appropriated into the University revenue-undertakings fund to be used for the payment of annual operating expenses incurred by the new medical school facility of the University of Hawaii in addition to the payment of debt service. The effective date of this measure is July 1, 2020.

Your Committee received comments in support of this measure from the University of Hawaii John A. Burns School of Medicine. Comments in opposition were offered by the Department of Budget and Finance and Coalition for a Tobacco Free Hawaii.

Your Committee finds that this measure will materially assist the University of Hawaii School of Medicine to address operating expenses for its new facilities.

Your Committee has made technical amendments to properly format section 328L-2(b), Hawaii Revised Statutes, to comply with standard drafting convention.

As affirmed by the record of votes of the members 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, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1283, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Whalen).

SCRep. 772 Ways and Means on S.B. No. 973

The purpose of this measure is to ensure that the community health care system remains financially viable in the face of growth in the populations of the uninsured and underinsured.

Specifically, this measure:

- (1) Establishes a process by which federally qualified health centers and rural health centers receive supplemental Medicaid payments;
- (2) Provides for prospective payment system rates to be adjusted for any adjustment in the scope of services; and
- (3) Appropriates an unspecified amount for federally qualified health centers and rural health centers to provide health care services to uninsured residents of Hawaii.

This measure takes effect on July 1, 2020.

Your Committee received comments in support of this measure from the Hawaii Primary Care Association, Executive Director and board members of West Hawaii Community Health Center, Community Clinic of Maui, Hamakua Health Center, Executive Director and Chairperson of the Board of Kalihi-Palama Health Center, Kokua Kalihi Valley, Executive Director and a board member of the Waikiki Health Center, and Healthcare Association of Hawaii. The Department of Health offered comments.

Your Committee believes that this measure will enable community health centers and rural health centers to continue to provide health care services to Hawaii's uninsured and underinsured.

Your Committee notes that the proposed amendments contained in this measure are not guaranteed to receive approval from the Centers for Medicare and Medicaid Services, and if provisions are determined to be inconsistent with the policy of the Centers for Medicare and Medicaid Services, they will not qualify for federal matching funds.

Your Committee has amended this measure by:

- (1) Inserting a provision at the end of section 3 to specify that the Department of Human Services shall not be required to reimburse services that do not qualify for Medicare matching funds or reimbursement; and
- (2) Making technical amendments for the 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. 973, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 973, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 773 Ways and Means on S.B. No. 11

The purpose of this measure is to exempt medical services, hospital charges, and rehabilitation services from the county surcharge on state tax.

The Mayor of the County of Hawaii, Healthcare Association of Hawaii, Hawaii Society of Clinical Oncology, and seven individuals provided written comments in support of this measure. The Hawaii Coalition of Care Home Administrators submitted written comments in opposition. The Department of Taxation and Tax Foundation of Hawaii provided written comments.

Your Committee finds that rising health care costs contribute to Hawaii's already high cost of living, and this measure would provide some relief for Hawaii residents struggling to balance payments for their medical needs against other necessities.

Your Committee has amended this measure by:

- (1) Clarifying that medical practitioners are physicians, osteopaths, and dentists; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 11, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 11, S.D. 3.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Menor, Hemmings, Whalen).

SCRep. 774 Ways and Means on S.B. No. 1450

The purpose of this measure is to increase participation in the state rent supplement program by removing the statutory ceiling on rent supplements for "qualified tenants", raising the statutory ceiling on income levels that determine "qualified tenants", and allowing persons living in transitional shelters to be "qualified tenants".

Your Committee received comments in support of the measure from the Office of Hawaiian Affairs. Comments were received from the Department of Human Services, Catholic Charities of Hawaii, and the Hawaii Family Forum.

Your Committee finds that this measure will authorize the Hawaii Public Housing Authority of the Department of Human Services to adjust the subsidy amounts in order to reflect current market conditions. This measure will increase housing accessibility and affordability for many needy households.

As affirmed by the record of votes of the members 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. 1450, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 775 Ways and Means on S.B. No. 1917

The purpose of this measure is to expand housing options for Hawaii residents by:

- (1) Extending the sunset date for the allocation of conveyance tax revenues to the Rental Housing Trust Fund;
- (2) Requiring the Hawaii Finance And Development Corporation to create an affordable housing inventory registry; and
- (3) Appropriating funds for various homeless and housing programs and projects.

The Department of Taxation, Hawaii Housing Finance and Development Corporation, Hawaii Public Housing Authority, Hawaii Association of REALTORS, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Catholic Charities of Hawai'i, Partners in Care, and one individual provided written comments in support of this measure. The Tax Foundation of Hawaii submitted written comments.

Your Committee finds that this measure would provide a multi-faceted approach to developing additional affordable housing options for Hawaii residents, many of whom face evictions and homelessness in the face of escalating housing prices throughout the State.

Your Committee has amended this measure by:

- (1) Inserting an unspecified percentage for the portion of conveyance tax revenues to be paid into the Rental Housing Trust Fund;
- (2) Clarifying the effective dates of the Act; and
- (3) Making technical amendments 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. 1917, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1917, S.D. 3.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 776 Ways and Means on S.B. No. 1916

The purpose of this measure is to strengthen support for family caregivers by:

- (1) Extending until June 30, 2008, the Joint Legislative Committee on Family Caregiving;
- (2) Requiring the Joint Legislative Committee on Family Caregiving to explore a paid family program under the state temporary disability insurance law;
- (3) Requiring the Executive Office on Aging to conduct a comprehensive assessment of the needs of care recipients and their family caregivers; and
- (4) Appropriating funds to expand the Kupuna Care program's in-home and access services and for the family caregiver support program.

Comments in support of this measure were received from the Policy Advisory Board for Elder Affairs, County of Hawaii Office of Aging, City and County of Honolulu's Department of Community Services, Maui County Office on Aging, Anuenue Hale, Inc., Catholic Charities Hawaii, Child and Family Services, Hale Makua Home Health and Foster Family Programs, Hawaii Aging Advocates Coalition, Hawai'i Alliance for Retired Americans, International Longshore and Warehouse Union Local 142, Kookia Council, National Multiple Sclerosis Society, Occupational Therapy Association of Hawaii, Project Dana, and twenty concerned individuals.

Your Committee finds that family caregiving will continue to be a critical component of the State's health and long-term care system, with more family caregivers providing services as Hawaii's older adult population increases at a significant rate.

Your Committee further finds that family caregivers are themselves at risk for physical, emotional, and financial problems. This measure will address these issues to assist family caregivers.

Your Committee has amended this measure by:

- (1) Changing the sum appropriated to an unspecified amount to facilitate further discussion on 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. 1916, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1916, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 777 (Majority) Ways and Means on S.B. No. 1672

The purpose of this measure is to meet rising health care costs and ensure that Hawaii's residents have continued access to quality health care.

Specifically, this measure:

- (1) Establishes a process by which Medicaid fee-for-service individual provider reimbursement rates are increased annually for inflation;
- (2) Retroactively adjusts for inflation, payments made to providers of hospital outpatient services and other individual providers to account for the lack of a rate increase for the past five years and appropriates \$26,000,000 for this purpose; and
- (3) Appropriates an unspecified amount to increase the Medicaid fee schedule to one hundred per cent of the 2006 Medicare fee schedule.

Your Committee received comments in support of this measure from the Hawaii Primary Care Association. The Department of Human Services commented in opposition. The Healthcare Association of Hawaii and the Chamber of Commerce of Hawaii commented.

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

- (1) Clarifying that rates of payment include outpatient hospital services but excludes emergency room services;
- (2) Clarifying that the term "provider" is more appropriate and thus substituting it for "practitioner" throughout the measure;
- (3) Clarifying that the inflation factor is based on the national index for providers of medical care;
- (4) Changing the appropriation amount of \$26,000,000 in section 4 to an unspecified amount;
- (5) Changing the effective date to July 1, 2015 to facilitate further discussion; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1672, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1672, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Whalen).

SCRep. 778 Ways and Means on S.B. No. 1937

The purpose of this measure is to appropriate funds out of the federal temporary assistance for needy families program funds to the Department of Human Services for a micro-credit pilot program.

The measure also requires the Department to provide interim and final reports on the program.

Your Committee received comments on the measure from the Department of Human Services and the Hawaii Alliance for Community Based Economic Development.

Your Committee finds that micro-credit is the extension of small loans to low-income entrepreneurs who are otherwise unable to obtain loans in the traditional marketplace. Micro-credit has been demonstrated to be an effective means to lift the poor out of poverty.

Your Committee has amended this measure by changing the appropriation to an unspecified amount for the purposes of continued discussion of 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 S.B. No. 1937, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1937, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 779 Ways and Means on S.B. No. 427

The purpose of this measure is to increase the state supplemental payments for certain domiciliary care and require a portion of the payment to be retained by the recipient for personal use.

The Kokua Council, Healthcare Association of Hawaii, Policy Advisory Board for Elder Affairs, and one concerned individual submitted comments in support of this measure. The Department of Human Services and the Disability and Communication Access Board submitted comments on this measure.

Your Committee finds that this measure will provide a personal needs allowance for individuals living in nursing facilities and individuals living in domiciliary care, type I and type II, and community care foster family homes. The increase in the personal needs allowance from \$30 to \$50 per month per person will substantially improve the quality of life for adult residential care home residents and ensure that a fair portion of the state supplemental payments are allocated for their unique monthly personal needs.

Your Committee has amended this measure 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 427, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 427, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 780 Ways and Means on S.B. No. 248

The purpose of this measure is to make an appropriation for the State Commission on Fatherhood.

Specifically, this appropriation will allow the commission to hire an executive director and staff.

Your Committee has received comments from the State Commission on Fatherhood, Hawaii Coalition for Dads, Children's Rights Council, and two individuals, all in support of this measure.

Your Committee finds that since its establishment in 2003, the Commission has served in an advisory capacity to state agencies in order to promote healthy family relationships between parents and children. Your Committee further finds that for the Commission to continue in its role and to complete a statewide analysis of service provisions to fathers and develop policy recommendations on best practices for serving fathers through state agencies, the commission must hire an executive director and staff.

Your Committee has amended this measure by:

- (1) Extending the repeal date of the State Commission on Fatherhood to June 30, 2009;
- (2) Changing the effective date of this measure to accommodate the extension of the repeal date; 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. 248, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 248, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 781 Ways and Means on S.B. No. 733

The purpose of this measure is to appropriate funds for the Office of Veteran Services to publish and distribute a quarterly newsletter that informs veterans of benefit changes and the availability of support services and programs.

This measure appropriates \$100,000 for fiscal year 2007-2008, and \$100,000 for fiscal year 2008-2009 to be expended by the Office of Veterans Services for the purposes of this Act.

Comments in support of this measure were submitted by the Office of Veterans Services and the State Advisory Board on Veterans Services.

Your Committee finds that it is important to provide timely and accurate information on services and benefits available to the many veterans who live in Hawaii. There are still thousands of veterans who remain unaware of their benefits. This newsletter will continue to make a significant impact in reaching and informing veterans on important issues regarding their benefits and available outreach 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. 733, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 782 Intergovernmental and Military Affairs on S.B. No. 755

The purpose of this measure is to provide standards for the selection of County Ethics Commissioners to ensure their impartiality and independence.

Testimony in support of this measure was received from The League of Women Voters of Hawaii.

Your Committee finds that in the interest of ensuring sufficient independence and impartiality, the selection process of the State Ethics Commissioners should serve as a model for the selection of County Ethics Commissioners. Each member of the State Ethics Commission is appointed by the Governor from a list of two persons nominated by the Judicial Council, and complies with Article XIV of the Constitution of the State of Hawaii, which provides that: "Ethics commissioners shall be selected in a manner which assures their independence and impartiality."

Your Committee further finds that, in contrast, members of the Honolulu Ethics Commission are appointed by the Mayor and confirmed by the Honolulu City Council, both of which are subject to oversight by the County Ethics Commission.

To remedy this perceived conflict of interest, this measure requires the counties to establish a selection process that ensures a minimal amount of involvement of persons who are to be subject to an ethics commission's oversight.

Your Committee has amended this measure to further clarify the selection process of County Ethics Commissioners by requiring each County Ethics Commissioner to be appointed from a list of nominees selected by an independent body and not subject to confirmation by the county legislative body.

The intent of your Committee is to create improved standards for the selection of County Ethics Commissioners that will allow them to fulfill their duties in an independent and impartial manner.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 755, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 755, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 783 Ways and Means on S.B. No. 1046

The purpose of this measure is to require the counties to deposit fees collected for issuing and replacing removable windshield placards, including temporary placards, for disabled drivers into the state general fund. In addition, the measure clarifies that a fee shall be paid to the issuing agency for replacement of removable windshield placards and identification cards.

The Department of Customer Services of the City and County of Honolulu, the Fire Chief of Kauai, and the Disability and Community Access Board submitted comments in support of the measure.

Your Committee finds that this measure clarifies the process of reimbursing counties for their costs in issuing removable windshield placards and temporary placards by requiring the fees charged to be deposited into the state general fund. This eliminates paperwork for the counties and allows for smoother reimbursement transactions.

Upon consideration, your Committee has amended this measure by:

- (1) Conforming references to the placards issued to disabled drivers to include the word "removable";
- (2) Clarifying that both a written statement and a completed application are required to request a replacement placard or identification; and
- (3) Changing the measure's effective date to July 1, 2007.

As affirmed by the record of votes of the members 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. 1046, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1046, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 784 Ways and Means on S.B. No. 795

The purpose of this measure is to require the Department of Accounting and General Services to establish and implement a statewide building code.

Specifically, the measure outlines the requirements and provisions to be contained in the code. The measure also appropriates \$500,000, for fiscal year 2007-2008, for the operations of the State Building Code Council, including technical assistance services, and training and administrative assistance, as required, to be expended by the Department of Accounting and General Services.

The Department of Accounting and General Services, the State Fire Council, the Kauai County Fire Department, the Structural Engineers Association of Hawaii, State Farm Insurance Companies, and the Hawaii State Council of the American Institute of Architects submitted comments in support of this measure. The Department of Defense submitted comments on this measure.

Your Committee finds that the State has traditionally allowed the individual counties to establish their own building codes. The counties have adopted various portions of the Uniform Building Code, but building codes differ from county to county. The status of the fragmented building requirements in Hawaii is of serious concern to those involved in building ownership, design, construction, and insurance. The adoption of a uniform set of statewide building codes applicable to one and two family dwellings, all other residential uses, commercial and industrial buildings, and state buildings would make it possible for building owners, designers, contractors, and code enforcers within the State to apply consistent standards. The health and safety considerations related to the codes are of statewide interest, especially relating to emergency disaster preparedness.

The intent of this measure is to require the Department of Accounting and General Services to establish and implement a statewide building code to provide for the implementation of consistent standards throughout the State of Hawaii.

Your Committee amended this measure by:

- (1) Funding the amount of the appropriation from the interest earned in the principal in the Hawaii hurricane relief fund;
- (2) Changing the amount of the appropriation in section 4 to an unspecified amount to facilitate further discussion; and
- (3) 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. 795, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 795, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 785 Ways and Means on S.B. No. 1518

The purpose of this measure is to increase the fees payable to a court-appointed counsel and a guardian ad litem in cases before a Family Court.

The Judiciary submitted comments in support of the measure. The Department of Budget and Finance submitted comments in opposition.

Your Committee finds that there is a significant disparity between the fees paid to an attorney in private practice representing a client in Family Court and the fees paid to a court-appointed attorney or a guardian ad litem. The best interest of children, who are the most vulnerable members of society, requires competent legal representation for children or indigent parents at risk of losing their children.

Your Committee finds that this measure to increase payments to court-appointed attorneys and guardians ad litem will help to ensure competent legal representation of children in the future by retaining experienced attorneys and attracting new attorneys for this complex and difficult legal work.

Your Committee has amended this bill to:

- (1) Reflect that the Judiciary shall continue to administer the payment and budget functions with respect to appointed counsel and guardian ad litem compensation instead of transferring those functions to the Department of Budget and Finance; and
- (2) Make 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. 1518, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1518, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 786 Ways and Means on S.B. No. 677

The purpose of this measure is to increase witness fees.

More specifically, the bill increases the per diem fees paid to a witness from \$20 to \$55 per day. The bill also increases the daily fee for witnesses traveling from out of state from \$110 per twenty-four-hour period to \$160 for each day's attendance. This increase also applies to witnesses traveling from any island who are required to stay overnight to attend court proceedings.

The Hawaii Tourism Authority submitted comments in support of the measure. The Department of Budget and Finance offered comments.

Your Committee has amended the bill by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Inserting language that provides funding for fiscal year 2007-2008;
- (3) Changing the effective date to July 1, 2050; and
- (4) Making technical nonsubstantive changes for purposes of 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. 677, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 677, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 787 Ways and Means on S.B. No. 1484

The purpose of this measure is to authorize the Director of Public Safety to garnish a committed person's moneys to pay court-ordered crime victim compensation fees.

Furthermore, this measure prioritizes crime victim compensation fees as the third highest of five uses for garnished moneys. Also, this measure expands sources of moneys subject to garnishment to include judgments and settlements.

Your Committee received comments in support of this measure from the Crime Victim Compensation Commission.

Your Committee finds that the Director of Public Safety currently lacks statutory authority to garnish inmate wages for deposit into the crime victim compensation special fund. This measure will increase the revenues of the Crime Victim Compensation Commission, which will in turn enable the commission to serve more of Hawaii's violent crime victims.

As affirmed by the record of votes of the members 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. 1484 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (English, Kim, Hemmings, Whalen).

SCRep. 788 Ways and Means on S.B. No. 1491

The purpose of this measure is to strengthen enforcement of Hawaii's drug laws.

The bill permits the Director of Public Safety to use the controlled substance registration revolving fund to offset the cost of investigating violations of chapter 329, Hawaii Revised Statutes, the Uniform Controlled Substances Act, and to fund operation of the narcotics enforcement division's forensic drug laboratory facility.

No written comments were submitted.

Your Committee finds that it is appropriate to use the controlled substance registration revolving fund to offset the cost of regulating those who pay fees into the fund.

Your Committee intends that the fund not be used to offset the cost of investigations or operations of the forensic drug laboratory that relate to dangerous, harmful, and detrimental drug violations under the Penal Code. Other federal, state, and local resources are available for those purposes. Your Committee has amended this measure by adding a purpose section to make its intent clear.

As affirmed by the record of votes of the members 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. 1491, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1491, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (English, Kim, Hemmings, Whalen).

SCRep. 789 Ways and Means on S.B. No. 914

The purpose of this measure is to appropriate funds to improve the mental health care system for committed persons in state-operated correctional facilities.

Your Committee received comments supporting the measure from a concerned citizen.

This measure also requires the Department to report to the Legislature by November 1, 2007, with a detailed mental health plan that addresses the following:

- (1) An assessment of the Department's existing resources and staffing that is in place, additional resources and staffing needed to come up to standard, and the Department's needs to keep up with future demands;
- (2) The use of alternative services, such as the use of telemedicine to provide mental health services to incarcerated offenders;
- (3) The completion of a departmental training and policy manual;
- (4) An appropriate updated record keeping system;
- (5) An update on the feasibility study initiated by the Departments of Health and Public Safety regarding the expansion of the Hawaii State Hospital to include an offender wing to adequately treat mental health patients who are incarcerated; and
- (6) Any other suggestions or ideas to improve mental health services to incarcerated individuals and to comply with local, state, and federal laws and mandates.

Your Committee believes that this measure is necessary to improve the mental health care system for committed persons in state-operated correctional facilities.

Your Committee has amended this measure to change the \$500,000 appropriated amount to an unspecified amount for the purpose of facilitating 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. 914, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 914, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (English, Kim, Hemmings, Whalen).

SCRep. 790 Ways and Means on S.B. No. 152

The purpose of this measure is to clarify the use of moneys in the state highway fund for bicycle lanes, paths, routes, and bikeways.

Specifically, this measure allocates two per cent of eligible federal highway funds and state highway funds to be used for bikeways. In addition, the Department of Transportation is required to consult with the bicycling community about bike-related issues, such as the location of bikeways.

ProActive Chiropractic, LLC, the Keala Hele Makalae Committee, the Sierra Club, and three private citizens submitted comments in support of the bill. Two members of the Hawaii Bicycling League submitted comments. The Department of Transportation submitted comments in opposition to the bill.

Your Committee finds that this measure will help to provide sufficient funds for bikeways and will involve the bicycling community in the decision making process.

Your Committee amended this measure to:

- (1) Provide more specificity as to groups among the bicycling community that shall be consulted; and
- (2) Change the 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 S.B. No. 152, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 152, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 791 Ways and Means on S.B. No. 1352

The purpose of this measure is to correct inadvertent drafting errors in Act 180, Session Laws of Hawaii 2006, that resulted in amendments to the repealed chapter 201G, Hawaii Revised Statutes.

Your Committee has received comments on this measure from the Chair and a member of the Maui County Council in support of this measure. Your Committee has also received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that this measure is a housekeeping measure that makes many nonsubstantive corrections to the Hawaii Revised Statutes due to drafting errors contained in Act 180, Session Laws of Hawaii 2006.

Your Committee has made technical nonsubstantive changes to this measure 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. 1352, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1352, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 792 Ways and Means on S.B. No. 1412

The purpose of this measure is to establish the Insurance Fraud Investigations Branch within the Insurance Division of the Department of Commerce and Consumer Affairs.

More specifically, the Insurance Fraud Investigations Branch would replace the existing Insurance Fraud Investigations Unit in order to prevent, investigate, and prosecute, both civilly and criminally, insurance fraud relating to all lines of insurance, except workers' compensation insurance.

This measure also establishes administrative, civil, and criminal penalties for insurance fraud and requires that fines and settlements resulting from successful fraud prosecutions be deposited into the Compliance Resolution Fund to help the Insurance Fraud Investigations Branch cover some of the costs of its operation.

Your Committee received comments in support of this measure from the Department of the Attorney General, the Department of Commerce and Consumer Affairs, the Hawaii Association of Health Plans, the Hawaii Insurers Council, the Hawaii Medical Service Association, and State Farm Insurance Companies. Comments in opposition were submitted by the Hawaii State AFL-CIO.

Your Committee finds that no line of insurance is immune to the problem of insurance fraud. Hawaii's insurance fraud law should be expanded to include all lines of insurance. This will help deter perpetrators of insurance fraud by demonstrating that no line of insurance will be a safe haven for those who commit insurance fraud.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "licensee";
- (2) Clarifying the state of mind necessary to incur administrative penalties; and
- (3) Making technical nonsubstantive changes for the 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. 1412, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1412, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 793 Ways and Means on S.B. No. 216

The purpose of this measure is to clarify the definition of "cost" as it pertains to the capital goods excise tax credit.

The measure accomplishes this purpose by:

- (1) Removing from the definition of "cost" the language regarding the actual invoice of the tangible personal property; and
- (2) Clarifying that the basis of depreciation when calculating cost is based on the value of the capital good that was subject to the general excise or use tax.

Your Committee received written comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that the administration of the capital goods excise tax credit will be more efficient by removing the invoice provision from the definition of "cost", and leaving the depreciable basis as the measure of the credit.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style, and by changing the effective date to encourage 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. 216, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 216, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 794 Ways and Means on S.B. No. 1839

The purpose of this measure is to authorize the Department of Taxation to execute and provide a funding mechanism to pay for benefits-funded revenue generating initiatives provided by automated or enhanced tax system vendors when measurable increases in revenues resulting from the initiatives are collected by the State.

The income, general excise, and use tax revenues generated from these initiatives would be deposited in an Integrated Tax Services and Management Special Fund (Special Fund) established under this measure and used by the Department of Taxation to enhance its computer system and to streamline related operational procedures. The measure also establishes an unspecified expenditure ceiling for the Special Fund and lapses any revenues contained in the Special Fund that are in excess of an unspecified amount to the credit of the general fund.

The Department of Taxation submitted written comments supporting the intent of this measure. The Tax Foundation of Hawaii submitted written comments.

Your Committee amended this measure to protect the amendments to Section 237-31, Hawaii Revised Statutes, made in this measure from the sunset date established in Act 304, Session Laws of Hawaii 2006. Technical, nonsubstantive changes were also made 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. 1839, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1839, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 795 Ways and Means on S.B. No. 1840

The purpose of this measure is to:

- (1) Adopt amendments to Hawaii tax laws to implement the Streamlined Sales and Use Tax Agreement;
- (2) Appropriate unspecified funds to the Office of the Auditor for technical assistance and briefings; and
- (3) Establish a committee of legislative and public members and the Director of Taxation, or a representative thereof, to assist in carrying out the purposes of the Act.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Retail Merchants of Hawaii; and Hawaii Association of REALTORS provided written comments in support of this measure. The Tax Foundation of Hawaii provided written comments.

Your Committee finds that the Streamlined Sales Tax Project (SSTP) is an effort created by state governments, with input from local governments and the private sector, to simplify and modernize sales and use tax collection and administration. The SSTP's proposals include tax law simplifications, more efficient administrative procedures, and emerging technologies to substantially reduce the burden of tax collection. The SSTP's proposals are focused on improving sales and use tax administration systems for all types of commerce. Forty-two states and the District of Columbia are involved in the SSTP.

Your Committee further finds that Hawaii has been a participating member of the SSTP since 2003, and that this measure is a culmination of the efforts by both government and the private sector to identify and resolve issues necessary for SSTP compliance.

Your Committee has amended this measure by making numerous technical amendments for the purposes of clarity, consistency, and style. Your Committee believes that the long time period before this measure takes effect will allow interested parties to further refine 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. 1840, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1840, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, 1 (Hemmings).

SCRep. 796 Ways and Means on S.B. No. 608

The purpose of this measure is to appropriate funds to establish a statewide internet-based interactive, searchable database for workforce training.

The Department of Labor and Industrial Relations, the Department of Education, and the Hawaii P-20 Initiative submitted comments in support of the bill.

Your Committee finds that while information about training opportunities for Hawaii's workforce is currently available, it is greatly compartmentalized, dispersed, and incomplete.

Your Committee finds that the web-based database proposed by this measure will use simple and available technology to help resolve these issues. In addition, the database will provide an effective means of aligning training opportunities with skill-sets and competencies most needed by employers.

Your Committee has amended the bill to:

- (1) Require the database to be in service by January 1, 2009, rather than prior to the 2008 regular session of the Legislature;
- (2) Require status reports to the Legislature not later than twenty days before the convening of the regular sessions of 2008 and 2009; and
- (3) Include an appropriation for fiscal year 2008-2009 and change the appropriation to an unspecified amount to facilitate further discussion 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 S.B. No. 608, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 608, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 797 (Majority) Ways and Means on S.B. No. 1133

The purpose of this measure is to authorize the Department of Taxation to include information on experiential learning opportunities provided to public school students by taxpayers that receive certain technology related tax credits.

Prior to the decision making hearing, your Committee circulated a Proposed S.B. No. 1133, S.D. 3. The purpose of the Proposed S.B. No. 1133, S.D. 3 is to increase the rental motor vehicle and tour van surcharge tax by \$1 for each category of rental and tour vehicle.

The Tax Foundation of Hawaii provided written comments on the concept of the surcharge tax increase.

Your Committee finds that the proposed S.D. 3 version of this measure would ensure additional revenue for the State Highway Fund. Your Committee further finds that all rental vehicles should share in the increase, but that further discussion is necessary to determine the proportionate share of the increase for tour vehicles with larger seat capacities.

Your Committee has amended the Proposed S.B. No. 1133, S.D. 3, accordingly, by changing the increase for the two categories contained in the tour vehicle surcharge tax from \$1 to an unspecified amount.

Your Committee also requests that, should this measure be the subject of deliberations by a Conference Committee, that members representing the Committee on Commerce, Consumer Protection and Affordable Housing and the Committee on Transportation and International Affairs be included in the Conference Committee membership.

As affirmed by the record of votes of the members 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. 1133, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1133, S.D. 3.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Whalen).

SCRep. 798 Ways and Means on S.B. No. 1969

The purpose of this measure is to broaden the scope of the tuition assistance provided to Hawaii national guard members attending the University of Hawaii.

Specifically, this measure allows any member, including commissioned and general officers, who is a student (including graduate studies) to qualify for tuition assistance if they are working toward a degree. The measure also appropriates funds for the increased tuition assistance.

Your Committee received comments in support of the measure from the Hawaii National Guard Enlisted Association, the Hawaii National Guard Association, and the National Guard Association of Hawaii Insurance Trust. The Department of Defense submitted comments.

Your Committee finds that this measure demonstrates the State's commitment and gratitude to national guard members who have bravely served our country. The tuition assistance provided under this measure will also serve as an incentive for recruitment purposes and improve the retention rate for enlisted national guard members.

Your Committee has amended the measure by changing the appropriation to an unspecified amount to facilitate 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 S.B. No. 1969, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1969, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 799 (Joint) Energy and Environment, Water, Land, Agriculture and Hawaiian Affairs and Intergovernmental and Military Affairs on S.B. No. 987

The purpose of this measure is to encourage the development of renewable energy projects and to reduce the State's dependency on fossil fuels.

The measure accomplishes this purpose by:

- (1) Amending the definition of "renewable energy producer" to include producers of thermal energy from renewable energy resources, including those who produce cooling from seawater air conditioning district cooling systems, so that they will be eligible for leases of public land; and
- (2) Allowing each county to grant, sell, or otherwise dispose of easements for chilled water and seawater distribution systems for renewable energy seawater air conditioning district cooling systems by negotiation without public auction.

Your Committees received testimony in support of this measure from Honolulu Seawater Air Conditioning, LLC. and Hawaii Science and Technology Council. The Department of Land and Natural Resources and the Hawaii Renewable Energy Alliance submitted testimony in support of the intent of this measure with comments.

Your Committees find that seawater air conditioning district cooling systems are just as important and beneficial as electricity generation from renewable resources. While this renewable energy technology does not generate electricity, it does provide substantial savings through the displacement of the electricity used to perform the same tasks.

In addition, seawater air conditioning district cooling systems require extensive easements. Obtaining these state and county easements are time-consuming and costly. Providing an expeditious and cost-effective means to obtain these necessary easements will further promote the use of renewable energy technologies.

Your Committees further find that, if a seawater air conditioning company ceases operations, then the control of the leased land shall revert back to the State or county.

Your Committees amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, Agriculture, and Hawaiian Affairs and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 987, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 987, 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, 1 (Fukunaga).

SCRep. 800 Ways and Means on S.B. No. 1947

The purpose of this measure is to make an emergency appropriation of \$10,000,000 out of the deposit beverage container deposit special fund for continued operation of the deposit beverage container program.

Your Committee finds that this measure provides sufficient moneys to meet the increased expenses of the deposit beverage container program by making an emergency appropriation. The Committee finds that expenses will exceed the appropriation ceiling because the number of deposit beverage containers sold will far exceed the estimates of two years ago. Increased container numbers, plus the current redemption rate of about sixty-eight per cent, have resulted in more deposits to refund and more redemption center handling fees. Refunds and handling fees may exceed

the \$52,000,000 spending ceiling of the deposit beverage container deposit special fund. There are sufficient moneys in the deposit beverage container deposit special fund to support the proposed appropriation increase.

Your Committee has amended this measure 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1947, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1947, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 801 Ways and Means on S.B. No. 1228

The purpose of this measure is to establish a process to determine the most appropriate means of memorializing the World War II Japanese internment camp experience in Hawaii.

The Department of Land and Natural Resources and the Japanese Cultural Center of Hawaii submitted comments in support.

Your Committee finds that the internment of Japanese in Hawaii is less well known relative to the story of the mass forced removal and incarceration of Japanese Americans on the American west coast. Many Japanese immigrant community leaders were interned at camps at Sand Island and Honouliuli on Oahu, Haiku on Maui, Kalaheo on Kauai, and Kilauea on the island of Hawaii.

Your Committee further finds that the preservation and recognition of internment camp sites can serve as an educational tool in history, civil liberties, and racial stereotyping.

Your Committee further finds that federal funds to further research and preserve the Hawaii internment camp experience are available provided that the State of Hawaii provides matching 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. 1228, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 802 Ways and Means on S.B. No. 1428

The purpose of this measure is to increase the salary of the Director of the Office of Veterans Services to a maximum of seventy-four per cent of the salary of the Director of Human Resources and Development.

The Department of Defense and the Department of Human Resources and Development submitted comments in support of this measure.

Your Committee finds that Act 226, Session Laws of Hawaii 2005, provided salary increases to those positions that were not previously considered by the Salary Commission, including the Director of the Office of Veterans' Services. The position received a small increase, the first increase in fifteen years.

Your Committee further finds that the Director of the Office of Veterans Services is currently authorized to receive up to sixty-nine per cent of the salary of the Director of the Department of Human Resources Development, a compensation level that is not adequate, in light of the added responsibilities and the increase in veterans due to deployments of the Hawaii National Guard and Hawaii-based Reserves.

As affirmed by the record of votes of the members 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. 1428 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 803 Judiciary and Labor on S.B. No. 1675

The purpose of this measure is to remove training in an automated external defibrillator (AED) program administered by a physician as a prerequisite for relief from civil liability for a person who administers an AED, without remuneration or expectation of remuneration, in a good faith attempt to resuscitate a person in immediate danger of loss of life. This bill also changes "automatic" to "automated" throughout the statutory provisions.

Your Committee received testimony in support of this measure from a concerned individual. The American Heart Association submitted testimony in support of the intent of the bill.

Your Committee was informed that 2006 American Heart Association policy recommendations on Community Lay Rescuer AED Programs advised against conditioning liability protection on training and medical direction. Your Committee finds that this measure will enhance public access to lifesaving AED procedures.

Although section 1 of this bill amends section 453-2(b)(5), Hawaii Revised Statutes (HRS), to replace the word "automatic" with "automated" in several places, section 453-2(b)(5)(B) continues to contain an exception that applies to any person "who successfully completes training under an [automatic] automated external defibrillator program administered by a physician." As this measure advances, your Committee recommends that further consideration be given to whether section 453-2(b)(5) needs further revision to reflect the amendment to section 663-1.5(e), HRS, in section 2 of the bill that removes successful completion of training under an AED program administered by a physician as a prerequisite to relief from civil liability.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1675, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 804 Ways and Means on S.B. No. 1463

The purpose of this measure is to make an emergency appropriation to the Hawaii Health Systems Corporation.

More specifically, the bill raises the expenditure ceiling of the health systems special fund to provide sufficient funds to the corporation for operational costs.

Your Committee received comments in support of the bill from the Hawaii Health Systems Corporation.

Your Committee finds that the current special fund ceiling is not sufficient to cover the operating costs for fiscal year 2006-2007.

Your Committee finds that raising the expenditure ceiling of the health systems special will enable the Hawaii Health Systems Corporation to provide the levels of services necessary to meet community that have substantially increased beyond amounts anticipated and budgeted.

As affirmed by the record of votes of the members 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. 1463 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 805 Health on S.B. No. 1110

The purpose of this measure is to ensure that victims of sexual assault are fully informed regarding treatment and emergency contraception.

The measure accomplishes this goal by requiring all hospitals and public facilities to provide victims of sexual assault with information on emergency contraception and immediate access to emergency contraception when requested.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, the ACLU, Healthy Mothers Healthy Babies Coalition of Hawaii, Planned Parenthood of Hawaii, the League of Women Voters of Hawaii, the Community Alliance on Prisons, the American Association of University Women, the Democratic Party of Hawaii, and two individuals. The Planned Parenthood of Hawaii's Action Network and the Hawaii State Democratic Women's Caucus submitted testimony in support with a suggested amendment. Your Committee received testimony in opposition to this measure from the St. Francis Healthcare System of Hawaii, Pro-Family Hawaii, Hawaii Right to Life, and Hawaii Medical Center.

Your Committee finds that information on emergency contraception is an important part of treatment and counseling for victims of sexual assault. Allowing these victims to be fully informed of all medical options and treatments available to them will provide a level of protection for women, help to prevent unintended pregnancies, and provide sexual assault survivors with information that may prevent a further trauma of pregnancy.

Your Committee finds that the use of emergency contraception is approved by the federal Food and Drug Administration and is a safe and effective means of treating victims of sexual assault.

In addition, your Committee finds that emergency contraception is consistent with the Ethical and Religious Directives published by the United States Conference of Catholic Bishops. According to Ron Hamel, Ph.D. and senior director for The Catholic Health Association, it is morally permissible for Catholic Hospitals to offer sexually assaulted women with emergency contraception to prevent conception, i.e. fertilization, from occurring. However, the administration of these medications may occur only after "appropriate testing" and if "there is no evidence that conception has occurred." Because there is no way of ascertaining that conception has occurred as a result of a sexual assault, two approaches to testing have emerged.

First, the "pregnancy approach", which is most often followed by Catholic hospitals, tests only for pre-existing pregnancy to rule out the possibility of pregnancy before the sexual assault occurred. If the pregnancy test is negative, the woman is offered emergency contraception. If the pregnancy test is positive, she is not given the medication because she is already pregnant, and there is no chance of her becoming pregnant from the sexual assault.

Second, the "ovulation approach" tests for pre-existing pregnancy and utilizes empirical data from the woman as to whether her menstrual cycle may be at a point where ovulation may be present. Some believe that the presence of ovulation is an indication that conception might have occurred. This approach permits the administration of contraceptive medicines only when the pregnancy test is negative and the empirical data shows that she is not presently ovulating.

Your Committee further finds that the following thirty-four Catholic Hospitals in the United States are currently offering emergency contraception information and treatment to sexual assault victims:

Citrus Valley Medical Center-Queen of the Valley; Dominican Hospital; Mercy Medical Center-Redding; Mercy Medical Center-Merced; Mercy Medical Center-Shasta; Petaluma Valley Hospital; Saint Agnes Medical Center; Santa Rosa Memorial Hospital; St. Elizabeth Community Hospital; St. Francis Medical Center; Bon Secours Community Hospital; Kenmore Mercy Hospital; Mary Immaculate Hospital; Our Lady of Lourdes Memorial Hospital; Our Lady of Mercy Medical Center; Saint Vincent's Midtown Hospital; Seton Health System, Inc., St. Mary's Division; Sisters of Charity Hospital of Buffalo; St. Anthony Community Hospital; St. Joseph Hospital; St. Joseph's Hospital; St. Mary's Hospital at Amsterdam; St. Mary's Hospital at Brooklyn; St. Peter's Hospital; Providence Hospital; Holy Family Hospital; Lourdes Medical Center; Providence Everett Medical Center, Pacific; Providence St. Peter Hospital; St. John Medical Center; St. Joseph Hospital; St. Joseph Medical Center; and St. Mary Medical Center.

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

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. 1110, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1110, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 806 Health on S.B. No. 1117

The purpose of this measure is to ensure that teenagers are equipped with accurate information and knowledge to enable them to make informed decisions regarding their sexual health.

This measure accomplishes this purpose by requiring all entities that receive state funding for sexual health education purposes to provide medically accurate, factual information that is age-appropriate and that includes education on both abstinence and contraception for the prevention of pregnancy and sexually transmitted diseases, including HIV.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women; the ACLU; Healthy Mothers, Healthy Babies Coalition of Hawai'i; Planned Parenthood of Hawaii; the League of Women Voters of Hawaii; the Community Alliance on Prisons; the American Association of University Women; the Democratic Party of Hawai'i; Hawaii Youth Services Network; and four individuals. Your Committee received testimony in opposition to this measure from the Pro-Family Hawaii, Hawaii Right to Life, the Mary Jane Program of Catholic Charities Hawai'i, Hawaii Family Forum, the Try Wait! Program of Catholic Charities Hawaii, and five individuals. The Department of the Attorney General submitted comments on this measure.

Your Committee finds that providing teenagers with medically accurate, factual information that is age-appropriate and that includes education on both abstinence and contraception for the prevention of pregnancy and sexually transmitted diseases, including HIV, will reduce the number of unintended teenage pregnancies in Hawaii. In addition, empowering teenagers to make informed decisions is the most effective safeguard to the contraction of often life threatening sexually transmitted diseases.

Your Committee further finds that this measure is not intended to negatively impact those entities that receive state funding for non-sexual education programs.

Accordingly, your Committee amended this measure by clarifying that it only applies to entities that receive state funding for sexual health education.

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. 1117, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1117, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 807 Health on S.B. No. 1750

The purpose of this measure is to protect children by ensuring that parents and caregivers are fully informed of the dangerous effects of Shaken Baby Syndrome.

This measure accomplishes this purpose by requiring hospitals and public health facilities to provide each parent of a newborn with written educational information on Shaken Baby Syndrome and prevention methods.

Your Committee received testimony in support of this measure from Prevent Child Abuse Hawaii, Healthy Mothers Healthy Babies Coalition of Hawaii, Kapi'olani Child-at-Risk Evaluation Program, the Department of Neurosurgery at Penn State Milton S. Hershey Medical Center, and three individuals. Your Committee received testimony in opposition to this measure from the Department Of Health and the Healthcare Association of Hawaii.

Your Committee finds that Shaken Baby Syndrome is a serious and preventable condition for which information is important for all parents and caregivers. However, your Committee finds that effective education comes in many forms and that Shaken Baby Syndrome is only one of many critical infant care issues that require education and prevention.

Your Committee amended this measure by removing the mandate, and providing instead that hospitals and public health facilities may provide the educational information in their discretion.

Your Committee further amended this measure by removing the reference to Prevent Child Abuse Hawaii and replaced it with "nonprofit organizations".

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. 1750, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1750, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 808 (Joint) Health and Human Services and Public Housing on S.B. No. 1176

The purpose of this measure is to ensure that infants or toddlers with disabilities have access to early intervention services through the age of seven.

The measure attempts to accomplish this purpose by amending Chapter 321, Hawaii Revised Statutes, to be in accordance with the federal mandate under Part C of the Individuals with Disabilities Education Improvement Act of 2004 pertaining to early intervention services for children from birth to three years of age.

Your Committees received testimony in support of this measure from Cure Autism Now Foundation, The Hawaii Down Syndrome Congress, and eleven individuals. Your Committees received testimony in opposition to this measure from the Department of Health, the State Council on Developmental Disabilities, Kapi'olani Child-at-risk Evaluation Program, and the Hawaii Early Intervention Coordinating Council. The Hawaii Family Support Institute submitted comments on this measure.

Your Committees find that the federal mandate under the Individuals with Disabilities Education Improvement Act of 2004 requires consistency in the state law. The Department of Health is responsible for ensuring that all children from birth to three years of age with a developmental delay, biological risk, or environmental risk and their families receive early intervention services.

Your Committees further find that this measure excludes children with environmental risks, which is not in accordance with the federal mandate. In addition, this measure includes several other provisions that are inconsistent with Part C of the Individuals with Disabilities Education Improvement Act of 2004 that would put the State in violation of the federal mandates.

Accordingly, your Committees have amended this measure by:

- (1) Replacing the term “self-help skills” with the term “adaptive development”;
- (2) Retaining toddlers and infants with special needs in the definition of “early intervention services”;
- (3) Replacing the term “family service” with “family support”;
- (4) Replacing the phrase “infant or toddler with a disability” with “infants and toddlers with special needs” and by making changes consistent with this amendment throughout the measure;
- (5) Retaining the definition of “infants and toddlers with special needs” to ensure that children with delayed development, biological risk, or environmental risk are not excluded;
- (6) Enabling parents of children with a disability aged three through five who are eligible for services under Part B of the Individuals with Disabilities Education Act and who previously received services under Part C to choose the continuation of early intervention services, which shall include an education component that promotes school readiness and incorporates pre-literacy, language, and numeracy skills, until such children enter, or are eligible under state law to enter elementary school; and
- (7) Changing the effective date to encourage further discussions.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1176, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1176, 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 (Hooser, Menor, Hemmings, Whalen).

SCRep. 809 (Joint) Health, Public Safety and Judiciary and Labor on S.B. No. 905

The purpose of this measure is to improve the administration of the medical marijuana program.

The measure attempts to accomplish this purpose by removing the program from the Department of Public Safety and placing it in the Department of Health for administration purposes. The measure clarifies that “adequate supply” means seven plants and three usable ounces, extends the registration period, limits the role of the physician, and establishes a standing committee within the Department of Health to assess the list of applicable diseases that qualify under the program.

Your Committees received testimony in support of this measure from the Drug Policy Forum of Hawaii, NORML, The League of Women Voters of Hawaii, the ACLU, The Religion of Jesus Church, and ten individuals. Your Committees received testimony in opposition to this measure from the Department of Public Safety, the Department of Health, City and County of Honolulu Department of the Prosecuting Attorney, the County of Hawaii Police Department, and the Department of the Attorney General.

Your Committees find that the medical marijuana program needs to be improved to reduce any potential negative impacts on certifying physicians and qualifying patients. However, your Committees find that removing the program from the Department of Public Safety and placing it in the Department of Health will not cure the problems cited by patients regarding the administration of the program. Your Committees believe that it would in effect do the opposite of what is intended. Housing the program in the Department of Health will not reduce the level of oversight, but would add yet another layer of administrative procedures to the program, making it more cumbersome to the qualifying patients and physicians. The Department of Health would still be required to verify the physicians’ licensure and the patients’ valid use of the marijuana for medical use, both of which are functions that require the expertise that resides in the Narcotics Enforcement Division of the Department of Public Safety.

Your Committees see the merit of establishing a standing committee to periodically review and update the list of medical conditions that warrant the use of medical marijuana. However, the measure, as received by your Committees, require that patient representatives be included within the committee’s membership. Your Committees do not believe that the patients would add any empirical value to the committee’s discussions.

Your Committees further find that the current definition of “adequate supply” is open to broad misinterpretation. Deleting the reference to mature and immature plants and clarifying the definition will help to cure potential enforcement errors.

Your Committees have amended this measure by:

- (1) Deleting the proposed transfer of administration of the medical marijuana use program to the Department of Health and leaving it with the Department of Public Safety;
- (2) Removing the two patient representatives from the proposed standing committee;
- (3) Deleting the proposed extension on written certification validity that would have made the certification valid for two years and retaining the existing one year limit;
- (4) Removing the proposed immediacy language that allows a qualifying patient to immediately be permitted use of medical marijuana;
- (5) Requiring that the amount of marijuana possessed jointly by the patient and the primary caregiver not exceed the adequate supply;
- (6) Deleting the amendment that would have allowed a primary caregiver to have up to three qualifying patients and retaining the requirement that a primary caregiver only be responsible for one qualifying patient at any given time;
- (7) Increasing the registration certificate fee from \$25 to \$50;
- (8) Removing all language pertaining to the transfer of the program from the Department of Health to the Department of Public Safety;
- (9) Clarifying that a primary caregiver is someone other than another patient registered under the program and who has not been convicted of any federal or state law relating to any controlled substance and agrees to be responsible for growing the marijuana for the qualifying patient; and
- (10) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 905, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 905, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees. Ayes, 9. Ayes with Reservations, 1 (Sakamoto). Noes, none. Excused, 3 (Inouye, Menor, Whalen).

SCRep. 810 Ways and Means on S.B. No. 979

The purpose of this measure is to preserve and protect the lives our children and young adults by establishing a youth suicide early intervention and prevention program in Hawaii.

Comments in support of this measure were received from the Hawaii Psychological Association, Hawaii Suicide Prevention, Education, Awareness, Research Foundation, Suicide Prevention Steering Committee and Task Force, and a concerned individual. The Department of Education submitted comments.

Your Committee finds that youth suicide has increased nationally in the last decade and that Hawaii youth have reported the highest rates of suicidal ideation on survey questions pertaining to suicide and depression.

Your Committee also finds that many states have already developed comprehensive statewide strategies that seek to provide effective youth suicide early intervention and prevention 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. 979, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 811 Ways and Means on S.B. No. 1447

The purpose of this measure is to clarify the Legislature's intent to codify various provisions of Act 24, Session Laws of Hawaii 2006, into chapter 356D, Hawaii Revised Statutes.

Your Committee received comments in support of this measure from the Hawaii Public Housing Authority.

Your Committee has amended this measure by making technical amendments for the purposes of clarity and style and to correct a drafting error where an incorrect version of the Hawaii Revised Statutes was used.

As affirmed by the record of votes of the members 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. 1447, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1447, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 812 Ways and Means on S.B. No. 238

The purpose of this measure is to increase the reimbursement rate for Medicaid and QUEST psychiatric services according to county population, and to appropriate funds for the reimbursement rate increase.

Specifically, this measure increases the reimbursement rate for psychiatric services to an unspecified percentage of the Medicare fee schedule; provided that the reimbursement rate for counties with a population greater than two hundred thousand shall be an unspecified percentage of the Medicare fee schedule. This measure requires the Department of Human Services to make the appropriate adjustments to the rate of payment to health maintenance organizations and prepaid health plans, which are not required to increase reimbursement rates for psychiatric services until the Department makes such adjustments.

Your Committee received comments on this measure from the Department of Human Services and the Disability and Communication Access Board, Department of Health.

Your Committee finds that there is no mechanism by which health maintenance organizations and prepaid health plans are notified that adjustments have been made. Accordingly, your Committee has amended this measure by:

- (1) Adding a requirement that the Department of Human Services notify health maintenance organizations and prepaid health plans within one week of finalizing any rate adjustments; and
- (2) Requiring the Department of Human Services to submit annual reports to the Legislature regarding reimbursement rates and any adjustments.

As affirmed by the record of votes of the members 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. 238, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 238, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 813 Ways and Means on S.B. No. 1042

The purpose of this measure is to mitigate the sources of artificial light at airports, harbors, and highways to prevent interference with astronomical observations through the telescopes at Hawaii's astronomical observatories.

Specifically, this measure requires the Department of Transportation, to the extent that is practical, to comply with county ordinances and standards relating to outside lighting for all new installations at airports, harbors, and highways, provided that they do not conflict with federal safety regulations.

Your Committee received comments in support of this measure from the County Council of Maui and Institute of Astronomy of the University of Hawaii at Manoa. The Department of Transportation offered comments.

Your Committee believes that this measure will reduce sources of bright light at night that interfere with astronomical observations made through telescopes at various astronomical observatories 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. 1042, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 814 Judiciary and Labor on S.B. No. 942

The purpose of this measure is to prohibit a candidate for public office from appearing in public service announcements paid for with state or public funds from the time of filing nomination papers until the time the person is no longer a candidate, unless the appearance is in response to an emergency or is part of the candidate's official duties.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii. The Campaign Spending Commission commented on this measure.

Your Committee finds that this measure will foster public trust in government. When public officials use radio or television time paid by public moneys, even for legitimate purposes, some members of the public discern a secondary purpose, that public moneys are being used to influence a nomination or election. This measure addresses that concern.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 942 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 (Nishihara).

SCRep. 815 Judiciary and Labor on S.B. No. 1550

The purpose of this measure is to move the date of the primary election from the second to last Saturday in September to the second Saturday in August.

Your Committee received testimony in support of this measure from the Office of Elections, the Office of the County Clerk of the County of Hawaii, the League of Women Voters of Hawaii, and several concerned individuals.

Your Committee finds it critical to increase the time between primary and general elections to afford elections personnel adequate time to prepare, print, and mail ballots, and to allow for ballot revisions when primary election results are challenged.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1550 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. Ayes with Reservations, 1 (Inouye). Noes, none. Excused, 1 (Nishihara).

SCRep. 816 Ways and Means on S.B. No. 892

The purpose of this measure is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining units (2), (3), (4), (6), (8), (9), and (13), and their excluded counterparts.

Your Committee received comments in support of this measure from representatives of the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that this measure is necessary to fund the cost items in the anticipated arbitrated decision or settlement between the public employer and the exclusive representative of the bargaining units.

As affirmed by the record of votes of the members 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. 892 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 817 Ways and Means on S.B. No. 1068

The purpose of this measure is to increase the amount of campaign expenditures that may be spent by candidates per voter for state and county elections who voluntarily agree to limit their campaign spending.

Hawai'i Clean Elections submitted written comments in support of this measure with reservations. The Kokua Council submitted written comments in opposition to this measure. The Campaign Spending Commission submitted written comments.

Your Committee finds that this measure strives to improve Hawaii's partial public funding system by:

- (1) Increasing expenditure limits for candidates who voluntarily agree to limit their campaign expenditures;
- (2) Permitting candidates for the Office of the Prosecuting Attorney to qualify for partial public financing; and
- (3) Increasing the matching funds available to candidates for certain public offices.

Your Committee believes that this measure will encourage more candidates to voluntarily limit their campaign expenditures and participate in the State's publicly funded election 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. 1068, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 818 Ways and Means on S.B. No. 1390

The purpose of this measure is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (11) and their excluded counterparts.

Your Committee received comments in support of the measure from the Hawaii Government Employees Association, AFSCME, and the Hawaii Fire Fighters Association, Local 1463.

Your Committee finds that this measure is a vehicle that must be kept alive in order to make the necessary appropriations for the salary increases and other cost adjustments.

Your Committee has amended this measure 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 S.B. No. 1390, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1390, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 819 Ways and Means on S.B. No. 1385

The purpose of this measure is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (5) and their excluded counterparts.

Your Committee received comments in support of the measure from the Office of Collective Bargaining.

Your Committee finds that negotiations between the public employer and the exclusive bargaining representative of collective bargaining unit (5) are in progress, as the current contract period expires on June 30, 2007. This measure is a vehicle that must be kept alive in order to make the necessary appropriations in the event of a settlement.

Your Committee has amended this measure 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 S.B. No. 1385, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1385, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 820 Judiciary and Labor on S.B. No. 1339

The purpose of this measure is to amend the Rules of Evidence to allow individuals, corporations, and government entities to apologize to persons who have been harmed, without having their benevolent gestures or statements be used as evidence of negligence in a civil law suit.

Your Committee received testimony in support of this measure from the Attorney General. The Consumer Lawyers of Hawaii (CLH) opposed this measure. The Judiciary's Standing Committee on the Rules of Evidence (Standing Committee) testified in support of the intent, and proposed a revision.

CLH expressed concern that "apology" implies acknowledgment of fault, but "benevolent gesture" connotes good faith concern. The Standing Committee expressed concern that "apology" and "benevolent gesture" were not defined, and, mindful of S.B. No. 813 (2007) dealing with the admissibility of expressions of sympathy or benevolence by health care providers, urged your Committee to adopt a unified measure on this subject that applies equally to all persons and entities.

Your Committee finds that in circumstances where expression of sympathy may be key to healing feelings, this measure will encourage dispute resolution without litigation.

Your Committee has amended this measure by inserting the language proposed by the Standing Committee.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1339, 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 (Kokubun).

SCRep. 821 Ways and Means on S.B. No. 1381

The purpose of this measure is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (1) and their excluded counterparts.

Your Committee received comments in support of the measure from the Office of Collective Bargaining, the Judiciary, and the Hawaii Government Employees Association, AFSCME.

Your Committee finds that negotiations between the public employer and the exclusive bargaining representative of collective bargaining unit (1) are in progress, as the current contract period expires on June 30, 2007. This measure is a vehicle that must be kept alive in order to make the necessary appropriations in the event of a settlement.

Your Committee has amended this measure by including a provision to appropriate funds for the officers and employees of the Hawaii Health Systems Corporation who are the excluded counterparts of the officers and employees of the Hawaii Health Systems Corporation who are members of collective bargaining unit (1). Your Committee has also amended this measure by making numerous 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 S.B. No. 1381, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1381, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 822 Ways and Means on S.B. No. 1386

The purpose of this measure is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (6) and their excluded counterparts.

Your Committee received comments in support of the measure from the Office of Collective Bargaining and representatives of the Hawaii Government Employees Association.

Your Committee finds that negotiations between the public employer and the exclusive bargaining representative of collective bargaining unit (6) are in progress, as the current contract period expires on June 30, 2007. This measure is a vehicle that must be kept alive in order to make the necessary appropriations in the event of a settlement.

Your Committee has amended this measure 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 S.B. No. 1386, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1386, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 823 Ways and Means on S.B. No. 610

The purpose of this measure is to appropriate funds to the Department of Education to settle pending class action lawsuits for retroactive salary adjustments brought against the department by part-time and substitute teachers.

Your Committee received comments in support of the measure from attorneys for the substitute teachers. Your Committee received comments in opposition of the measure from the Department of Education and the Attorney General.

Your Committee finds that this measure is intended to facilitate the resolution of the lawsuits and to restore goodwill and harmony between the teachers and the department.

Your Committee has amended this measure by changing the effective date to July 1, 2057, to facilitate further 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. 610, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 610, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 824 Ways and Means on S.B. No. 138

The purpose of this measure is to establish a sub-account within the state parks special fund into which fifty-five per cent of admission proceeds will be deposited to cover costs for operations, repair, and maintenance of the Diamond Head State Monument.

The Department of Land and Natural Resources, the Office of Hawaiian Affairs, and the Diamond Head Citizens Advisory Committee submitted comments in support of this measure.

Your Committee finds that the moneys generated through admission fees to the Diamond Head State Monument are currently used for maintenance of state parks and state parks programs statewide. Your Committee believes that this use of funds generated through admission fees to the Diamond Head State Monument do not suffice to ensure proper operation and maintenance of the monument.

Your Committee finds that this measure remedies the concerns by providing that fifty-five per cent of the moneys generated through admission fees at the Diamond Head State Monument will be used for operations, repair, and maintenance of the monument, thus guaranteeing its proper operation.

As affirmed by the record of votes of the members 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. 138, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 825 Ways and Means on S.B. No. 1094

The purpose of this measure is to expand the legacy land program.

Specifically, this measure will allow the Board of Land and Natural Resources to:

- (1) Acquire interests in land having a value as a resource to the State through the establishment of agricultural easements; and
- (2) Use moneys in the land conservation fund for the payment of debt service related to the acquisition of interests in land having value as a resource to the State.

Your Committee received comments in support of this measure from the Department of Land and Natural Resources, the Department of Agriculture, and the Hawaii Agriculture Research Center.

Your Committee believes that this measure will give the Board of Land and Natural Resources more options and tools with which it can expand the legacy lands program and protect lands having value as a resource 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. 1094 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 826 Ways and Means on S.B. No. 940

The purpose of this measure is to prohibit the Department of Hawaiian Home Lands from lowering allowable loan amounts to lessees unless beneficiaries of the trust have been consulted.

Your Committee received comments in support of the measure from the Council for Native Hawaiian Advancement, Hui Kakooaina Hoopulapula, the State Council of Hawaiian Homestead Associations, and one concerned individual. Comments in opposition were received from the Department of Hawaiian Home Lands.

Your Committee finds that this measure will greatly impact current and future homestead lessees by maximizing the amount of capital available to lessees of Hawaiian Home Lands. Specifically, your Committee finds that the Department of Hawaiian Home Lands recently lowered the loan-to-value ratio on mortgage loans under the Federal Housing Administration 247 program from ninety-five per cent to seventy-five per cent. In concrete terms, this means that on a home valued at \$150,000, the maximum loan amount available under the Federal Housing Administration 247 program dropped from \$142,500 to \$112,000.

Your Committee understands that the department made that decision in order to reduce potential losses to the trust in the event of a loan default. However, beneficiaries of the trust currently pay mortgage insurance fees into a reserve fund to cover such delinquent loans. It is in their best interest to have loan amounts maximized. Thus, the department's actions in lowering loan amounts available under the program without warning or discussion with the beneficiaries makes the department appear as if it is falling a little short of fully meeting its fiduciary responsibilities to these beneficiaries.

As affirmed by the record of votes of the members 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. 940, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, 1 (Hemmings).

SCRep. 827 Ways and Means on S.B. No. 1361

The purpose of this measure is to authorize the Aloha Tower Development Corporation to undertake projects for Honolulu Harbor and adjacent lands that are under the jurisdiction of the Department of Transportation.

Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism, Chamber of Commerce of Hawaii, Hawaii Harbor Users Group, Alexander & Baldwin, Inc., National Defense Center of Excellence for Research in Ocean Sciences, and several individuals, all in support of this measure.

Your Committee finds that the vast majority of goods and merchandise consumed by residents of this State come through our commercial harbors, particularly Honolulu Harbor, all of which are under the jurisdiction of the Department of Transportation, Harbors Division. Honolulu Harbor is now in critical need of upgrading and expanding its facilities and infrastructure to continue to meet the growing demands of our expanding economy. It is of vital importance that substantial improvements be undertaken at Honolulu Harbor; however, the Harbors Division is preoccupied with the essential daily management and operations of the statewide commercial harbor system.

The Aloha Tower Development Corporation, a development-oriented entity with experience working in the Honolulu Harbor environ, is the ideal entity to assist the Harbors Division in undertaking development projects needed to upgrade and expand Honolulu Harbor. This measure will allow the Aloha Tower Development Corporation to undertake projects at Honolulu Harbor, yet provides that:

- (1) Authorization for funding and participation of the Aloha Tower Development Corporation in any project is subject to the approval of the Legislature on a project-by-project basis; and
- (2) The Department of Transportation shall retain fiscal management responsibilities for any project undertaken by the Aloha Tower Development Corporation in Honolulu Harbor.

As affirmed by the record of votes of the members 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. 1361, S.D. 1 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 828 Ways and Means on S.B. No. 939

The purpose of this measure is to establish the Hawaiian home lands community development fund, into which shall be deposited a percentage of all revenues from commercial developments on Hawaiian home lands.

Your Committee received comments in support of this measure from Hui Kakooaina Hoopulapula and Council for Native Hawaiian Advancement, two nonprofit organizations dedicated to the service of native Hawaiians. The Department of Hawaiian Home Lands submitted comments in opposition to this measure.

Your Committee finds that the percentage of the revenues to be deposited into this community development fund from revenues derived from commercial developments on Hawaiian home lands shall be determined by the Department of Hawaiian Home Lands, following consultation with Hawaiian home lands beneficiaries, and shall be expended for community and cultural programs in Hawaiian homestead communities, only after consultation with Hawaiian home lands beneficiaries.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050 to allow further discussion on this measure; and
- (2) 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. 939, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 939, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, 1 (Hemmings).

SCRep. 829 Ways and Means on S.B. No. 1030

The purpose of this measure is to require the Department of Land and Natural Resources to map and maintain confidential records for inadvertently discovered human skeletal remains and locations of reburial sites and human remains.

More specifically, the bill appropriates funds to the department to use global positioning devices for the proper location of burial sites and sites of reinterment and clarifies that the records are not confidential to lineal or cultural descendants.

The Office of Hawaiian Affairs and the Society for Hawaiian Archaeology submitted comments in support of the bill. The Department of Land and Natural Resources submitted comments.

Your Committee finds that under current law the Historic Preservation Division of the Department of Land and Natural Resources is tasked with the location and administration of native Hawaii burial sites. Your Committee further finds that the procedures currently in place do not guarantee the confidentiality and the accuracy of the information on burial sites.

Your Committee finds that using global positioning devices for locating burial and reinterment sites will provide the necessary accuracy. Furthermore, requiring that the information obtained remains confidential because a recordation of a burial site with the Bureau of Conveyances is no longer required and instead, the Department of Land and Natural Resources will establish and keep confidential the information relating to burial sites, except to lineal or cultural descendants.

Upon further consideration your Committee has amended the bill to make technical nonsubstantive amendments for purposes of clarity, style, and consistency and to change the appropriation amount to an unspecified sum to facilitate further 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 S.B. No. 1030, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1030, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 830 Ways and Means on S.B. No. 1090

The purpose of this measure is to appropriate funds for the improvement of the trail system at the Diamond Head State Monument to ensure the safety and enjoyment of all visitors.

Your Committee received comments in support of the measure from the Department of Land and Natural Resources and the Diamond Head Citizens Advisory Committee.

Your Committee finds that the current condition of the trail system at the Diamond Head State Monument cannot provide safety for and accommodate all visitors properly. Your Committee further finds that appropriating funds to improve the trail system will provide for the safety of all visitors to the Diamond Head State Monument.

Your Committee amended the bill to change the effective date to July 1, 2007, and to make technical nonsubstantive changes for style, 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. 1090, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1090, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 831 Ways and Means on S.B. No. 837

The purpose of this measure is to promote and preserve the agricultural industry in the State.

Specifically, this measure:

- (1) Authorizes the Agribusiness Development Corporation to:
 - (A) Issue revenue bonds for the purchase of certain lands in Kunia, Oahu;
 - (B) Grant agricultural leases on the acquired lands with terms of not more than fifty-five years;
 - (C) Purchase, accept, and maintain permanent conservation easement; and
 - (D) Contract with a financial institution to provide lease management services, including the collection of lease rents and other moneys owed the corporation related to the lease of agricultural lands under the corporation's control; and
- (2) Makes an appropriation to be expended by the Agribusiness Development Corporation for the purchase of agricultural lands in Kunia, Oahu.

Your Committee received comments in support of this measure from the University of Hawaii at Manoa, College of Tropical Agriculture and Human Resources; City and County of Honolulu, Department of Planning and Permitting; Hawaii Agriculture Research Center; and Hawaii Crop Improvement Association. The Agribusiness Development Corporation submitted comments.

Your Committee finds that this measure will allow the Agribusiness Development Corporation to become more aggressive in its efforts to promote and preserve agricultural activities in central and west Oahu. It further gives the Agribusiness Development Corporation the ability to contract for lease management services, allowing it to concentrate on its mandate to promote and preserve agricultural industries in the State.

Your Committee amended this measure by:

- (1) Adding language directing the Revisor of Statutes to insert the appropriate number of this Act in section 4 of the bill in printing this Act; and
- (2) Making technical nonsubstantive changes for 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. 837, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 837, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 832 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Ways and Means on S.B. No. 1877

The purpose of this measure is to establish incentives and protections for important agricultural lands pursuant to chapter 205, part III, Hawaii Revised Statutes, by exempting owners of land designated as important agricultural lands from paying real property taxes, and allowing landowners of important agricultural lands to provide dwelling units for farmers and employees who work on the land, and their families.

Specifically, this measure:

- (1) Exempts owners of real property designated as important agricultural lands from paying real property taxes, and makes an appropriation to the counties to offset any revenues lost as a result of exempting these landowners from real property taxation; and
- (2) Allows landowners to develop, construct, and maintain dwelling units for farmers, employees, and their families on lands designated as important agricultural lands; provided that the landowner complies with certain conditions.

Testimony in support of this measure was submitted by the Department of Agriculture; the Department of Business, Economic Development, and Tourism, Office of Planning; the Hawaii Farm Bureau Federation; Maui Land and Pineapple Company, Inc.; Alexander and Baldwin, Inc.; Hawaiian Commercial and Sugar Company; Kauai Coffee Company, Inc.; the Hawaii Association of REALTORS; and Castle and Cooke Hawai'i. Testimony in opposition to this measure was submitted by the Mayor, County of Hawaii; the Finance Department, County of Hawaii; the Department of Corporation Counsel, City and County of Honolulu; two Council Members, Maui County Council; and the Sierra Club. The Department of the Attorney General and the Tax Foundation of Hawaii submitted comments.

The Legislature enacted Act 183, Session Laws of Hawaii 2005, to establish standards, criteria, and mechanisms to identify important agricultural lands and implement the intent and purpose of Article XI, section 3, of the Hawaii State Constitution. However, incentive and protection programs must be established before the Land Use Commission can begin to designate lands as important agricultural lands. Your Committees find that exempting landowners from the real property taxation that is assessed from their important agricultural lands will provide an incentive for landowners to file with the Land Use Commission for an important agricultural land designation. Your Committees further find that allowing landowners to develop, construct, and maintain dwelling units for farmers and employees who farm or work on important agricultural lands will also provide landowners with an incentive to file for an important agricultural land designation, as well as promote diversified agricultural production.

Your Committees note from the concerns indicated in written testimony that providing a real property taxation exemption for important agricultural lands may pose a constitutional issue. Article VIII, section 3 of the State Constitution provides that all functions, powers, and duties relating to the power of real property taxation is exercised exclusively by the counties. However, your Committees strongly believe that an incentive relating to real property taxation is necessary to establish incentive programs for important agricultural lands.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the real property tax exemption and appropriation provisions under part I of this measure and inserting language that establishes an important agricultural lands tax credit that:
 - (A) Provides a landowner of important agricultural land an income tax credit equal to one hundred per cent of the actual amount of county real property taxes paid by the taxpayer;
 - (B) Provides a maximum amount of \$10,000,000 for the total aggregate tax credits claimed for each taxable year;
 - (C) Requires the taxpayer claiming the credit to provide information on an annual basis to the Department of Agriculture that will enable a quantitative and qualitative assessment of the impact of the tax credit; and
 - (D) Requires the Department of Agriculture to determine on an annual basis if the important agricultural land subject to the tax credit is in productive agricultural use, based on a ten-year farm plan submitted to and approved by the Department;
- (2) Adding an additional provision under part II of this measure that requires the combined total of farmer and employee dwelling units and all appurtenances situated on land controlled by the farmer or the employee's employer to occupy no more than twenty per cent of the total land area of the important agricultural land to encourage agricultural production of the land, not residential uses;
- (3) Emphasizing under part II of this measure that the farmers and employees must actively and currently work on the designated important agricultural land upon which their dwelling unit is situated;
- (4) Changing the effective date of the entire measure to July 1, 2050, to ensure ongoing discussion on this matter;
- (5) Changing the effective date of the important agricultural lands tax credit from applying to taxable years beginning after December 31, 2006 to December 31, 2008, as lands will not be designated until proper incentive and protection programs are established and implemented, pursuant to section 9 of Act 183, Session Laws of Hawaii 2005; and
- (6) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committees believe that this measure, as amended, fulfills the intent of this measure, which is to establish incentives and protections for important agricultural lands.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, 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. 1877, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1877, S.D. 2.

Signed by the Chairs on behalf of the Committees. Ayes, 12. Noes, none. Excused, 2 (Hee, Whalen).

SCRep. 833 Ways and Means on S.B. No. 662

The purpose of this measure is to allow the Director of Finance to guarantee farm loans for farmers or land owners situated on land designated as important agricultural lands.

The measure also fulfills the constitutional requirement that incentives and protections be established with respect to important agricultural lands in the State.

Your Committee received comments in support of the measure from the Hawaii Farm Bureau and the Hawaii Crop Improvement Association. The Board of Agriculture, the Land Use Research Foundation of Hawaii, and Alexander and Baldwin Company submitted comments on the measure.

Your Committee finds that article XI, section 3, of the state constitution requires the State to promote agriculture and conserve productive important agricultural lands. Act 183, Session Laws of Hawaii 2005 established standards, criteria, and mechanisms to identify important agricultural lands to implement the intent and purpose of the state constitution. Act 183 also recognized that while the supply of lands suitable for agriculture is critical, the long-term viability of agriculture depends on other factors, including the availability of appropriate financing.

This measure addresses the critical component of financing by authorizing the director of finance to guarantee loans for farmers or land owners situated on land designated as important agricultural lands. However, although your Committee is aware that the measure purports to satisfy the incentive and protection requirements pursuant to Act 183, your Committee believes that a comprehensive set of incentives including financing, is needed. Accordingly, your Committee is inclined to study other issues (including agribusiness infrastructure, water availability, streamlining the regulatory process, and county participation) before making a final determination as to whether the requirements of Act 183 are satisfied.

Your Committee has amended the measure by:

- (1) Changing the administrator of the loan program from the Director of Finance to the Chairperson of the Board of Agriculture under chapter 155, Hawaii Revised Statutes, which is dedicated to agricultural loans;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on this matter; 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. 662, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 662, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 834 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1236

The purpose of this measure is to protect and preserve the continued productivity and viability of the State's agricultural industry by requiring any reclassification of land to an urban or rural district designation that is contiguous to an agricultural district to contain a condition prohibiting nonagricultural development within one thousand feet of any parcel used for a farming operation.

Testimony in support of this measure was submitted by the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, the Hawaii Agriculture Research Center, and the Lalamilo Farm Lots Association. Testimony in opposition to this measure was submitted by the Department of Planning and Permitting, City and County of Honolulu; the Hawaii Reserves, Inc.; and the Kuilima Resort Company. The Department of Agriculture and the Office of Planning of the Department of Business, Economic Development, and Tourism submitted comments.

Agricultural operations continue to be driven out as urbanization encroaches upon farm lands. Farmers are continually faced with complaints and harassment from surrounding neighbors, which ultimately causes these farmers to move their agricultural operations to another agricultural district, or stop their operations completely. Your Committee finds that any loss in agricultural productivity has a detrimental affect on the State's sustainable food productivity and economic activity. Providing measures to protect and preserve agricultural productivity will enable farmers to continue their agricultural operations despite the encroachment of urbanization.

Your Committee notes that establishing a buffer zone of one thousand feet between agricultural districts and urban or rural districts may be too cumbersome and problematic to implement and enforce. Furthermore, the Right to Farm Act under chapter 165, Hawaii Revised Statutes, already provides measures to prevent the declaration that a farming operation is a nuisance.

Accordingly, your Committee has amended this measure by replacing its contents with language that requires the Land Use Commission to include the Right to Farm Act under chapter 165, Hawaii Revised Statutes, as a condition to any reclassification of land to an urban or rural district designation that is contiguous to an agricultural district.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to protect and preserve the continued productivity and viability of the State's agricultural industry.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1236, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hee).

SCRep. 835 Ways and Means on S.B. No. 1705

The purpose of this measure is to improve the management of the Molokai irrigation system.

More specifically, the bill changes the Molokai Irrigation System Advisory Board to a governing board, increases the number of members on the board, permits nomination of members from Molokai homestead stakeholder organizations, and establishes the Molokai irrigation special fund for maintenance of the irrigation system.

The County Council of Maui and a concerned individual submitted comments in support of the bill. The Board of Agriculture submitted comments in opposition to the bill. The Office of Information Practices and the Office of Hawaiian Affairs submitted comments on the bill.

Your Committee finds that currently the Molokai Irrigation System Advisory Board is too dependent on the Department of Agriculture and cannot make independent decisions about matters it is most qualified to render.

Your Committee further finds that this bill will provide a concrete remedy that will permit the board to address all measures necessary to maintain the functionality of the pivotal Molokai irrigation system.

The Committee amended the bill to:

- (1) Clarify sunshine law requirements regarding board meetings;
- (2) Change the effective date of the Act to July 1, 2050 to facilitate further discussion of the bill including the concerns raised by the Office of Hawaiian Affairs with respect to the autonomy of the board and whether there should be some transition built into the process before the advisory board achieves complete independence from the Department of the Agriculture; and
- (3) Make technical, nonsubstantive changes for style, 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. 1705, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1705, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 836 Ways and Means on S.B. No. 1853

The purpose of this measure is to establish a system of best management practices, called the aha moku council system, based on indigenous resource management practices of native Hawaiians based on moku or land divisions, that will foster understanding and practical use of the past practices, including native Hawaiian expertise, to ensure responsible stewardship and an awareness of the interconnectedness of forests, land, valleys, streams, fishponds, and sea.

Specifically, this measure establishes:

- (1) The aha moku council system advisory committee that shall:
 - (A) Explore and derive best management practices for the creation of an aha moku council system to provide input based upon the indigenous resource management practices in each moku;
 - (B) Establish an administrative structure for the creation of an aha moku council commission; and
 - (C) Establish goals and objectives for an aha moku council system to include benchmarks for long-range planning and sustainable objectives; and
- (2) Report to the Legislature twenty days prior to the convening of the Regular Session of 2008 and 2009 with an interim and final report on its findings, including proposed legislation, for the establishment of the aha moku council system.

Your Committee received comments in support of this measure from the State Council of Hawaiian Homestead Association, the Nature Conservancy of Hawaii, and a private citizen. The Department of Land and Natural Resources, Department of Education, and Office of Hawaiian Affairs offered comments.

Your Committee finds that native Hawaiians, through an aha moku council system, protected their environment and maintained a system of sustainability of the resources of Hawaii that they depended upon for thousands of years. Your Committee finds that this system should be revived.

Your Committee has amended this measure by:

- (1) Revising the process for choosing advisory committee members to include a list of nominees to be submitted by the Office of Hawaiian Affairs and the Department of Hawaiian Home Lands;
- (2) Including in the best practices considerations both natural and cultural resources;
- (3) Emphasizing that the aha moku system shall focus on the sustainability of the State's resources and not merely in the sustainable use of those resources;
- (4) Changing the amount appropriated to an unspecified sum to allow further discussion of this measure; and
- (5) Making technical nonsubstantive amendments for purposes 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. 1853, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1853, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 837 Ways and Means on S.B. No. 933

The purpose of this measure is to provide an appraisal procedure for land acquired by the State that is determined to have value as a resource to the State.

Your Committee received testimony in support of this measure from the Nature Conservancy of Hawaii. The Department of Land and Natural Resources offered its comments.

Your Committee finds that this measure extends to the Board of Land and Natural Resources the right to accept appraisals of land prepared for nonprofits organizations under certain conditions. It further allows the Board of Land and Natural Resources to contract independent appraisers to set the purchase price of land to be acquired as land having value as a resource to the State. Further, it allows the Board of Land and Natural Resources to acquire the land at a price higher than the appraised price if the Attorney General determines the higher price is justified and within the range of market value.

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 S.B. No. 933, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 933, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 838 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 546

The purpose of this measure is to protect and preserve agricultural productivity and viability in agricultural districts by increasing the minimum lot size in the rural districts and strengthening agricultural land use policy by establishing a minimum lot size on agricultural districts.

Specifically, this measure:

- (1) Changes the minimum lot size from one-half acre to one acre in rural districts;
- (2) Establishes a minimum lot size of five acres in an agricultural district; and
- (3) Allows for the clustering of dwelling units in rural and agricultural districts as long as the maximum density limitation for each respective district is not diminished.

Testimony in support of this measure was submitted by the Sierra Club, Hawai'i Chapter; Hawaii's Thousand Friends; the Hawaii Association of Realtors; and two individuals. Testimony in opposition to this measure was submitted by the Department of Planning and Permitting, City and County of Honolulu. The Department of Agriculture; the Office of Planning, Department of Business, Economic Development, and Tourism; the Environmental Center, University of Hawaii; and two Council Members, Maui County Council submitted comments.

In the recent past, hundreds of acres of agricultural land have been converted into developments that feature homes without agricultural activity, agribusiness, or subsistence farming. The loss of these agricultural lands results in a loss of the State's ability to develop sustainable agricultural productivity that could increase food and fuel self-sufficiency for Hawaii residents. Furthermore, agricultural viability is threatened by increased agricultural land values and nuisance complaints regarding the agricultural activities of agricultural producers. Changes in land use laws can assist in creating a more viable rural district that can absorb development pressures that are currently directed at the agricultural districts.

Your Committee finds that redefining the rural districts and strengthening the land use policy for agricultural districts is needed to accommodate non-urban, non-agricultural activities and uses in rural areas, while directing these higher-value, non-agricultural uses away from agricultural lands in the agricultural districts.

It was indicated to your Committee in submitted testimony that a more comprehensive approach is needed to effectively achieve a more desirable land use pattern that provides long-term protection for the State's valued agricultural lands, and for rural communities and rural landscapes. Furthermore, there were strong concerns raised regarding how the proposed minimum lot size requirements would affect existing county zoning ordinances for rural and agricultural district lands.

Accordingly, your Committee has amended this measure by adding language that adopts a more comprehensive approach to land use planning for rural and agricultural districts that:

- (1) Amends section 205-2, Hawaii Revised Statutes, by:
 - (A) Retaining the proposed amendment to increase the minimum lot size from one-half acre to one acre in a rural district; and
 - (B) Adding additional criteria for the determination of a rural district;
- (2) Amends section 205-4.5, Hawaii Revised Statutes, by:
 - (A) Adding definitions for and providing references to agricultural activities, agribusiness, and subsistence farming; and
 - (B) Clarifying that the provisions under this section will not apply to the development of any land within an agricultural district that has not been approved by the respective county as of July 1, 2007;
- (3) Amends section 205-5, Hawaii Revised Statutes, by:
 - (A) Establishing a minimum lot size of five acres in an agricultural district;
 - (B) Adding provisions to include a range of uses that support rural economic activities, rural settlements, and open space as a permitted use within a rural district;
 - (C) Adding criteria for a rural village or service center within a rural district; and
 - (D) Conforming this section's minimum lot size in a rural district reference to the amendment made in section 205-2, Hawaii Revised Statutes, from one-half acre to one acre in a rural district;
- (4) Amends section 205-6, Hawaii Revised Statutes, to provide further clarity;

- (5) Adds a clause that the lawful use of land or buildings on the effective date of this measure may continue although the use does not conform to the requirements of this measure, unless the nonconforming use is expanded, changed or discontinued; and
- (6) Makes technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to protect and preserve agricultural productivity and viability in agricultural districts.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 546, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 546, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hee).

SCRep. 839 Ways and Means on S.B. No. 1093

The purpose of this measure is to develop a community-based consensus for managing Hawaii's marine resources by appropriating funds for the creation of an ocean health consensus project.

Comments in support of this measure were submitted by the Center for Conservation Research and Training at the University of Hawaii and The Nature Conservancy. The Department of Land and Natural Resources and the John A. Burns School of Medicine submitted comments.

Your Committee finds twenty-five per cent of the fish species native to Hawaii are found nowhere else in the world. Scientists estimate that a number of native fish species have declined by more than seventy-five per cent over the past one hundred years. This is a loss that affects the livelihood of fishermen, Native Hawaiian culture and practices, and Hawaii's food supply. Due to Hawaii's geographic isolation, and the high number of fish species that are exclusive to Hawaii, it is crucial that the State's shore reef systems and fisheries achieve and maintain a level of self-sufficiency and sustainability.

Your Committee finds that a community-based consensus on the management of Hawaii's marine resources will provide valuable input and tools in the development of a plan to protect, preserve, and enhance the State's marine resources for the benefit of future generations. This may be accomplished by establishing cooperation among the various stakeholders who use Hawaii's marine resources for sustenance, recreation, and commercial production.

Your Committee has amended this measure by:

- (1) Replacing the amount of the appropriation in section 3 with an unspecified amount to facilitate further discussion; and
- (2) Making technical, non-substantive amendments for the purposes of style 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. 1093, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1093, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 840 Ways and Means on S.B. No. 639

The purpose of this measure is to prohibit the sale of plants designated as noxious weeds in Hawaii.

The measure also requires the Department of Agriculture to annually review and update its list of noxious weeds and appropriates funds therefor.

Your Committee received comments supporting the measure from the Nature Conservancy. The Department of Land and Natural Resources submitted comments supporting the intent of the measure and a concerned citizen submitted comments on the measure.

Your Committee finds that the introduction of new invasive plants into Hawaii adds to the growing number of invasive species that crowd out native plants and over propagate in certain areas of the State. Your Committee also finds that the State's noxious weed list has not been updated in fifteen years, which has allowed many new plant species with the potential for causing an infestation to enter Hawaii's borders. These plants have been sold by plant wholesalers and retail outlets and has potentially added to the number of invasive plants in the State.

This measure will ensure the timely monitoring and eradication of alien plants in the State to reduce or eliminate the harm caused by invasive plants.

Your Committee has amended the measure by 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. 639, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 639, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 841 Ways and Means on S.B. No. 718

The purpose of this measure is to support the floriculture industry in Hawaii by encouraging the purchase of flowers grown in Hawaii.

More specifically, this measure amends section 103D-1002, Hawaii Revised Statutes, to require the Department of Agriculture, with the assistance of the State Procurement Office, to develop a Hawaii floriculture product program, to encourage the purchase and use of Hawaii-grown flowers.

The Department of Agriculture submitted comments on this measure.

Your Committee finds that the purpose of this bill is compatible with the purpose of Senate Bill 715. The purpose of that measure is to promote Hawaii's agricultural industry by encouraging the purchase and use of Hawaii agricultural products.

More specifically, Senate Bill 715 adds a new section to chapter 103D, Hawaii Revised Statutes (Procurement Code), which would provide incentives for food operations of state correctional facilities and state hospitals and healthcare facilities to award contracts to the lowest responsible and responsive bidder with preferences given to agricultural products raised or grown in Hawaii.

Your Committee finds that state agencies should assist in promoting and maintaining Hawaii's agricultural and floricultural industries by taking steps necessary to contract for purchases of agricultural products raised or grown in Hawaii, where appropriate. Your Committee believes that establishing a floriculture product program and establishing a preference program within the State Procurement Code fulfills the intent of this measure.

Accordingly, your Committee has amended this measure by:

- (1) Inserting the contents of SB 715 into this measure;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) Making technical nonsubstantive amendments for the purpose 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. 718, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 718, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 842 (Majority) Tourism and Government Operations on S.B. No. 1823

The purpose of this measure is to revise the appointment provisions to the Board of Directors of the Hawaii Tourism Authority (Board).

Specifically, this measure would:

- (1) Reduce from twelve to two, the number of appointments by the Governor, with one of the two voting members having knowledge, experience, and expertise in the area of Hawaiian cultural practices;
- (2) Clarify that each of the four mayors would appoint one voting member, with the advice and consent of the Senate, each of the appointees to have knowledge, experience, and expertise in the area of visitor industry management, marketing, promotion, transportation, retail, entertainment, or visitor attractions;
- (3) Clarify that the President of the Senate and the Speaker of the House of Representatives have direct appointment authority by adoption of a concurrent resolution for three voting members each, with half of the members to have knowledge, experience, and expertise in the area of visitor industry management, marketing, promotion, transportation, retail, entertainment, or visitor attractions;
- (4) Provide for interim appointments; and
- (5) Provide for the transitional implementation of the appointments prescribed under this measure.

Your Committee received comments on this measure from the Hawai'i Hotel & Lodging Association. Testimony in opposition to the measure was received from the Department of Business, Economic Development, and Tourism.

Your Committee finds that the members of the Board should represent a cross section of gubernatorial, legislative, and county ideals of tourism industry representation. Existing law provides for all twelve appointments to be made by the Governor.

Your Committee further finds that Board members should possess knowledge, experience, and expertise in the area of visitor industry management, marketing, promotion, transportation, retail, entertainment, or visitor attractions, which is the bulk of the responsibility of the Board.

Your Committee is cognizant of the constitutional mandates of Article V, section 6 of the Hawaii State Constitution, which provides for the Governor's nomination to all boards and commissions, with the advice and consent of the Senate. However, your Committee believes that the provision applies only to a board or commission that is the head of a principal department of the state government, which does not include this Board.

Your Committee is also cognizant of section 26-34, Hawaii Revised Statutes, which requires the Governor to make appointments to boards and commissions with the advice and consent of the Senate. However, your Committee has amended this measure to accommodate this issue as a conforming technical amendment.

Your Committee nonetheless believes that this measure requires further discussion in the interest of improving on the composition of the Board.

Your Committee has amended this measure 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 Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1823, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1823, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, 1 (Trimble). Excused, 1 (Tsutsui).

SCRep. 843 (Joint/Majority) Tourism and Government Operations and Ways and Means on S.B. No. 1726

The purpose of this measure is to provide for the joint management of the entire state capitol building and grounds, including parking facilities, by the Department of Accounting and General Services (DAGS) in conjunction with the Joint Legislative Management Committee of the Legislature.

Your Committees received testimony in support of this measure from the Senate Sergeant-at-Arms. Testimony in opposition was received from DAGS.

Your Committees note that this measure does not strip DAGS of the responsibility to manage the capitol grounds, but requires DAGS to do so in conjunction with the Joint Legislative Management Committee. Your Committees believe that because most of the capitol is occupied by the Legislature, the Legislature should be consulted and have input into how the building and grounds are managed.

Your Committees are particularly concerned about the insufficient number of parking spaces for the public, the adequacy of the level of security by the Department of Public Safety, and a potential cutback in custodial services by DAGS. Your Committees request DAGS to work on resolving these concerns as this measure moves through the Legislature.

As affirmed by the records of votes of the members of your Committees on Tourism and Government Operations and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1726 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, 2 (Hemmings, Trimble). Excused, 3 (English, Tsutsui, Whalen).

SCRep. 844 Ways and Means on S.B. No. 586

The purpose of this measure is to appropriate funds for the staffing and operating expenses of the Office of the Legislative Analyst, which was established in 1990.

No written comments were submitted on this measure.

Your Committee finds that the Office of the Legislative Analyst was created through Act 347, Session Laws of Hawaii 1990, and codified as section 21F-6, Hawaii Revised Statutes.

Your Committee also finds that staffing this office will provide the Legislature with the necessary revenue and expenditure data and analysis from which economic and fiscal policies are developed.

As affirmed by the record of votes of the members 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. 586, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Menor, Hemmings, Whalen).

SCRep. 845 Ways and Means on S.B. No. 1312

The purpose of this measure is to make an emergency appropriation for electricity payments statewide.

This bill appropriates \$626,000 for fiscal year 2006-2007 to pay the electricity bill incurred by state facilities statewide due to unanticipated increases in global oil prices.

Your Committee received comments in support of this measure from the Department of Accounting and General Services.

Your Committee has amended this bill, in accordance with section 9 of article VII of the Constitution of the State of Hawaii, to insert a new section 2 stating that the appropriation in this bill will cause the general fund expenditure ceiling to be exceeded by \$626,000 and by .012 per cent and that the appropriation is necessary to serve the public interest and to meet the needs provided for by 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 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (Chun Oakland, Hooser, Kim, Menor).

SCRep. 846 Ways and Means on S.B. No. 1313

The purpose of this measure is to make emergency appropriations for the state risk management revolving fund for fiscal year 2006-2007.

Your Committee received comments in support of this measure from the Department of Accounting and General Services and the Hawaii Health Systems Corporation.

Your Committee finds that the increase in the fund's expenditure ceiling is due to unanticipated increases in property insurance premiums and property insurance deductibles that were therefore not included in the fiscal year 2006-2007 insurance allocation.

Your Committee has amended this measure by making several technical amendments for the purposes of clarity, including adding language relating to the general fund expenditure ceiling.

As affirmed by the record of votes of the members 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. 1313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1313, 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, 4 (Chun Oakland, Hooser, Kim, Menor).

SCRep. 847 Ways and Means on S.B. No. 1689

The purpose of this measure is to require the Department of Budget and Finance to establish a searchable website to report on all entities receiving state awards.

Your Committee received comments in support of the measure from the Hawaii Boaters Political Action Association. Comments in opposition were received from the Department of Budget and Finance.

Your Committee finds that with appropriate funding the Department of Budget and Finance will be able to develop the capability to provide public access to information on organizations receiving public funding.

Your Committee has amended this measure by appropriating an unspecified amount of funds to the Department of Budget and Finance to develop the searchable website and by changing the effective date to July 1, 2007. 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 S.B. No. 1689, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1689, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Menor, Hemmings, Whalen).

SCRep. 848 Ways and Means on S.B. No. 1372

The purpose of this measure is to allow state departments and agencies, in addition to the Department of Budget and Finance, to enter directly into financing agreements to finance the construction of facilities and the leasing or purchase of equipment.

Your Committee received comments in support of this measure from the Department of Budget and Finance.

Your Committee believes that allowing other departments and agencies to directly enter into finance agreements will increase efficiencies, while still requiring the Department of Budget and Finance to maintain oversight responsibilities on the use of financing agreements.

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 S.B. No. 1372, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1372, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Chun Oakland, Menor).

SCRep. 849 Ways and Means on S.B. No. 1948

The purpose of this measure is to extend from June 30, 2007 to June 30, 2011 the lapse date for the authorization to issue special purpose revenue bonds to assist Hui `Enekinia Hawai`i, an industrial enterprise.

Your Committee received comments in support of the measure from Hui `Enekinia Hawai`i.

Your Committee finds that special purpose revenue bonds to assist Hui `Enekinia Hawai`i were originally authorized in 1993. The lapse date for the authorization of those bonds were subsequently extended to June 30, 2007.

Your Committee further finds that Hui `Enekinia Hawai`i is still engaged in the development of a cogeneration facility project that will sell the electric energy that it produces to electric utilities that serve the public, and will sell the thermal fluids that it produces to existing and planned manufacturing and processing entrepreneurs in the area. Your Committee finds it is in the public interest to encourage the development of such cogeneration facilities.

Your Committee has amended this measure 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1948, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Menor, Hemmings, Whalen).

SCRep. 850 (Majority) Ways and Means on S.B. No. 1370

The purpose of this measure is to allow the Department of Budget and Finance to assess fixed fees incurred in connection with the issuance of special purpose revenue bonds to provide the project party in advance with proper notice about the fees.

The Department of Budget and Finance submitted supporting comments.

Currently, when issuing special purpose revenue bonds, the Department of Budget and Finance incurs costs, but cannot determine the actual expenses and bill the project party until the bonds have been issued. Occasionally, this leads to disputes by the project party about the amount of costs incurred by the Department of Budget and Finance.

Your Committee agrees that establishing a fee schedule by way of adopting administrative rules will permit the department to provide the project party with the specific amount of fees that will be assessed for issuing bonds for a specific project so that the project party has advance notice and can plan accordingly. It is your Committee's belief that this procedure will prevent disputes about costs almost entirely.

Your Committee has:

- (1) Amended the bill to conform to current statutory language; and
- (2) Made technical nonsubstantive changes for the purposes of style, 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. 1370, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1370, 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 (Hemmings). Excused, 2 (Chun Oakland, Menor).

SCRep. 851 Ways and Means on S.B. No. 1926

The purpose of this measure is to create a whistleblower protection act specifically applicable to public employees.

The measure also gives the Ombudsman responsibility over investigations and notices and appropriates funds to the Ombudsman to prescribe the required notices.

Your Committee received comments in support of this measure from the Hawaii Government Employees Association, the League of Women Voters of Hawaii, the ILWU Local 142, and a concerned citizen. The Ombudsman submitted comments on the measure.

Your Committee finds that this measure is a rational extension of the current Whistleblower's Protection Act and will promote the public interest by affording protections to persons within government who provide valuable internal criticism of the operation of government itself.

Your Committee has amended this measure by:

- (1) Changing the title of the new subpart to "Special Provisions Applicable to Only Public Employment" to more accurately reflect the contents;
- (2) Giving enforcement jurisdiction over the new subpart to the Department of Labor and Industrial Relations rather than to the Ombudsman, and appropriating funds to the Department of Labor and Industrial Relations rather than the Ombudsman;
- (3) Providing that jurisdiction will rest with the Department of the Attorney General if the Department of Labor and Industrial Relations is the public employer being complained of in the public employee's complaint.

As affirmed by the record of votes of the members 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. 1926, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1926, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Menor, Hemmings, Whalen).

SCRep. 852 Human Services and Public Housing on S.B. No. 249

The purpose of this measure is to make the State Commission on Fatherhood permanent by repealing the sunset date.

The State Commission on Fatherhood and the Children's Rights Council submitted testimony in support of this measure.

Your Committee finds that making the State Commission on Fatherhood permanent will enable it to continue to, among other things, develop and advocate for legislation that facilitates fathers' involvement in the lives of their children, report on the status of fatherhood issues in Hawaii, and provide information and resources to the public on effective fathering and parenting support services available to families, particularly fathers.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 249 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, none. Excused, 1 (Hemmings).

SCRep. 853 Human Services and Public Housing on S.B. No. 1673

The purpose of this measure is to provide equal access to immunosuppressant medication for Medicaid patients with HIV, AIDS, or Hepatitis C, or who require immunosuppressives due to organ transplants, regardless of whether they are in the QUEST or Medicaid Fee-For-Service programs.

The Department of Human Services, the Hawaii Disability Rights Center, the American Liver Foundation, the Hepatitis Support Network of Hawaii, and one individual submitted testimony in support of this measure. The Hawaii Association of Health Plans submitted testimony in opposition. The Hawaii Medical Service Association submitted comments.

Your Committee finds that while the current law exempts physicians prescribing immunosuppressant medication from preauthorization procedures under Medicaid, an exclusion pertaining to QUEST medical plans restricts QUEST Medicaid recipients' access to immunosuppressant medication. This measure will provide equal access to immunosuppressant medication for Medicaid patients with HIV, AIDS, or Hepatitis C, or who require immunosuppressives due to organ transplants, regardless of whether they are in the QUEST or Medicaid Fee-For-Service programs.

It is your Committee's intent to support equal access to immunosuppressant medication for this population of QUEST Medicaid recipients. Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1673, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1673, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Hemmings).

SCRep. 854 (Joint) Human Services and Public Housing and Judiciary and Labor on S.B. No. 1441

The purpose of this measure is to require foster and adoptive parents to complete a child abuse and neglect clearance as a condition of approval in accordance with federal law.

The Department of Human Services, the Child Welfare Services State Advisory Council, Kokua 'Ohana Foster Care Program, and one individual submitted testimony in support of this measure.

Your Committees find that this measure will ensure the State is in compliance with the requirements of the federal Adam Walsh Child Protection and Safety Act of 2006. The measure requires that child abuse and neglect clearances are conducted for all adults living in a foster or adoptive home in every state the adult or family has resided in during the previous five years as a condition of approval. Your Committees further find that this measure will help ensure that child abusers do not evade detection by moving from one state to another.

Your Committees have amended this measure by:

- (1) Changing the effective date from July 1, 2007, to upon approval; and
- (2) Making technical, nonsubstantive changes 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 Public Housing and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1441, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1441, 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 (Nishihara, Sakamoto, Hemmings).

SCRep. 855 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1805

The purpose of this measure is to establish licensure and licensure qualifications for genetic counselors under the Department of Health.

Specifically, this measure would prohibit a person from using the letters "L.G.C." in connection with the person's name or use any words or symbols indicating or tending to indicate that the person is a licensed genetic counselor, without first holding a license in Hawaii.

Your Committee received written comments in support of this measure from the March of Dimes, The Queen's Medical Center, and nine individuals.

Your Committee finds that genetic counselors are health professionals with specialized graduate degrees and experience in the areas of medical genetics and counseling. The American Board of Genetic Counseling is the national certification entity. Genetic counselors provide information and support to families who have members with birth defects or genetic disorders, and to families who may be at risk for a variety of inherited conditions. Genetic counselors translate scientific knowledge into practical information to help families make decisions concerning childbearing.

Your Committee believes that the licensure of genetic counselors will help protect the public from persons who are unauthorized or untrained to provide genetic counseling services.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1805, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 856 (Joint) Commerce, Consumer Protection and Affordable Housing and Judiciary and Labor on S.B. No. 230

The purpose of this measure is to require scrap dealers, when buying copper from an individual, to require the individual to present valid identification and be fingerprinted.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, Hawaiian Electric Company, and the Kuli'ou'ou/Kalani Iki Neighborhood Board #2. Testimony in opposition to this measure was submitted by Schnitzer Steel Hawaii Corporation; Okuda Metals, Inc.; and Reynolds Recycling. The Department of the Attorney General submitted comments on this measure.

Your Committees find that the recently higher prices for copper have resulted in a spate of copper theft across the State. Not only does the theft of copper cost taxpayers money for replacement and repair, it also causes major disruptions to public services and utilities.

Your Committees find that requiring scrap dealers to obtain certain information from sellers prior to purchasing copper, will deter scrap dealers from buying stolen copper and lessen the incentive for thieves to steal copper.

After full discussion on this measure, your Committees have amended this measure by:

- (1) Removing the fingerprinting requirements;
- (2) Requiring sellers of copper, in whole or in part, to provide a receipt or a notarized statement for the scrap metal upon offering the metal for sale to a scrap dealer;
- (3) Requiring the scrap dealer to refuse to accept any copper, in whole or in part, if the seller cannot comply with the requirements of paragraph (2) and to report the attempted sale to law enforcement authorities;
- (4) Exempting public utilities from the requirements of section 445-233, Hawaii Revised Statutes (HRS);
- (5) Adding a penalty for a violation of either sections 445-232, 445-233, or for any person who falsifies a statement required by section 445-233, HRS. The penalty includes a fine of \$100 for the first offense, \$500 for the second offense, and \$1,000 and the suspension of the scrap dealer license for a period of six months for the third offense; and
- (6) Changing the effective date for the purpose of promoting further discussion.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 230, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 230, 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 (Ige, Kokubun).

SCRep. 857 (Joint) Commerce, Consumer Protection and Affordable Housing and Judiciary and Labor on S.B. No. 1803

The purpose of this measure is to enable small insurers, which occupy less than thirty per cent of the health insurance market, to provide the broadest health care coverage at the lowest possible rates by permitting different types of insurance to be combined into a single policy.

Your Committees received testimony in support of this measure from the Hawaii Management Alliance Association and the Hawaii Association of Realtors. Testimony in opposition to this measure was received from the Department of Commerce and Consumer Affairs and the Hawaii Medical Service Association.

Your Committees find that affordable health insurance is one of the State's most pressing concerns and that small insurers provide coverage to individuals, self-employed workers, and small business group plans that have one or few employees. Expanding coverage options will benefit

consumers and will increase competition in Hawaii. The intent of this measure is to provide consumers with greater choices in their health insurance provider by allowing small insurers to be able to combine different types of insurance into a single policy without violating tying arrangements that are prohibited under the Insurance Code.

Your Committees have amended this measure to promote further discussion by:

- (1) Removing section 1 of the measure;
- (2) Changing the requirements to allow those insurers that cover less than ten per cent of the health insurance market to offer combined insurance coverage under a single policy to small employee groups; and
- (3) Changing the effective date.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1803, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1803, 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 (Ige, Kokubun).

SCRep. 858 (Joint) Commerce, Consumer Protection and Affordable Housing and Judiciary and Labor on S.B. No. 1400

The purpose of this measure is to require financial institutions to report suspected instances of financial abuse directed towards, targeting, or committed against elders or a dependent adult to a local law enforcement agency.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Department of Human Services, the Hawaii Bankers Association, and two individuals. Comments on this measure were submitted by the Hawaii Financial Services Association and Finance Factors.

Your Committees find that reported instances of financial abuse of elders have become increasingly common and that state-regulated financial institutions can be instrumental in curtailing this disturbing upward trend by reporting suspected incidents of financial abuse.

Your Committees further find that the requirements placed upon financial institutions to report suspected financial abuse should not be unduly burdensome and that financial institutions should be protected from liability when a report of suspected financial abuse is made in good faith.

Therefore, your Committees have amended this measure by:

- (1) Providing a safe harbor provision for the financial institutions to protect them from litigation when filing a report of suspected abuse in good faith;
- (2) Clarifying that the trigger for reporting suspected abuse is a good faith belief;
- (3) Providing financial institutions with the option of reporting suspected financial abuse to the Department of Human Services, as well as any local law enforcement agency;
- (4) Changing the time period for reporting, in writing, suspected financial abuse from two days to five days;
- (5) Deleting the provisions related to dependent adults; and
- (6) Clarifying that the report is made by the financial institution and not by the officer or the employee.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1400, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1400, S.D. 2.

Signed by the Chairs on behalf of the Committees. Ayes, 9. Noes, none. Excused, 2 (Ige, Kokubun).

SCRep. 859 (Joint) Commerce, Consumer Protection and Affordable Housing and Judiciary and Labor on S.B. No. 1332

The purpose of this measure is to deter the theft of copper.

Specifically, the measure creates the criminal offense of theft of one pound or more of copper as a class C felony and adds new requirements for the sale of copper and the purchase of copper by scrap dealers.

Your Committees received testimony in support of this measure from State Attorney General, Honolulu Prosecuting Attorney, Honolulu Police Department, Maui Prosecuting Attorney, and Hawaiian Electric Company. Testimony in opposition was received from the Public Defender.

Your Committees find that the price of copper has risen due to the high market demand for construction materials. Your Committees note the recent rise in copper thefts has had a great impact on the general public with the dismantling of street light fixtures, transformers, and rain gutters. Scrap metal dealers are the prime intermediary for copper thieves who sell the contraband to the dealers.

This measure establishes specific disclosure requirements on persons seeking to sell copper and specific reporting requirements on scrap dealers purchasing the copper to assist law enforcement officials in identifying and prosecuting copper thieves. Your Committees believe that criminalizing copper theft and regulating scrap dealers, such as provided in this measure, will serve as effective tools in deterring future copper thefts.

Your Committees have amended this measure by changing the effective date to July 1, 2050, in the interests of continuing the discussion.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1332, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1332, S.D. 2.

Signed by the Chairs on behalf of the Committees. Ayes, 9. Noes, none. Excused, 2 (Ige, Kokubun).

SCRep. 860 Commerce, Consumer Protection and Affordable Housing on S.B. No. 170

The purpose of this measure is to allow captive insurance companies to be formed as limited liability companies, to clarify the minimum capital and surplus requirements, and increase the investment flexibility for pure captives.

Written comments in support of this measure were submitted by Willis Management (Hawaii) and one individual. The Department of Commerce and Consumer Affairs submitted written comments on this measure.

Your Committee finds that while Hawaii is the second largest captive insurance domicile in the United States, it is facing increasing competition from other states that have recognized the value of implementing captive insurance enabling regulations.

Your Committee further finds that the Hawaii Revised Statutes do not currently allow for the formation of captive insurance companies to form as limited liability corporations or limited liability companies, while other states do. This leaves Hawaii unable to compete with other captive domiciles for this type of business. This measure will help Hawaii to continue to be a leading captive insurance domicile by maintaining captive insurance companies already domiciled in Hawaii and attracting new captive insurance companies in the future.

Your Committee has amended this measure by:

- (1) Amending the definition of “affiliated entity” in section 431:19-101, Hawaii Revised Statutes (HRS), to clarify that, in the case of a pure captive insurance company, the affiliated entity risks insured by the pure captive insurance company are directly or indirectly controlled in some manner by the parent or an affiliate of the parent company of the pure captive insurance company;
- (2) Requires the Insurance Commissioner to designate the Captive Insurance Administrator as a Deputy Commissioner, with the approval of the Director of Commerce and Consumer Affairs;
- (3) Implementing various amendments to article 19 of chapter 431, HRS, to allow the formation of captive insurance companies as limited liability companies;
- (4) Changing how independent advisors are selected by allowing the Insurance Commissioner to use independent advisors and consultants to assist in the review and analysis of a specific application or business plan amendment in section 431:19-102(f), HRS;
- (5) Consolidating the minimum capital and surplus requirements and consolidating the minimum required capital and surplus for association captive insurance companies and risk retention captive insurance companies at \$500,000;
- (6) Eliminating the requirement in section 431:19-106(c), HRS, that there be no fewer than three incorporators of the captive;
- (7) Eliminating the requirement in section 431:19-106(g), HRS, that the board of directors or other governing body of the captive insurance company have a Hawaii resident director;
- (8) Revising the framework for regulation of investments of captive insurance companies, and in so doing, providing greater flexibility to captive insurance companies, other than class 3 risk retention captive insurance companies;

Requires that the captive insurance company’s reserves are invested pursuant to an approved strategic investment policy, or in the case of a class 3 risk retention captive insurance company or a captive without an approved strategic investment policy, in investments in accordance with article 6 of the Insurance Code;
- (9) Allowing the Insurance Commissioner to require a captive insurance company to file a complete disclosure of the identity, background, and experience of key individuals or staff involved with its investment activities and administration;
- (10) Requiring each captive insurance company, consistent with approval and record keeping requirements in article 6, to maintain in its principal office in Hawaii, a written record documenting its investment transactions and documents evidencing the authorization or approval of the investments by the captive insurance company’s governing body or its designated representative; and
- (11) Making other technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee notes that these amendments were agreed upon by the Department of Commerce and Consumer Affairs and the Hawaii Captive Insurers’ Council.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 170, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 170, 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. 861 Commerce, Consumer Protection and Affordable Housing on S.B. No. 920

The purpose of this measure is to limit the use of condominium association member lists by requiring managing agents to obtain prior written consent from the board of directors of the condominium association, except to send meeting notices, association newsletters, and notices of proposed declaration and bylaw amendments.

Testimony in support of this measure was submitted by the Hawaii Independent Condominium and Cooperative Owners, and two individuals. The Real Estate Commission of the Department of Commerce and Consumer Affairs and the Hawaii Chapter of the Community Associations Institute submitted comments.

Your Committee finds that condominium association member lists are the property of the association and members’ information must be kept private. The intent of this measure is to stop managing agents from using condominium member lists without the prior written consent of the board of directors of the condominium association.

Your Committee has amended this measure to move the language limiting the use of condominium association member lists by managing agents from section 514B-154, Hawaii Revised Statutes (HRS), to section 514B-153, HRS, as section 514B-153 prescribes the requirements for association member lists, including handling procedures, and is the more appropriate section for this new requirement.

Your Committee has also amended this measure to:

- (1) Require a managing agent to receive prior written consent of the board of directors of the condominium association for any use of a member list, including political or commercial uses;
- (2) Clarify that the member list is the property of the association and that managing agents or resident managers may not use the information on the member list to create a separate list as a way to avoid the requirements of section 514B-153, HRS; and
- (3) Changing the effective date to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 862 Commerce, Consumer Protection and Affordable Housing on S.B. No. 921

The purpose of this measure is to limit the costs that a condominium association may charge members for association records to reasonable cost.

This measure also clarifies that reasonable costs include administrative and duplicating costs.

Testimony in support of this measure was submitted by the Independent Condominium and Cooperative Owners and two individuals. The Hawaii Chapter of the Community Association Institute submitted comments.

Your Committee finds that costs for obtaining condominium association records can sometimes be excessive and this may prevent members from exercising their right to obtain copies of association records. The intent of this measure is to limit the costs of obtaining records to reasonable costs, making it easier and more affordable for members to obtain this information.

Your Committee has amended this measure by changing the maximum amount that a member may be charged from fifty cents to \$1 per page for administrative and duplicating costs 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 Commerce, Consumer Protection, and Affordable Housing 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 863 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1006

The purpose of this measure is to exempt bank holding companies; subsidiaries of a bank that have been granted approval by the federal government to invest in, own, or operate; exclusive agents of a bank, savings association, or credit union; and operating subsidiaries of a bank or credit union from the regulations that govern mortgage brokers and solicitors.

Your Committee received testimony in support of this measure from Central Pacific Bank and Central Pacific HomeLoans. First Hawaiian Bank submitted testimony in opposition to this measure. The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs; the Regulated Industries Complaint Office of the Department of Commerce and Consumer Affairs; Primerica Financial Services Home Mortgages, Inc.; and the Hawaii Credit Union League submitted comments on this measure.

Your Committee finds that mortgage brokers and solicitors who work in a bank fall within the regulatory scheme of the Division of Financial Institutions. If a bank has a wholly owned subsidiary with mortgage brokers and solicitors, those brokers and solicitors fall with the regulatory scheme of both the Division of Financial Institutions and the Division of Professional and Vocational Licensing.

Your Committee further finds that the Division of Financial Institutions' regulatory scheme is more stringent, and therefore, your Committee has amended this measure to provide a narrow exemption for mortgage brokers and solicitors of a wholly owned bank subsidiary from the regulation of the Division of Professional and Vocational Licensing. In addition, your Committee has amended this measure to make technical, nonsubstantive changes for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1006, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1006, 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. 864 (Majority) Commerce, Consumer Protection and Affordable Housing on S.B. No. 1008

The purpose of this measure to amend chapter 431:10D, Hawaii Revised Statutes, to set forth standards and procedures for insurers and insurance producers relating to the purchase or exchange of annuity products.

Specifically, the major provisions of this measure:

- (1) Require an insurer or insurance producer, in recommending the purchase or exchange of an annuity, to have reasonable grounds for believing that the recommendation is suitable for the consumer based upon facts disclosed by the consumer as to the individual's investments, other insurance producers, and financial situation and needs;
- (2) Require that a reasonable effort be made to obtain information about a consumer's financial status, tax status, investment objectives and other information that should reasonably be considered prior to the purchase or exchange of an annuity based upon the recommendation of an insurer or insurance producer;
- (3) Provide guidance on when an insurer or insurance producer's recommendation will be considered reasonable under the circumstances actually known at the time of the recommendation;

- (4) Require an insurer to assure that there is a system in place to supervise recommendations to achieve compliance with the regulations; and
- (5) Make a sale to a consumer that violates the information requirements discussed above an unfair or deceptive trade practice in the business of insurance.

Your Committee received testimony in support of this measure from the American Council of Life Insurers and the National Association of Insurance and Financial Advisors. The Insurance Division of the Department of Commerce and Consumer Affairs (DCCA) and the Business Registration Division of the DCCA submitted testimony in opposition to this measure.

Your Committee finds that there is a need to protect consumers who purchase annuity products. This measure is based upon model legislation and the intent is to ensure that the insurance needs and financial objectives of consumers in transactions involving annuity products are appropriately and adequately addressed.

Your Committee has amended this measure by changing the effective date to promote further discussion. Your Committee has also amended this measure to 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 Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1008, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1008, 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. 865 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1011

The purpose of this measure is to require motor vehicle manufacturers to allow registered owners, through a registered locksmith, to access information necessary to produce replacement vehicle keys.

Your Committee received testimony in support of this measure from the Property Casualty Insurers Association of America, AAA-Hawaii, AAA-California, Pacific Locksmiths, and five individuals. Testimony in opposition to this measure was submitted by the Motor Vehicle Industry Licensing Board, the Hawaii Automobile Dealers' Association, and the Alliance of Automobile Manufacturers.

Your Committee finds, based upon some of the testimony presented, that it has become increasingly common for motorists to undertake significant costs or to wait for prolonged periods of time in order to get replacement keys for their vehicles when the keys become lost, stolen, or damaged. Based upon testimony presented to your Committee, it appears that locksmiths are unable to fashion new keys without certain types of information, which sometimes requires the locksmith to dismantle parts of the vehicle to obtain it. If locksmiths are still unable to fashion a new key, motorists are sometimes required to wait until a new key can be sent from the mainland.

While your Committee notes the concerns raised by those in opposition that this measure bypasses the security measures the motor vehicle industry has implemented to safeguard the security of their products, your Committee finds that this measure should proceed in the legislative process to allow a continued dialog among the interested parties.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style, and by changing the effective date to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1011, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1011, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 866 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1410

The purpose of this measure is to modernize Hawaii's insurance laws, ease insurers' filing requirements, and bring Hawaii's insurance laws into conformity with the federal and national standards with regards to:

- (1) The federal Military Personnel Services Protection Act;
- (2) Long-term insurance care; and
- (3) The sharing of information with the insurance regulatory agencies of foreign countries.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and the Association of Insurance and Financial Advisors. Testimony in opposition to this measure was submitted by Hawaii Insurers Council and USAA. Comments were received from the American Council of Life Insurers (ACLI) and the Hawaii Medical Service Association.

Your Committee finds that this measure is a reflection of model standards developed by the National Association of Insurance Commissioners.

Your Committee, has deleted the section of this measure dealing with the Military Personnel Services Protection Act, and upon the recommendation of the ACLI, has amended this measure to make technical amendments and to add a new section to require training for producers of long-term care insurance. Your Committee has also amended this measure to delay the effective date to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing 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 Second Reading in the form attached hereto as S.B. No. 1410, 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 (Ige).

SCRep. 867 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1423

The purpose of this measure is to provide for additional protections for consumers of cemetery or funeral services.

This measure, among other things:

- (1) Adds a new section to chapter 442, Hawaii Revised Statutes, to establish procedures for the cancellation, termination, and refund of pre-need funeral and interment services contracts;
- (2) Requires a cemetery authority to file with the Department of Commerce and Consumer Affairs and maintain a map of every plot, crypt, or niche, and maintain an accurate record of the identity of each person buried or interred in the cemetery;
- (3) Ensures that contracts for pre-need interment of funeral services retain priority over liens and mortgages of a pre-need interment or funeral services authority if the authority's pre-need trusts are not fully funded;
- (4) Requires disclosure in clear and plain language of the terms of a pre-need funeral or interment services contract;
- (5) Clarifies the Director of Commerce and Consumer Affairs' authority to inspect the books, records, and papers of a cemetery or pre-need funeral or interment services authority; and
- (6) Increases the fine from \$1,000 to \$5,000 for violations of the chapter of law regulating cemetery or pre-need funeral or interment services authorities.

Your Committee received testimony in support of this measure from the Regulated Industries Complaint Office of the Department of Commerce and Consumer Affairs, the Funeral Consumers Alliance Hawaii, and Mililani Group, Inc. Comments were submitted by the Hawaii Funeral Directors Association and Ballard Mortuary, Inc.

Your Committee finds that this measure will materially advance and improve the level of consumer protection afforded Hawaii's cemetery and funeral services consumers by establishing procedures for the cancellation, termination, and refund of pre-funeral and pre-interment needs, as well as implementing other requirements related to the death care industry.

Your Committee has amended this measure by changing the effective date to July 1, 2050, in the interest of further discussion and by making a technical, nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 868 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1654

The purpose of this measure is to establish a process for condominium dispute resolution for condominiums governed by chapter 514A, Hawaii Revised Statutes (HRS).

Specifically, this measure seeks to reenact section 28 of Act 164, Session Laws of Hawaii 2004 (Act 164), which created the Condominium Dispute Resolution Pilot Project within the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs (Office of Administrative Hearings).

Your Committee received testimony in support of this measure from the Office of Administrative Hearings, the Hawaii Independent Condominium and Co-op Owners, and the Hawaii Chapter of the Community Associations Institute.

Your Committee finds that section 28 of Act 164, Session Laws of Hawaii 2004, created the Condominium Dispute Resolution Pilot Project within the Office of Administrative Hearings for condominiums created under chapter 514A, HRS. This pilot project was repealed on June 30, 2006.

Your Committee further finds that while a new condominium dispute resolution process has been established in chapter 514B, HRS, the process found in chapter 514B, HRS, does not apply to those condominiums still governed by chapter 514A, HRS. This measure seeks to recreate a similar dispute resolution process for those condominiums still governed by chapter 514A, HRS.

Your Committee has amended this measure, based partially upon the testimony of the Office of Administrative Hearings, by:

- (1) Adding a sunset date of June 30, 2009;
- (2) Allowing cases that were before the Office of Administrative Hearings under the Condominium Dispute Resolution Pilot Project, as created by Act 164, on June 30, 2006, to be reinstated and resolved under the provisions of this measure; 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 Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1654, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1654, 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 (Ige, Sakamoto).

SCRep. 869 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1704

The purpose of this measure is to make clarifying amendments to various provisions of the condominium law.

Specifically, this measure:

- (1) Clarifies that chapter 514A, Hawaii Revised Statutes (HRS) is one of the chapters for which disciplinary action may be taken against a real estate licensee;
- (2) Clarifies what is to be included in a developer's public report and how the report and any amendments must be delivered to a purchaser or prospective purchaser for binding sales contracts;
- (3) Reinstates the fidelity bond requirement for condominium association registration under chapter 514B, HRS; and

- (4) Provides the developer of a condominium property regime that is registered pursuant to chapter 514A, HRS, the option of registration and sale of the condominium project pursuant to chapter 514B, HRS.

Your Committee received testimony in support of this measure from the Real Estate Commission of the Department of Commerce and Consumer Affairs (Real Estate Commission), the Hawaii Chapter of the Community Associations Institute, and the Hawaii Council of Associations of Apartment Owners.

Your Committee finds that the changes made to the condominium law over the last few years have created various issues, especially for those condominiums that remain governed by chapter 514A, HRS, and that amendments are necessary to provide clarity in the law.

Your Committee has amended this measure to include the recommendations of the Real Estate Commission to:

- (1) Clarify that where a property regime was created, and not just registered, under chapter 514A, HRS, the developer has the option to register the project under chapter 514B, HRS;
- (2) Repeal section 26 of Act 164, Session Laws of Hawaii 2004 (Act 164), which repealed parts I, V, and VI of chapter 514A, HRS;
- (3) Reenact parts I, V, and VII, of chapter 514A, HRS, as amended;
- (4) Amend sections 514A-14.5 and 514A-108, HRS, to reflect the repeal of chapter 201G, HRS, and the enactment of chapter 201H, HRS; and
- (5) Change the effective date of the repeal of section 26 of Act 164 and the reenactment of parts I, V, and VII of chapter 514A, HRS, to June 30, 2007.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1704, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1704, 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. 870 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1988

The purpose of this measure is to establish labeling requirements for honey not produced in Hawaii and to add definitions related to honey to chapter 147, Hawaii Revised Statutes (HRS).

Your Committee received testimony in support of this measure from the Hawaii Beekeepers' Association and one individual. Testimony in opposition to this measure was submitted by the Department of Health. Comments were received from the Department of Agriculture.

Your Committee finds the honey industry and the honey bees that produce Hawaii honey are a critical part of the agricultural production chain and that Hawaii honey needs to be protected and distinguished from honey that is imported to the State.

In addition, your Committee finds that unwary consumers should be protected from purchasing imported honey that does not disclose its true content or attempts to mislead consumers through its labeling.

The intent of this measure is to protect consumers by establishing labeling requirements for honey imported to and sold in the State.

Your Committee has amended this measure, based partially upon the recommendation of the Department of Agriculture, by:

- (1) Removing section 1 of the bill to clarify that the intent is the accuracy of labeling;
- (2) Removing the reference to the Department of Agriculture in determining whether honey has been adulterated within the meaning of section 328-9, HRS;
- (3) Removing country of origin labeling requirements and replacing the language with a requirement to disclose the percentage of Hawaii produced honey in each package;
- (4) Requiring the Department of Agriculture to work with interested parties to develop labeling requirements and procedures regarding the disclosure of the country of origin of honey sold in and imported to the State;
- (5) Changing the effective date to promote further discussion; 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 Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1988, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1988, 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. 871 Judiciary and Labor on S.B. No. 1573

The purpose of this measure is to clarify that arson property damage over ten thousand square feet qualifies for special sentencing.

In addition, the measure also amends the misdemeanor offense of arson in the fourth degree to include recklessness to the state of mind requirement in the commission of arson.

Your Committee finds that the current law regarding arson states that the damage to the property must be exactly ten thousand square feet to qualify for special sentencing considerations. This bill would provide that the damage be ten thousand square feet or more.

Your Committee heard testimony in support of the bill from the Honolulu Prosecuting Attorney's Office and heard testimony against the bill from the Public Defender's Office. After further discussion, the Public Defender's Office withdrew its objection to the bill.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1573 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. 872 Judiciary and Labor on S.B. No. 1520

The purpose of this measure is to eliminate the requirement that arrest citations contain an offender's full social security number and to authorize the verification of arrest citations and traffic crime complaints by declaration in accordance with the court rules.

Your Committee heard testimony from the Judiciary in support of the bill. There was no opposition to the bill.

Your Committee finds that court records are public records and the citation is a part of the court record. Requiring a full social security number in a public record facilitates identity theft. The elimination of the full social security number would eliminate the misuse of such information.

Your Committee further finds that allowing the use of declarations in lieu of affidavits for arrest citations and traffic crime complaints is consistent with current rules of court, and would not harm the offender's right to challenge the veracity of the officer. Use of declarations would allow for more timely processing of citations and complaints, and would save space on citation forms.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1520 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. 873 Judiciary and Labor on S.B. No. 1337

The purpose of this measure is to facilitate the proving of civil contempt of court in the enforcement of an order compelling a parent to pay child support, medical support, or other remedial care for his or her child. The measure provides that proof that the parent was present in court at the time the order was pronounced or that parent was served with said order, and proof that the parent did not comply with said order, constitutes prima facie evidence of a civil contempt of court.

Testimony in support of this measure was received from one individual.

Presently, when a parent who is ordered to pay child support or provide other types of support for his or her child fails to do so, a party bringing a civil contempt of court action against the non-complying parent has the burden to prove that the non-complying parent has the ability to pay or provide the court-ordered support at the time of the civil contempt ruling. In *Murray v. Murray*, 60 Haw. 160, 587 P.2d 1220, the Hawaii Supreme Court found that the trial court did not make a specific finding that the parent was able to pay at the time of the contempt ruling. This has proven to be a difficult burden, as the information about the non-complying parent's ability to pay at a particular time is with the non-complying parent. This has made it difficult to pursue non-complying parents, even though there is a prior court order for child support.

This measure shifts the burden of proof on the non-complying parent after it is proven that prima facie evidence of a civil contempt where there is proof that the non-complying parent was present in court at the time the support order was pronounced or that the non-complying parent was served with said order, and proof that the non-complying parent did not comply with said order. It becomes the non-complying parent's burden to prove to the court that he or she is unable to pay or provide the court-ordered support.

The proposed statutory language is modeled after a California statute, which the United States Supreme Court held was valid in a civil contempt action. *Hicks v. Feiock*, 485 U.S. 624 (1988).

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1337 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 (Nishihara).

SCRep. 874 Judiciary and Labor on S.B. No. 1527

The purpose of this measure is to streamline and afford greater flexibility to the courts to determine the most efficient and effective procedures for selecting, qualifying, summoning, managing, and compensating prospective jurors.

Your Committee finds that the current procedures for the summoning, selection, and management of prospective jurors and jurors are uncompromising. The Judiciary, with its information management system has the opportunity to streamline this process, reduce costs, establish more efficient practices, and provide a more user-friendly experience for those summoned and selected for jury service.

This bill allows for the electronic methods for selecting, summoning, and managing grand jurors and jurors. It also provides for flexibility to determine the most effective and efficient process for selecting, summoning, and managing jurors. It also revises existing terms and language for clarity and consistency, deletes certain provisions that are no longer applicable, and amends statutory provisions for consistency with the language in the Americans with Disabilities Act.

Your Committee received testimony from the Judiciary in support of the bill. There was no testimony against the bill.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1527 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. 875 Judiciary and Labor on S.B. No. 957

The purpose of this measure is to ensure that a violation under chapter 104, Hawaii Revised Statutes (HRS), is limited to a violation that occurs within a single contract, regardless of the close proximity in time of other violations on simultaneous projects.

Testimony in support of this measure was received from the Hawaii Building and Construction Trades Council, AFL-CIO, International Union of Elevator Constructors, Laborers' Union Local 368, Iron Workers, and one individual. Testimony in opposition was received from the Department of Labor and Industrial Relations (DLIR).

Your Committee is troubled with the DLIR's testimony as stated in the following: "For example, if a contractor failed to pay overtime on March 26, Kuhio Day, to laborers or mechanics on three projects, because the contractor's employees would rather work on that State holiday than take the day off, the Department would have to suspend the contractor from any State work for three years. Even if the contractor corrected the mistake within 20 days and paid back wages and penalties, the Department would still have to suspend the contractor." The fact that DLIR finds this example acceptable under chapter 104, HRS, proves why this measure is needed.

Your Committee finds that the State should enforce laws that are created to protect the worker and taking a cavalier attitude toward violations under chapter 104, HRS, should not be condoned.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 957 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 (Inouye).

SCRep. 876 Judiciary and Labor on S.B. No. 1392

The purpose of this measure is to authorize enhanced civil and administrative penalties for securities violations, when the violations are directed toward, target, or are committed against seniors who are sixty-two years of age or older.

This measure authorizes civil and administrative penalties of up to \$50,000 for each violation.

Your Committee received testimony from the Attorney General's Office, the Commissioner of Securities of the Department of Commerce and Consumer Affairs, AARP Hawaii, and a private citizen in support of the bill. There was no opposition to the bill.

Your Committee finds that investment fraud against seniors is a growing concern in Hawaii. A recent statewide survey done by AARP Hawaii demonstrated the problem. This measure will allow the State to be proactive in deterring investment fraud against seniors.

Your Committee amended the bill to include a savings clause since new penalties were being added to the existing law.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1392, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1392, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 877 Judiciary and Labor on S.B. No. 1422

The purpose of this measure is to provide additional sanction for violations by mortgage brokers and solicitors against elders.

Your Committee received testimony in support of the bill from the Attorney General's Office and from the Department of Commerce and Consumer Affairs. There was no testimony in opposition.

Your Committee finds that complaints against mortgage brokers have been received concerning conduct harmful to elderly consumers and is concerned that such conduct, if undeterred, will increase. Reverse mortgages were being offered when not appropriate by unlicensed mortgage brokers with the assistance of a mortgage broker. The bill would provide for monetary sanctions in an amount not to exceed \$10,000 for each violation.

Your Committee amended the bill by adding a savings clause which is appropriate to preserve rights, remedies, or privileges of pending proceedings.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor 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 Third Reading in the form attached hereto as S.B. No. 1422, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 878 Judiciary and Labor on S.B. No. 228

The purpose of this measure is to require minors who commit graffiti to remove their graffiti from the affected property and to perform community service to remove graffiti from other properties. The measure originally proposed a new penalty for property damage that involves graffiti by requiring the defendant to remove their graffiti from the affected property and to perform community service to remove graffiti from other properties.

Testimony in support of this measure was received from Department of Transportation, McCully – Moiliili Neighborhood Board #8 and a private citizen. Opposing testimony was received from the Office of the Public Defender.

Your Committee amended the bill by deleting section 1 because similar requirements are included in S.B. 676, S.D. 1 by amending section 708-823.5, Hawaii Revised Statutes. The bill was further amended by requiring (1) the minor, parents or legal guardians to pay for the cost of paint and materials and (2) the minor to perform a minimum of eighty hours of community service to remove graffiti from other properties.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 228, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 228, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 879 (Majority) Judiciary and Labor on S.B. No. 702

The purpose of this measure is to permit an owner of a pistol to use any ammunition magazine authorized for use with the pistol by the manufacturer of the pistol and to repeal the prohibition on magazines with a capacity in excess of ten rounds.

Your Committee received testimony from twenty-seven private citizens and from the Hawaii Rifle Association in support of repealing the prohibition of magazines in excess of ten rounds of ammunition. Representatives from the Honolulu Police Department and the Attorney General's Office testified against repealing the prohibition.

In light of this finding, your Committee amended the purpose of the bill to allow for the owner of a pistol to use any ammunition magazine with a capacity up to fifteen rounds.

Your Committee finds that repealing the ten round prohibition may result in handguns having a magazine capacity of up to thirty rounds on ammunition. In balancing the concern for public safety expressed by the law enforcement agencies and the ability of Hawaii gun sportsmen to compete in national and international competition, your Committee decided to raise the maximum limit of the magazine capacity to fifteen rounds.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 702, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 702, 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 (Inouye). Excused, 1 (Kokubun).

SCRep. 880 Judiciary and Labor on S.B. No. 676

The purpose of this measure is to mandates certain penalties, including graffiti eradication, for persons convicted of aggravated criminal property damage. Holds persons legally accountable for a minor liable for aggravated criminal property damage committed by the minor.

Testimony in support of this measure was received from Department of Transportation, McCully – Moiliili Neighborhood Board #8 and a private citizen. Opposing testimony was received from the Office of the Public Defender.

Your committee finds that incidences of graffiti is escalating and permeating throughout our neighborhoods. This measure is an attempt to deal with repeat offenders and to hold them or their parents, in the case of minors, financially and physically responsible for their actions including eradicating their graffiti.

The measure was amended by deleting the proposed fines because the present fines for aggravated criminal property is a misdemeanor which carries higher fines up to \$2,000 and/or imprisonment for one year.

Your Committee also considered the proposed language in Senate Bill 1694. However, after consultation with a Major of the Honolulu Police Department, people committing the crime of graffiti are presently being charged under the present criminal property crimes so the proposed language is not needed.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 676, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 676, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 881 Judiciary and Labor on S.B. No. 1343

The purpose of this measure is to provide greater protections to victims of domestic violence who the court and the police are attempting to keep safe through family court domestic abuse protective orders and police orders upon family or household members to leave the premises.

Your Committee received testimony in support of the bill from the Attorney General's Office, the Prosecutor's Offices from Honolulu, Maui, and Hawaii, the Honolulu Police Department, the State of Hawaii Organization of Police Officers, the Domestic Violence Clearinghouse, and a private citizen/victim. The Public Defender's Office opposed the bill.

Your Committee amended the bill by removing references to murder by deleting sections 2 and 3 of the bill. Your Committee further amended the bill by removing reckless assault.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1343, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1343, 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 (Nishihara).

SCRep. 882 Judiciary and Labor on S.B. No. 1113

The purpose of this measure is to adopt new procedures and to use technology and databases to improve the capacity of law enforcement agencies to locate and return missing persons.

The Attorney General, the Department of Public Safety, and the City and County of Honolulu Prosecuting Attorney submitted testimony in support of the intent of this measure. The City and County of Honolulu Police Department submitted testimony in opposition.

Your Committee finds that the State needs to incorporate and adopt rapid advances in technology and national databases to share information statewide to solve missing persons crimes. This measure authorizes law enforcement agencies to use sophisticated technology and databases to solve missing persons and other cases.

It is your Committee's intent to help protect Hawaii's residents and improve the State's existing procedures to locate missing persons. In recognition of the protocols currently used by the City and County of Honolulu Police Department, your Committee has amended this measure by:

- (1) Changing the definitions of "abduction", "high-risk missing person", "law enforcement agency", and "missing person";

- (2) Adding a definition for “help locate”;
- (3) Deleting:
 - (A) The definitions of “child abduction alert system”, “Code Adam alert”, and “person with a disability”;
 - (B) Certain circumstances under which a law enforcement agency is prohibited from refusing a missing person report;
 - (C) The subsection that encourages law enforcement agencies to distribute information that advises the public about how information is used to help locate or identify missing persons;
 - (D) The subsection that requires information relevant to the Federal Bureau of Investigation’s Violent Criminal Apprehension Program to be forwarded to the county police department;
 - (E) Certain criteria that a law enforcement agency must consider when determining whether an individual is an at-risk missing person;
 - (F) The subsection that requires county police departments to notify all law enforcement agencies of information that will aid in the prompt location and safe return of a high-risk person;
 - (G) The subsection that requires law enforcement agencies to provide for the prompt use of a Maile Amber alert or public dissemination of photographs in appropriate high-risk cases; and
 - (H) Part II of the measure regarding the mandatory reporting of certain violent crimes;
- (4) Adding a section that describes the circumstances under which law enforcement agencies shall “help locate” a person, time permitting;
- (5) Requiring law enforcement agencies to routinely review old missing persons case files;
- (6) Extending the time by which information must be entered into the National Crime Information Center database to two months;
- (7) Changing the effective date from upon approval to July 1, 2050, to encourage further discussion; and
- (8) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

Your Committee notes the concern raised by the Attorney General that the provisions of this measure relating to the handling of unidentified human remains may conflict with the historic preservation burial site laws in sections 6E-43 through 6E-43.6, Hawaii Revised Statutes, and related administrative rules.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1113, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1113, 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 (Nishihara).

SCRep. 883 Judiciary and Labor on S.B. No. 1961

The purpose of this measure is to require that bail bonding agents be licensed, to authorize that the Department of Commerce and Consumer Affairs to adopt rules for the process of obtaining a bail bonding agent license. This bill will also require the Department of the Attorney General to establish and maintain files regarding the criminal background checks for bail fugitive recovery personnel and will create a number of prohibited activities for bail bonding agents along with civil and criminal penalties.

Your Committee received testimony in support of the bill from David Hyatt, a member of the Bail Advisory Committee from Colorado. Your Committee received testimony in opposition from the Attorney General’s Office. Testimony from the State Insurance Commissioner took no position on the bill but indicated that bonding agents and bail fugitive recovery personnel should be regulated.

Your Committee amended the bill be deleting all references to bail fugitive recovery personnel since they are not currently being regulated and may require a sunrise study by the State Auditor is a precondition to licensure.

Your Committee further amended the bill by providing for licensing requirements for bail bond agents and by providing penalties for the prohibited activities of a licensed bail agent.

Your Committee further amended the bill by specifying procedures for the exoneration of bond liability by specifying enforcement procedures for compensated sureties.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1961, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1961, 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. 884 Judiciary and Labor on S.B. No. 56

The purpose of this measure is to allow dentists to claim an exemption from jury service.

Your Committee received testimony in support of this measure from the Hawaii Dental Association and numerous concerned individuals. The Judiciary submitted testimony in opposition and recommended a delayed effective date.

Jury service is a fundamental obligation of citizenship. Participation in the justice system promotes public confidence in the fairness of the Judiciary. Your Committee recognizes, however, that dentists must be available to serve their patients who may experience a dental emergency, especially in remote areas where general dentists perform services that specialists provide in more populated regions.

Accordingly, your Committee has amended this measure by allowing exemption from jury service to be claimed by actively practicing dentists who:

- (1) Are endodontists, oral surgeons, or periodontists; or
- (2) Reside on an island with a population under 500,000.

The Judiciary's request to delay the effective date to allow sufficient time for the change in the law because of the timing of the bidding and purchase process for revised juror questionnaire forms may be addressed as this measure proceeds through the legislative process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 56, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 56, 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 (Nishihara).

SCRep. 885 Judiciary and Labor on S.B. No. 1635

The purpose of this measure is to shorten the period grand juries and grand jury counsel must serve from one year to six months, to require grand jury counsel to be present at grand jury proceedings, and to require grand jury counsel to advise the grand jury whenever the counsel determines it to be appropriate.

Your Committee finds that the grand jury process is a vital component to the criminal justice system. It is one of the steps by which the criminal charges are brought forth into the criminal justice system. It is important that there be continued scrutiny of this very important step of the process. This bill will provide some revisions to the grand jury process.

There was no testimony presented at the hearing.

Your Committee amended the bill by changing the effective date to July, 2059.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1635, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1635, 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. 886 Judiciary and Labor on S.B. No. 961

The purpose of this measure is to provide that if evidence of an alleged victim's character for aggressiveness or violence is offered by an accused and admitted under Rule 404(a)(2) of the Hawaii Rules of Evidence, then evidence of the same trait of character of the accused offered by the prosecution may be admissible.

Your Committee received testimony in support of the bill from the Attorney General's Office, the Honolulu Prosecuting Attorney's Office, the Judiciary's Standing Committee on Evidence, and from a private citizen. The Public Defender's Office testified in opposition to the bill.

Your Committee finds that the Judiciary Standing Committee on the Rules of Evidence studied and approved a change in the rules of evidence to allow for the admission of the accused trait of character for aggressiveness under a limited circumstance. This bill seeks to permit a more balanced presentation of character evidence by providing the judge or a jury with a complete picture of the evidence.

Your Committee has made clarifying amendments to the bill by inserting the phrase "trait of" before "character" for consistency, and removing the words "for violence" and refer to only aggressiveness.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor 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 Second Reading in the form attached hereto as S.B. No. 961, 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 (Nishihara).

SCRep. 887 Judiciary and Labor on S.B. No. 1334

The purpose of this measure is to provide a process for which convicted sex offenders who want to change their names may do so by more than a simple petition to the Lieutenant Governor.

Currently, a person may be able to change his or her name by a simple petition to the Lieutenant Governor's Office. There is no administrative hearing to test the validity of a petitioner's name change request. The office relies solely upon the information provided by the petitioner in determining which name changes are appropriate for processing.

Your Committee finds that recently, a number of convicted sex offenders with an ongoing obligation to register as sex offenders have petitioned to change their names, some of them while still incarcerated for their crime. It was pointed out that if a convicted sex offender changes his or her name, it will be extremely difficult to track that individual if that individual does not comply with the requirements of sex offender registration.

This bill provides that a convicted sex offender may change his or her name in one of several ways such as through a Family Court order, upon marriage, by order of a court in any other jurisdiction, or by order of a court in this jurisdiction that determines that it is in the interest of justice and that it will not adversely affect public safety.

Your Committee received testimonies in support of the bill from the Attorney General's Office and the Lieutenant Governor's Office. There was no testimony in opposition to this bill.

Your Committee amended the bill by changing the effective date to July, 2059.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1334, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1334, 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. 888 Judiciary and Labor on S.B. No. 784

The purpose of this measure is to clarify that when a minor's provisional vehicle license is revoked for violating the provisional licensing law, the minor need not provide proof of financial responsibility.

Your Committee received testimony in support of the bill from the licensing administrator of the City and County of Honolulu and from a representative from Mothers Against Drunk Driving. There was no opposition to the bill.

Your Committee finds that it was not the intent of the Legislature when enacting the graduated driver licensing law for provisional licensees to be subject to proof of financial responsibility requirements when they violated the basic provisions of the law that do not involve the actual operation of the vehicle. This bill will remove that requirement.

Your Committee amended the bill by more specifically referencing the subsection of the graduated driver licensing law that provides for the revocation of a driver's provisional license.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 889 Judiciary and Labor on S.B. No. 1642

The purpose of this measure is to amend sections 89-9(d), Hawaii Revised Statutes (H.R.S.) by clarifying that certain statutory actions shall not be used to invalidate collective bargaining agreements in effect on and after June 30, 2007, and such actions may be included in collective bargaining agreements.

Testimony in support of this measure was received from the Hawai'i State Teachers Association (HSTA) and the Hawaii Government Employees Association (HGEA).

Testimony opposing the measure was received from the Attorney General, Office of Collective Bargaining, Department of Human Resources Development, Department of Education, Judiciary, County of Maui Police Department and Department of Personnel Services and the County of Hawai'i Department of Human Resources.

In 2005, the Hawai'i Supreme Court ruled in United Public Workers, AFSCME, Local 646, AFL-CIO v. Hanneman, 106 Hawaii 359, 105 P.3d 236, that the Hawaii Labor Relations Board (HLRB) erred in concluding that the City and County of Honolulu's proposed transfer was subject to collective bargaining under Hawaii Revised Statutes, section 89-9(a), H.R.S. The facts of this case included a 1991 Memorandum of Agreement (MOA) between the United Public Workers (UPW) and the City and County of Honolulu (CCH) agreeing to the automated refuse collection system. In 1993, the same parties entered into another Memorandum of Agreement agreeing to no reduction of staff and that reassignment and transfer will be determined on the basis of seniority. (emphasis added) In 2001, the CCH gave UPW notice of its intent to unilaterally transfer thirteen manual collectors from the over-staffed Pearl City base yard to the understaffed base yard in Honolulu.

Under Section 89-9(d), H.R.S., “. . . the employer and the exclusive representative may negotiate procedures governing the promotion and transfer of employees to positions within a bargaining unit, procedures governing the suspension, demotion, discharge, or other disciplinary actions taken against employees, and procedures governing the layoff of employees; . . .” (emphasis added)

In interpreting the *Hanneman* case, one cannot disregard the two MOAs that determined the transfer of these employees. Therefore, the transfer was found to be in concert with these MOAs. The MOAs were allowed under section 89-9(d), H.R.S., and therefore, either party had the right to exercise their rights under these MOAs. Your Committee believes that the Hawaii Supreme Court was upholding the management rights as derived from the MOAs.

However, some have viewed the *Hanneman* case allowing management rights generally whether or not MOAs are involved. Your Committee finds that discussion needs to be continued and therefore is placing a delayed effective date in the measure. Nonsubstantive and technical changes have been made as recommended by the Legislative Reference Bureau.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1642, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1642, 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. 890 Judiciary and Labor on S.B. No. 1662

The purpose of this measure is to amend the definitions of “closing”, “covered establishment”, and “employer”. The measure also requires an employer to notify employees of divestiture within 60 days and imposes penalties for failure to notify employees of business closing.

Testimony in support of this measure was received from the ILWU and the Hawaii State ALF-CIO. Opposing testimony was received from the Department of Labor and Industrial Relations, the Chamber of Commerce of Hawaii and the Society for Human Resource Management - Hawaii Chapter.

The loss of a job means loss of income for the worker and the family. It also affects the loss of purchasing power of goods and services in our community. This domino effect hurts us all. Your Committee has amended the bill with a defective date so further discussion may continue and made minor non-substantive changes recommended by the LRB.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1662, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1662, 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. 891 Judiciary and Labor on S.B. No. 1060

The purpose of this measure is to amend the workers' compensation law, including limiting an employer's ability to terminate benefits, authorizing the recovery of attorney's fees and costs by the injured employee, specifying procedures for medical examinations by the employer's physician, establishing fines for violations, requiring the reporting of denials of claims and relevant information, and further restricting the Director of Labor and Industrial Relations' rulemaking authority.

Testimony in support of this measure was received from the Occupational Therapy Association of Hawaii; Hawaii State AFL-CIO; International Association of Rehabilitation Professionals; Hawaii Government Employees' Association (HGEA); Hawaii State Teachers Association (HSTA); Local 5; ILWU Local 142; Hawaii Chapter, American Physical Therapy Association; vocational rehabilitation counselors and two injured workers.

Testimony in opposition to this measure was received from the Hawaii Insurers' Council; Department of Human Resources Development; Department of Labor and Industrial Relations; Hawaii Employers Mutual Insurance Company (HEMIC); County of Hawai'i, Department of Human Resources; Brigham & Associates, Inc.; Chamber of Commerce of Hawaii; the Academy of Independent Medical Examiners of Hawaii; and one neurologist.

Comments were received from the Department of Commerce and Consumer Affairs (DCCA).

Your Committee supports the intent of this measure to ensure that injured workers receive necessary medical treatments in order to return them to their jobs in as nearly the same physical and mental condition prior to their injury. Without the necessary medical treatment injured workers will remain injured thereby creating an economic loss to the injured workers, their families, their employer and our community.

The measure has been amended by adopting language proposed by the DCCA in section 6, delaying the effective date and making nonsubstantive and technical changes suggested by the Legislative Reference Bureau.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1060, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1060, 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 (Inouye).

SCRep. 892 Ways and Means on S.B. No. 1408

The purpose of this measure is to clarify and improve existing law relating to insurance licensing.

Specifically, the bill:

- (1) Re-establishes a \$1,000 issuance fee and \$600 annual fees for all services for limited line motor vehicle rental company producer's licenses;
- (2) Provides that the place of business for licensed adjusters and independent bill reviewers is where the licensee principally conducts transactions;
- (3) Revises the education and examination exemption for persons who were previously licensed in another state to exempt only an applicant for a nonresident producer license who is licensed in another state or an applicant for a resident producer license who applies for a license within ninety days of cancellation of the applicant's previous out-of-state resident license; and
- (4) Repeals the current exemption from educational and examination requirements for license applicants who previously held an out-of-state license if the person applies for a resident producer license in the same line within ninety days of establishing legal residency in Hawaii.

The Insurance Commissioner of the Department of Commerce and Consumer Affairs submitted comments in support of the measure. The American Council of Life Insurers submitted comments opposing the measure.

Your Committee finds that Act 154, Session Laws of Hawaii 2006, an Insurance Division housekeeping measure, inadvertently failed to re-establish the licensing and service fees for limited line motor vehicle rental company producer's licenses. This measure corrects that oversight. In addition, your Committee finds that removing the requirement of having a place of business in the State for licensees who principally conduct business in other states will encourage those individuals to also conduct business in Hawaii.

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

- (1) Deleting section 3 of the bill amending section 431:9A-109, Hawaii Revised Statutes, relating to exemptions from examination; and
- (2) Renumbering remaining sections 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 S.B. No. 1408, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1408, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 893 Ways and Means on S.B. No. 990

The purpose of this measure is to clarify and strengthen the Public Utilities Commission's authority under the Petroleum Industry Information and Reporting Act.

This measure further makes an appropriation into and out of the petroleum industry monitoring, analysis, and reporting special fund.

Your Committee received comments in support of this measure from the Public Utilities Commission.

Your Committee finds that the Public Utilities Commission has been granted extensive authority pursuant to chapters 486H and 486J, Hawaii Revised Statutes, to oversee the petroleum industry in order to provide true and effective transparency of the petroleum industry's pricing methods

and practices. Chapter 486J, Hawaii Revised Statutes, in particular, requires the Public Utilities Commission to gather vast amounts of data on every aspect of the petroleum industry's distribution and marketing practices, to analyze the data collected, and make the information available to the public.

Your Committee strongly favors allowing the Public Utilities Commission to exercise this grant of authority to protect Hawaii's petroleum consumers. The Public Utilities Commission should have the discretion to decide what financial data and records should be divulged by all the players in the petroleum industry, thus allowing the Public Utilities Commission to require maximum disclosure by the petroleum industry of all the information needed, without diminishing the legislative intent contained in title 26, Hawaii Revised Statutes, as it relates to the petroleum industry.

With respect to chapter 486B, Hawaii Revised Statutes, which defines and prohibits unfair trade practices by the petroleum industry, your Committee notes that, while the Attorney General may bring suits in equity to enjoin or restrain any person from engaging in any violations of the chapter, there is no department or agency responsible for overseeing that law.

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

- (1) Adding a new section to chapter 486B, Hawaii Revised Statutes, requiring the Public Utilities Commission to refer to the Attorney General any violations of chapter 486B, Hawaii Revised Statutes, of which it becomes aware through the exercise of its duties, pursuant to chapters 486H and 486J, Hawaii Revised Statutes;
- (2) Amending section 486J-1, Hawaii Revised Statutes, by adding a new definition for "major fuel user" and amending the definitions of "distributor", "major marketer", "major oil producer", "major oil storer", and "major oil transporter";
- (3) Amending sections 486J-3 and 486J-4, Hawaii Revised Statutes, allowing the Public Utilities Commission to require and not simply request additional information pursuant to those sections; and
- (4) 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. 990, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 990, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 894 (Majority) Ways and Means on S.B. No. 1103

The purpose of this measure is to appropriate funds to allow Kukui Gardens, a privately owned affordable rental housing development, to remain an affordable housing development.

Specifically, the measure appropriates an unspecified sum to provide gap financing to be used as a subsidy toward the purchase of Kukui Gardens by a private entity interested in maintaining the development as an affordable housing development.

Written comments in support of this measure was submitted by Faith Action for Community Equity (FACE) and the FACE Housing Committee. The Hawaii Housing Finance and Development Corporation submitted written comments.

Your Committee amended this measure to provide that the State shall own the land, ensure that the land be used in perpetuity for affordable housing, and allow the State to contract with a private nonprofit organization to operate the existing facility and develop additional affordable housing rentals on the site.

As affirmed by the record of votes of the members 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. 1103, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1103, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Whalen).

SCRep. 895 (Majority) Ways and Means on S.B. No. 686

The purpose of this measure is to require the Department of Education to report to the Legislature on various aspects regarding the establishment of a career ladder program for educational assistants.

Specifically, the measure requires the Department of Education to report on class levels and other career ladder enhancements, the number of affected individuals, and the cost impact of implementing a career ladder for educational assistants. This measure also appropriates funding for this purpose.

Written comments in support of this measure were submitted by the Superintendent of the Department of Education, the Hawaii Government Employees Association, Waialua Elementary School educators, and two individuals.

Your Committee finds that a career ladder program is a salary structure developed for educational assistants who meet the specific job requirements based on training, job performance, and years of experience as an educational assistant. The career ladder program recognizes training as a means to advance in salary. The goal of the career ladder program is to attract, retain, and reward quality educational assistants. With the reauthorization of the Individuals with Disabilities Education Act, and the requirements set forth in the No Child Left Behind Act, the Department of Education is responsible for the development of staff training programs and opportunities to meet these demands.

Your Committee believes that this measure will begin the process of determining the parameters of an educational assistant career ladder program and provide the Legislature with the information necessary to make prudent decisions 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. 686, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Whalen).

SCRep. 896 Ways and Means on S.B. No. 96

The purpose of this measure is to protect our children in public schools by expanding the category of individuals subject to a criminal history record check by the Department of Education as a condition of employment.

Specifically, this measure requires the Department of Education to conduct criminal history records checks on individuals who are seeking to serve as providers, subcontractors, or trainees from an institution of higher education in positions that places those individuals in close proximity to children. In addition, the bill authorizes the Department of Education to pass on the cost of a criminal history record check to those individuals who are subject to such checks as a condition of employment. Finally, the measure appropriates funds to the Department of Education for costs incurred in conducting criminal history record checks.

The Department of Education and the University of Hawaii College of Education submitted comments on the measure.

Your Committee finds that our children need to be provided with a safe and secure environment when they are at school for optimum learning conditions. While current law already requires that a number of Department of Education employees are subject to a criminal history record check as a condition of employment, this measure addresses additional categories of individuals who are seeking positions that place them in close proximity to students to add a new level of safety and security to our children's learning environment.

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

- (1) Amending the definitions of "provider," "subcontractor," and "trainee from an institution of higher education" to clarify who is intended to be subject to a criminal history record check as a condition of employment;
- (2) Changing the sum appropriated to an unspecified amount to facilitate further discussion on the issue; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 96, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 96, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 897 (Majority) Ways and Means on S.B. No. 1136

The purpose of this measure is to ensure adequate funding for public school students and to increase the efficiency of operations within school complex areas.

Specifically, this measure:

- (1) Appropriates funds for certain students in addition to weighted student formula allocations, including students in junior kindergarten classes with fifteen or fewer students, students in geographically isolated schools, students in multitrack schools, transient students, students in small schools, and non-English proficient students;
- (2) Authorizes complex area superintendents to allocate resources for complex level educational officers, teachers, and support staff; and
- (3) Appropriates funds for complex area superintendents to allocate resources among the schools within each complex area at a rate of \$30 per student.

Written comments in opposition of this measure were submitted by the Department of Education.

Your Committee finds that the weighted student formula was established pursuant to Act 51, Session Laws of Hawaii 2004, as amended, to provide equity in funding for public school students through the use of weighted cost factors. Although not yet fully implemented, partial implementation of the weighted student formula has raised concerns with funding deficiencies, particularly with respect to students displaying certain characteristics. While these characteristics are currently addressed within the weighted student formula calculations, schools with students presenting those characteristics require additional funding to ensure the provision of a quality education to all students.

Additionally, the management of individual schools has been greatly benefited through the establishment of complex area superintendents. Your Committee finds that their authority should be clarified to allow for the provision of specified support services to assist schools in carrying out their intended objectives.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the specific amounts appropriated for and clarifying that the appropriations made to the Department of Education for the augmentation of funds provided under the weighted student formula are for the following students:
 - (A) Students in geographically isolated schools;
 - (B) Students in multitrack schools;
 - (C) Transient students;
 - (D) Students in small schools; and
 - (E) Non-English proficient students;
- (2) Deleting the new section that specified the powers and duties of the complex area superintendents;
- (3) Reinstating the language that requires complex area superintendents to supervise the delivery of administrative and instructional support services in the complex areas;
- (4) Specifying that complex area superintendents are required to provide support to school administrators, school community councils, staff, and teachers;

- (5) Including an unspecified appropriation to the Department of Education for complex area superintendents to provide support to school administrators, school community councils, staff, and teachers; and
- (6) Including a separate appropriation for junior kindergarten classes with fifteen or fewer students; provided that underachieving schools and schools with a high percentage of students eligible for free or reduced price lunches shall be given priority.

As affirmed by the record of votes of the members 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, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1136, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Whalen).

SCRep. 898 Ways and Means on S.B. No. 885

The purpose of this measure is to develop the agriculture and culinary arts industries by supporting and enhancing educational programs to grow a qualified workforce for those industries.

Specifically, this measure expands the Vocational Agriculture Education Program to include a landscaping component and establishes an Agricultural and Culinary Education Pilot Program that teaches students healthy eating habits and encourages jobs in agriculture and related fields as long-term career goals.

Written comments in support of this measure were submitted by the Department of Education, the University of Hawaii, and the Workforce Development Council.

Your Committee finds that the development of the agriculture and related industries is important to the sustainability of Hawaii and its residents. With the decline of certain staple farming industries of the past, such as the sugar and pineapple industries, the State must develop a broader vision for the agriculture industry and its role in Hawaii's future. This measure addresses the need to incorporate landscaping and culinary arts in the existing Agriculture Education Program. However, your Committee believes that the approach should be much more expansive and comprehensive to include other agriculture-related industries to grow a diversified and qualified workforce to meet Hawaii's present and future needs.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that the Department of Education's Agriculture Education Program shall encompass the fields of farming, diversified agriculture, landscaping, aquaculture, culinary arts, and related industries such as market development and science and technology;
- (2) Making the Agricultural and Culinary Education Program a permanent program;
- (3) Deleting the provision that required the Department of Agriculture to submit a report to the Legislature on the implementation of the Agriculture and Landscaping Education Program;
- (4) Deleting the provision that the Department of Agriculture, in conjunction with the Department of Education, should determine whether one or two separate programs are necessary to support the agriculture and landscaping industries;
- (5) Clarifying that the Department of Education shall consult with the Department of Agriculture and the University of Hawaii's College of Tropical Agriculture and Human Resources and College of Education in developing and implementing the Agriculture Education Program;
- (6) Requiring the Department of Education to report to the Legislature on the implementation of and requests for further funding for the Agriculture Education Program; and
- (7) Specifying that moneys appropriated for the support and maintenance of a comprehensive Agriculture Education Program shall be expended by the Department of Education.

As affirmed by the record of votes of the members 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. 885, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 885, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 899 Ways and Means on S.B. No. 1614

The purpose of this measure is to improve recruitment and retention of licensed teachers in the Waianae complex schools.

Specifically, the measure appropriates funds to implement a pilot project in human resource management for the Waianae complex schools, including Waianae High School and its elementary and intermediate feeder schools.

The Department of Education, Hawaii Teacher Standards Board, and a community member of the Waianae High School Community Council submitted comments in support of the measure.

Your Committee finds that improving the quality of teachers for schools in the Waianae complex is an issue that needs urgent resolution. The inability to retain a qualified workforce denies our children the education they need and deserve. Only fifty-six per cent of teachers at Waianae High School are fully licensed by the State. To improve teacher quality, a multi-year federal Native Hawaiian Education Program grant was awarded to the Waianae High School Alumni Association to aid in establishing a new human resource management model for Waianae High School. Your Committee finds that this measure will allow additional implementation of the new human resource management model into all schools in the Waianae complex.

Upon consideration, your Committee has amended this measure by clarifying that the report to be submitted to the legislature by the Waianae complex schools will include teacher qualification data from all schools in the Waianae complex and that the appropriation is for the implementation of the human resource management model for all Waianae complex 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. 1614, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1614, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 900 Ways and Means on S.B. No. 1820

The purpose of this measure is to enhance the ability of the Department of Education to enter into financing agreements to construct new public schools.

The measure also establishes a separate budgetary account that is subject to legislative approval for the payment of lease-purchase agreements by the Department of Education.

Your Committee received comments from the Department of Education that concurred with the measure but with reservations. The Department of Accounting and General Services and the Department of Budget and Finance submitted comments in opposition to this measure.

Your Committee finds that the State's high growth rate and the continuous construction of new home developments have caused a severe overcrowding problem in Hawaii's public schools. The traditional method of utilizing general obligation bonds to build new schools appears to be inadequate and unable to satisfy the growing public school student population.

To address this problem, this measure enhances the ability of the Department of Education to partner with private developers through financing agreements to expedite the construction of new schools.

Your Committee has amended the measure by:

- (1) Adopting the recommendations of the Department of Education to:
 - (A) Seek the concurrence of the Department of Budget and Finance with respect to financing agreements; and
 - (B) Remove the authority of the Department of Accounting and General Services to approve financing agreements;
- (2) Changing the dollar ceiling for financing agreements not requiring the approval of the Director of Finance and the Attorney General from \$3,000,000 to an unspecified amount; and
- (3) Changing the effective date of the measure to July 1, 2050 to facilitate 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 S.B. No. 1820, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1820, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 901 (Majority) Ways and Means on S.B. No. 1143

The purpose of this measure is to implement educational reforms to benefit both public school students and teachers.

More specially, this measure:

- (1) Clarifies the method of electing teachers and certain elementary and middle school student representatives to school community councils;
- (2) Amends Act 51, Session Laws of Hawaii, the Reinventing Education Act, to clarify that the reduction of class size in kindergarten through grade two is necessary;
- (3) Appropriates funds to the Department of Education for the reduction of kindergarten and junior kindergarten class size; and
- (4) Appropriates funds to the Department of Education to establish new teacher advisor/peer assistance mentors at a target ratio of fifteen new teachers to one new advisor or mentor.

The Department of Education submitted comments in support of this measure. The Department of Budget and Finance submitted comments in opposition to this measure.

Your Committee finds that students receive more teacher attention and thus generally perform and learn better in smaller sized classes, particularly students in kindergarten through grade two. Similarly, new teachers benefit from the advice and assistance of teacher advisors and mentor, often resulting in improved teacher retention. Your Committee believes this measure will improve the learning environment for students and teacher, as well as provide needed clarification on the manner in which teachers and certain student representatives are selected for representation on school community councils.

Your Committee has amended this measure by:

- (1) Changing the student-teacher and teacher-advisor ratios in section 3 and 4, respectively, to unspecified ratios to facilitate further discussion on this measure; 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. 1143, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1143, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Whalen).

SCRep. 902 Ways and Means on S.B. No. 1154

The purpose of this measure is to provide additional flexibility to the Board of Regents, University of Hawaii, in financing and administering the University's capital projects.

Your Committee received comments in support of this measure from the University of Hawaii. Comments in opposition were received from the Department of Budget and Finance.

Your Committee finds that the University of Hawaii has demonstrated the capability and competence to use its bonding authority responsibly and in the best interests of the University of Hawaii and the State. Your Committee further finds that this measure will grant additional flexibility to the Board of Regents in the financing and administration of capital projects within the university's jurisdiction.

Upon further consideration, your Committee has amended this measure by specifying that the power of the Board of Regents to construct and maintain a university project and to issue revenue bonds for the construction or maintenance of a university project is subject to the approval of only the Legislature, and is not subject to the approval of the Governor. Your Committee has also amended this measure 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1154, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1154, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 903 Ways and Means on S.B. No. 664

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for the construction and improvement of Sacred Hearts Academy, a not-for-profit private sectarian school.

Hawaii Preparatory Academy and Hawaii Association of Independent Schools submitted comments in support of this measure.

Your Committee finds that Sacred Hearts Academy, a not-for-profit private sectarian school that encourages high educational standards and academic excellence, provides quality education to students and that special purpose revenue bonds do not divert funds from public schools.

Your Committee has amended this bill 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 664, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 664, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 904 Ways and Means on S.B. No. 1718

The purpose of this measure is to support the development of renewable and efficient energy systems in the State.

Specifically, this measure authorizes the Department of Budget and Finance to issue special purpose revenue bonds to assist BlueEarth Maui Biofuels, LLC with the construction of a biodiesel refinery on Maui with primary production volumes designated as fuel for electrical generation.

Comments in support of this measure were submitted by the Department of Business, Economic Development and Tourism and Hawaiian Electric Company. The Department of Budget and Finance submitted comments.

Your Committee finds that this measure will help meet Hawaii's goals for energy efficiency and renewable energy use by reducing dependency on imported fossil fuels, providing biodiesel at competitive prices, and stimulating the local production of ethanol. The bill will also encourage local agricultural research, development, and cultivation of renewable energy feedstock crops.

Your Committee finds that the issuance of special purpose revenue bonds under this measure is 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 S.B. No. 1718 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 905 Ways and Means on S.B. No. 871

The purpose of this measure is to promote re-use and recycling to reduce solid and liquid waste.

More specifically, the bill creates a pilot project to test food recycling in schools.

The Department of Education submitted comments on this measure.

Currently, in spite of recycling efforts, only a fraction of solid and liquid waste is recycled, particularly at state facilities and public schools, which are among the largest institutional generators of food waste in the State.

Your Committee finds that funding a pilot project to evaluate the feasibility of recycling in state facilities and public schools addresses the major concern about the landfills on all islands, all of which have nearly reached their maximum capacity.

Your Committee amended the bill to make technical, nonsubstantive changes for consistency, 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. 871, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 871, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (English, Kim, Hemmings, Whalen).

SCRep. 906 Ways and Means on S.B. No. 1026

The purpose of this measure is to reduce the volume of waste entering the State's landfills and decrease litter.

Specifically, this measure amends the deposit beverage container program to require that the program accept bottles that have a capacity of up to sixty-eight fluid ounces. In addition, it requires redemption centers to remain open at least thirty-five hours a week, including at least five hours on Saturday and Sunday.

Reynolds Recycling submitted comments on this measure, while the Hawaii Food Industry Association submitted comments in opposition.

Your Committee has amended this measure by:

- (1) Requiring redemption centers to be open at least thirty-five hours Monday through Friday and at least five hours on weekends;
- (2) Deleting the requirement for redemption centers to remain open during evening hours, because many of the centers do not have access to electricity for lights;
- (3) Changing the effective date to July 1, 2007; and
- (4) Making technical non-substantive amendments 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. 1026, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1026, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (English, Kim, Hemmings, Whalen).

SCRep. 907 (Joint/Majority) Water, Land, Agriculture and Hawaiian Affairs and Intergovernmental and Military Affairs on S.B. No. 642

The purpose of this measure is to clarify when a supplemental environmental impact statement is necessary.

Specifically, this measure requires the preparation of a supplemental environmental impact statement when one or more of the following events occur:

- (1) There are substantial changes proposed in a project;
- (2) Substantial changes occur with respect to circumstances under which a project is being undertaken; or
- (3) New information becomes available that was not known at the time the environmental impact statement was accepted.

Testimony in support of this measure was submitted by the Department of Health, the State of Hawaii Environmental Council, Keep the North Shore Country, Kuli'ou'ou/Kalani Iki Neighborhood Board, the Sierra Club, Hawaii Chapter, and one individual. Testimony in opposition to this measure was submitted by the Office of Corporation Counsel, County of Hawai'i; the Land Use Research Foundation of Hawaii; and the Kuilima Resort Company. The Department of the Attorney General submitted comments.

Your Committees find that communities need to know what environmental impacts developments will have. Furthermore, your Committees recognize that changes occurring in the community over the period of time that a long development is taking place can result in different impacts than those that were foreseen in the planning stages of the development. Your Committees also find that requiring supplemental environmental impact statements is not unduly burdensome on developers and are essential for getting the necessary information regarding the impacts on the environment and the community so that mitigation measures can be considered if necessary.

It was indicated to your Committees in written testimony that title 11, chapter 200, sections 26 to 29, Hawaii Administrative Rules, provides rules and procedures relating to supplemental environmental impact statements. Your Committees believe that the language of this measure should be amended to be similar to the administrative rules language relating to supplemental environmental impact statements to avoid confusion. It was also suggested in written testimony that the supplemental environmental impact statement should be valid for five years, and if the proposed action has not commenced within that time frame, the applicant of the supplemental environmental impact statement will need to prove to the approving agency the continued validity of the supplemental environmental impact statement. Lastly, it was suggested in written testimony that a supplemental environmental impact statement is warranted if a proposed action will substantively change an original environmental impact statement with a finding of no significant impact or an environmental impact statement exemption.

Your Committees circulated a proposed draft of this measure that adopted all of the foregoing suggested amendments for consideration, but for technical reasons, your Committees did not include these amendments. Nevertheless, your Committees believe that this measure merits further discussion and hopes to include these amendments at a later date as this measure proceeds through the legislative process.

Accordingly, your Committees have amended this measure by inserting an effective date of July 1, 2050, to ensure ongoing discussion on this issue.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 642, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 642, S.D. 2.

Signed by the Chairs on behalf of the Committees. Ayes, 4. Noes, 1 (Slom). Excused, 3 (Fukunaga, Hee, Tsutsui).

SCRep. 908 Ways and Means on S.B. No. 993

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$20,000,000 to assist Honolulu Seawater Air Conditioning, LLC, in the design and development of a seawater air conditioning project on the island of Oahu.

Your Committee received comments from the Hawaii Renewable Energy Alliance, Hawaii Energy Policy Forum, Honolulu Seawater Air Conditioning, LLC, and KUD International, LLC in support of this measure.

Your Committee finds that the development of a deep seawater air conditioning facility and distribution system in downtown Honolulu is a major step in the development of a renewable energy system using the limitless resource of our deep state waters. Such a project could eliminate the need for up to 0.63 kilowatts of electricity generating capacity for each ton of cooling capacity. Further, this system will provide reduced and stable cooling costs and reduce the consumption of potable water and the use of toxic chemicals. Your Committee finds that this project is in the public interest and for the public health, safety, and general welfare.

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 S.B. No. 993, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 993, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 909 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1943

The purpose of this measure is to encourage further production and use of biofuels in Hawaii.

Specifically, this measure:

- (1) Establishes biofuels processing facilities as a permitted use in designated agricultural districts under chapter 205, Hawaii Revised Statutes; and
- (2) Establishes an energy feedstock program within the Department of Agriculture to encourage the production of energy feedstock in Hawaii, and requires that a baseline percentage of energy feedstock to be grown in the State be established to meet the State's energy requirements.

Testimony in support of this measure was submitted by the Department of Agriculture; the Department of Business, Economic Development, and Tourism; the College of Tropical Agriculture and Human Resources, University of Hawaii; the Hawaiian Electric Company; Maui Electric Company; Hawaii Electric Light Company; the Hawaii Farm Bureau Federation; the Maui County Farm Bureau; and Hawai'i BioEnergy.

Your Committee finds that Hawaii's dependence on petroleum for about ninety per cent of its energy needs is more than any other state in the nation. This makes the State extremely vulnerable to any oil embargo, supply disruption, international market dysfunction, and many other factors beyond the control of the State. Furthermore, the continued consumption of conventional petroleum fuel negatively impacts the environment. At the same time, Hawaii has among the most abundant renewable energy resources in the world, in the form of solar, geothermal, wind, biomass, and ocean energy assets. Your Committee further finds that increased energy efficiency and use of renewable energy resources would increase Hawaii's energy self-sufficiency, achieving broad societal benefits, including increased energy security, resistance to increases in oil prices, environmental sustainability, economic development, and job creation.

The Department of Agriculture and the Department of Business, Economic Development, and Tourism suggested to your Committee that amendments be made to this measure to further encourage the production of energy feedstock in Hawaii and establish a specific time period when a majority of energy feedstock has to be grown in the State to effectively meet its energy requirements.

Accordingly, your Committee has amended this measure by:

- (1) Adding a provision under section 205-4.5(a)(15), Hawaii Revised Statutes, that the biofuels processing facilities and appurtenances be compatible with other agricultural uses and cause a minimal adverse impact on the designated agricultural district;
- (2) Adding a provision under section 205-4.5(a)(15), Hawaii Revised Statutes, that the majority of the feedstock from biomass and oil crops be grown in the State, as determined by the Department of Agriculture, and to allow the importation of feedstock and biofuels to fuel those facilities for an initial and non-renewable three-year period;
- (3) Clarifying that the Department of Agriculture is permitted to perform other functions and activities to establish and implement an energy feedstock program, including monitoring the compliance provisions under section 205-4.5(a)(15), Hawaii Revised Statutes; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to encourage further production and use of biofuels in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1943, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1943, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hee).

SCRep. 910 Ways and Means on S.B. No. 1427

The purpose of this measure is to ensure adequate compensation for the Vice-Director of Civil Defense.

More specifically, the Director of Civil Defense will determine the salary of the Vice-Director in accordance with certain adequate federal or military pay tables.

The Department of Defense and the Department of Human Resources Development submitted comments in support of this bill.

Your Committee finds that the current payment structure as applicable to the position of Vice-Director of Civil Defense is not adequate given the duties and responsibilities associated with the position.

Your Committee finds that this measure permits the Director of Civil Defense to establish the Vice-Director's compensation in accordance with federal and military pay tables that are commensurate with the position and properly reflect the increased importance of the position, particularly since September 11, 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. 1427, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 911 Ways and Means on S.B. No. 769

The purpose of this measure is to allow county Directors of Finance to invest county funds in commercial paper of bankers' acceptances with an A1/P1 rating.

Your Committee received comments in support of this measure from the Maui County Council and Central Pacific Bank.

Your Committee finds that this measure will:

- (1) Provide the counties with more options for their short-term investment portfolios and help to maximize their investment returns;
- (2) Require investments to possess A1/P1 ratings to ensure the financial integrity of such investments; and
- (3) Provide the counties with the same investment flexibility afforded 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. 769 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 912 Ways and Means on S.B. No. 1448

The purpose of this measure is to authorize the Board of Directors of the Hawaii Public Housing Authority to set the salaries of the Executive Director and the Executive Assistant, subject to the approval of the Governor.

Your Committee received comments in support of the bill from the Hawaii Public Housing Authority of the Department of Human Services and the Department of Human Resources Development.

Your Committee finds that under current law the salary of the Executive Director is up to eighty-five per cent of the salary of the Director of Human Resources Development and the salary of the Executive Assistant is up to ninety per cent of the salary of the Executive Director.

Your Committee further finds that a national survey of executive officers' salary ranges for comparable public housing agencies are substantially higher than the maximum salaries permitted under current law. In addition, the salaries are not commensurate with the responsibilities of the positions.

Your Committee finds that the bill resolves these issues by authorizing the Board of Directors of the Hawaii Public Housing Authority to set the salaries of the Executive Director and the Executive Assistant subject to the Governor's approval. This measure will ensure that qualified executives can be attracted and retained for those positions.

As affirmed by the record of votes of the members 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. 1448 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 913 (Majority) Ways and Means on S.B. No. 1442

The purpose of this measure is to expand the opportunity for former foster youth to pursue and complete post-secondary education.

Specifically, this measure:

- (1) Increases the length of time for former foster youth to apply for a higher education board allowance; and
- (2) Increases the maximum age for the benefit from twenty-one years of age to twenty-six years of age and increases the maximum benefit period from forty-eight to sixty months.

The Department of Human Services and the Hawaii Family Forum submitted comments in support of this measure.

Your Committee finds that this measure will enable more youth to take advantage of this benefit and complete a higher education. The results include an increase in employability and the ability to be a self-sufficient, contributing member of our community.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated to an unspecified sum to facilitate further discussion on this measure; and
- (2) Making a technical nonsubstantive change for the 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. 1442, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1442, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Whalen).

SCRep. 914 Ways and Means on S.B. No. 1115

The purpose of this measure is to promote improved perinatal care.

The bill accomplishes this by continuing the funding appropriated last year for a pilot perinatal clinic in the community and case management in collaboration with the University of Hawaii John A. Burns Medical School to help women with a history of substance abuse.

The Department of Human Services and the University of Hawaii John A. Burns School of Medicine submitted comments on this measure.

Your Committee finds that providing perinatal care to pregnant women with a history of substance abuse is vital to ensure the health of the child and the mother. Your Committee further finds that this measure would provide much needed resources for a critical public health program. Your Committee further recognizes the offer by the Department of Human Services to coordinate with the medical school and assist in obtaining matching federal funds for this program.

After careful consideration, your Committee has amended this measure by changing the sum appropriated to an unspecified amount 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. 1115, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1115, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 915 Ways and Means on S.B. No. 970

The purpose of this measure is to improve health care in this State.

Specifically, this bill appropriates funds to the Department of Health to enable the Hawaii Primary Care Association to establish or expand community-based dental health clinics operated by federally-qualified health centers for the benefit of QUEST-eligible adults and children, individuals with developmental disabilities, and the uninsured.

Your Committee received comments in support of the measure from the State Council on Developmental Disabilities, the Kokua Council, the Waikiki Health Center, the Kalihi-Palama Health Center, the Molokai Community Health Center, the Hamakua Health Center, the Lutheran Medical Center, the executive director and board members of the West Hawaii Community Center, the Community Clinic of Maui, the Bay Clinic, Inc., and the Hawaii Primary Care Association.

Your Committee finds that federally-qualified health centers have the capability to serve the populations targeted by this measure. The centers are located in various communities, have minimal administrative costs, less bureaucratic protocols, and have access to dental care personnel under the community service licensure.

Your Committee has amended this measure by clarifying that the appropriation is being made to the Department of Health to establish or expand community-based dental health clinics operated by federally-qualified health centers. Your Committee also made a technical nonsubstantive amendment for the purpose 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. 970, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 970, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 916 Ways and Means on S.B. No. 69

The purpose of this measure is to ensure the availability of comprehensive quality health care and alleviate the health care workforce shortage in Hawaii.

The measure accomplishes this purpose by appropriating funds to support the development and maintenance of a statewide comprehensive health care workforce map and database that assesses staffing needs.

Your Committee received comments in support of this measure from the Hawaii Medical Service Association and a physician. The Department of Health, the Department of Human Services, and the County of Hawaii submitted comments.

Your Committee finds that a severe shortage of health care workers exists in our State, especially on the neighbor islands. Your Committee further finds that data is essential to understanding our workforce needs. The state health planning and development agency and numerous other state agencies and professional organizations are part of a Workforce Hui that has long been in discussions about a database to help determine workforce supply needs. This bill is intended to acknowledge the work accomplished by the Workforce Hui and support those collaborative efforts by providing funding to develop and maintain a database for workforce needs analyses.

Your Committee has amended the measure by:

- (1) Adding language to section 1 that clarifies the bill's intent to support the Workforce Hui's efforts to compile a health care workforce supply database; and
- (2) Designating the state health planning and development agency as the expending agency for the appropriation.

As affirmed by the record of votes of the members 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. 69, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 69, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Whalen).

SCRep. 917 Ways and Means on S.B. No. 1629

The purpose of this measure is to authorize the Hawaii Health Systems Corporation to issue revenue bonds to construct and equip a new heart, brain, and spine center on the island of Maui.

The Hawaii Health Systems Corporation, the Maui Memorial Medical Center, the Healthcare Association of Hawaii, and eight private citizens submitted comments in support of the bill.

Your Committee finds that the Hawaii Health Systems Corporation does not have sufficient funds to build a new heart, brain, and spine center on the island of Maui. This measure would provide the necessary financing to expand cardiology and neurology services on Maui to provide residents and visitors state of the art health care in their own community.

Your Committee amended the bill to make technical nonsubstantive amendments for clarity, style, 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. 1629, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1629, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 918 (Majority) Ways and Means on S.B. No. 1804

The purpose of this measure is to establish additional funding mechanisms for the trauma system special fund to provide quality health care to trauma patients by ensuring the viability of trauma centers in the State.

Specifically, the measure accomplishes this purpose by:

- (1) Establishing surcharges for traffic violations and various criminal convictions related to violence and drug use;
- (2) Establishing surcharges for violations that result in accidents involving death or bodily injury;
- (3) Specifying that the trauma system special fund includes, but is not limited to, trauma system surcharges and cigarette tax revenues;
- (4) Requiring the Department of Health to establish a methodology to calculate costs incurred by hospitals providing care to trauma patients in order to reimburse those hospitals from the special fund; and
- (5) Making appropriations to and out of the trauma system special fund.

Your Committee received comments in support of this measure from Healthcare Association of Hawaii, Queen's Medical Center, and Hawaii Pacific Health. The Department of Budget and Finance submitted comments on this measure.

Your Committee finds that trauma is one of the most serious public health problems we face. A comprehensive statewide trauma system built on public health principles can reduce death and disability from injuries. Therefore, your Committee finds that increasing the sources for revenue for the trauma system special fund is necessary to ensure the viability of the State's trauma system.

Your Committee has amended this measure 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1804, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1804, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Whalen).

SCRep. 919 Ways and Means on S.B. No. 820

The purpose of this measure is to continue the planning and implementation of services and residential alternatives for persons with developmental disabilities or mental retardation.

Comments in support of this measure were received from the Disability and Communication Access Board, Hawaii Disability Rights Center, and State Council on Developmental Disabilities.

Your Committee finds that people with developmental disabilities or mental retardation are allowed to choose where they live in the community, but that there is a lack of sufficient infrastructure to house them.

Your Committee finds that this measure will help that segment of the population to find residential alternatives so they may live in the least restrictive, individually appropriate environment.

Your Committee has amended this measure to clarify the type and number of reports the Legislature requires from the State Council on Developmental Disabilities and to require a report twenty days prior to the convening of the regular session of 2009.

As affirmed by the record of votes of the members 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. 820, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 820, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Whalen).

SCRep. 920 Ways and Means on S.B. No. 1585

The purpose of this measure is to prohibit private landowners of potential native Hawaiian historical sites from engaging in any action that might affect the sites without the prior approval of the Department of Land and Natural Resources.

Furthermore, this measure requires the landowner to preserve the land for ten years once the Department disapproves of the landowner's proposed action.

Your Committee received comments in support of the measure from the Office of Hawaiian Affairs and the County of Hawaii. Comments were received from the Department of Land and Natural Resources and the City and County of Honolulu.

Your Committee finds that this measure is necessary to offer the utmost protection to sites that have the potential of being native Hawaiian historical sites. Without this measure, much of the collective history and past of Hawaii, especially that of the native Hawaiian community, will be destroyed and obliterated on a daily basis.

Your Committee has amended this measure by:

- (1) Requiring the Department to notify the relevant county of any action taken by the Department in relation to the site;
- (2) Specifying that the Department's ten-year property use prohibition imposed on the land is subject to an administrative hearing;
- (3) Changing the effective date to July 1, 2050 to facilitate further discussion on the measure; and
- (4) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1585, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1585, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, 1 (Hemmings).

SCRep. 921 Ways and Means on S.B. No. 1838

The purpose of this measure is to plan for future developments by the Hawaii Community Development Authority, particularly in the Kakaako community development district.

Specifically, this measure:

- (1) Establishes the Kakaako central small business district;
- (2) Requires the Hawaii Community Development Authority to confer and obtain consensus from real property owners and small businesses adjacent to a proposed public facility;
- (3) Requires the transfer of revenues collected from any assessments made and received between July 1, 2001, and June 30, 2005, to the Department of Education;
- (4) Requires modification of the Queen street realignment project to be in accordance with the Kakaako mauka plan and rule revisions to be adopted in 2007; and
- (5) Establishes a moratorium on any capital improvement project in the Kakaako central small business district relating to street improvements pending the adoption of the Kakaako mauka plan and rule revisions.

Your Committee has received comments from four landowner and business persons in Kakaako in support of this measure. The Hawaii Community Development Authority submitted comments in opposition to this measure. The Department of Education, principals of McKinley High School and Queen Kaahumanu School, and three landowners and business persons in Kakaako submitted comments.

Your Committee notes that earlier proposed plans for a street widening and improvement project planned by the Hawaii Community Development Authority for a portion of Queen Street between Ward Avenue and Kamakee Street raised the concerns of many of the small businesses on that stretch of Queen Street. The concern was with the loss of adjacent on-street parking and the proposed share of the assessments that would be charged to those small businesses for the street improvements that the small businesses were not in favor of in the first place.

Community meetings conducted by the Hawaii Community Development Authority with landowners and small businesses in the area led to changes to the Kakaako mauka plan and rule revision, both of which will impact those small businesses on Queen Street. The Kakaako mauka plan and the rule revisions will not be completed until mid-2007. This measure is in anticipation of those new changes.

Your Committee has amended this measure by:

- (1) Providing that dedications for public school facilities in any community development district shall be on a fair-share basis, as determined by the Department of Education, and that the terms of any dedication agreement shall be in writing between the department and any developer prior to any building permits being issued;
- (2) Requiring the Hawaii Community Development Authority to transfer all revenues from any dedication for public school facilities made pursuant to section 206E-12, Hawaii Revised Statutes, to the Department of Education;
- (3) Requiring the Hawaii Community Development Authority to transfer an unspecified amount of moneys from the Hawaii community development revolving fund to the Department of Education to be expended by the Department of Education for capital improvement projects for public schools directly adjoining or serving the Kakaako community development district; and
- (4) Requiring the Department of Education to report to the Legislature annually on the expenditure of the moneys transferred, until the amount has been fully expended;
- (5) Changing the effective date of this measure to allow further discussion on this measure; and
- (6) 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. 1838, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1838, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 922 Ways and Means on S.B. No. 1307

The purpose of this measure is to support the longevity of a diversified agricultural industry in Hawaii by creating a dairy and egg farm revitalization and food security program.

Specifically, this measure:

- (1) Creates a livestock revitalization program to administer and disburse funds to qualified dairy, poultry, pork, and egg producers for up to fifty per cent of their feed costs; and

- (2) Appropriates moneys in each year of the fiscal biennium, for the Department of Agriculture to disburse funds to qualified producers of milk, pork, and poultry products for the costs of feed, and for the administrative costs of the revitalization program.

Comments in support of this measure were submitted by the Board of Agriculture, the College of Tropical Agriculture and Human Resources at the University of Hawaii, four members of the livestock or dairy industry, and one individual. Comments in opposition to this measure were submitted by one individual. The Hawaii Farm Bureau offered comments.

Hawaii's livestock industry faces numerous challenges. According to the Department of Agriculture, in 2006, locally produced eggs represented approximately thirty-three per cent of the total eggs sold in the State. Furthermore, approximately thirty to thirty-five per cent of the milk consumed in the State was locally produced. However, within this past year, two egg farms and one dairy farm have closed, and currently, a dairy farm and an egg farm are threatened with closure.

Your Committee finds that one of the challenges livestock farms face is the rising cost of feed for livestock. The decrease in operational local dairy, poultry, pork, and egg farms increases the State's reliance on the importation of food and threatens the State's food security. Thus, creating a livestock revitalization and food security program will financially assist dairy, poultry, and hog farmers with covering the cost of their feed requirements, enable them to remain in business, and continue to provide fresh milk, poultry products, and pork for local consumption.

Your Committee has amended this measure by:

- (1) Changing the minimum percentage below which a flock or herd will no longer qualify for the subsidy to an unspecified amount;
- (2) Changing the appropriation in section 3 to an unspecified amount to facilitate further discussion; and
- (3) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1307, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1307, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 923 Ways and Means on S.B. No. 1756

The purpose of this measure is to establish the state agricultural land protection program.

Specifically, this measure:

- (1) Establishes the agricultural land protection foundation;
- (2) Requires the foundation to adopt rules for the evaluation and selection of agricultural easements on important agricultural lands, as defined in chapter 205, Hawaii Revised Statutes;
- (3) Allows the foundation to acquire agricultural easements on important agricultural lands;
- (4) Restricts lands subject to an agricultural easement to agricultural uses; and
- (5) Establishes the agricultural land protection fund for the purchase of agricultural easements.

Your Committee received comments from the Department of Agriculture, Hawaii Farm Bureau Federation, and Hawaii Agriculture Research Center in support of this measure. The Hawaii Association of Realtors submitted comments.

Your Committee finds that this measure provides one of the incentives called for in section 205-46, Hawaii Revised Statutes, to encourage land owners to preserve and restrict important agricultural lands for agricultural purposes. This measure will ensure that agricultural lands remain affordable and protected for long-term agricultural use.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050 to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for purposes 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. 1756, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1756, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 924 Ways and Means on S.B. No. 1925

The purpose of this measure is to support and further the efforts in achieving a sustainable future for Hawaii by developing and establishing sustainable communities in the State.

The measure proposes to establish a new chapter within Title 13, Hawaii Revised Statutes, the purpose of which is to maintain and preserve a healthy quality of life and environment for Hawaii's future generations. The measure requires the State, in a combined effort with all state departments and agencies, to develop and maintain sustainable communities that will:

- (1) Generate at least fifty per cent of all of its energy requirements for the entire community under development, including but not limited to, residential homes and areas and services for and used by the entire community under development;
- (2) Implement a comprehensive recycling program that will enable the community to divert at least seventy-five per cent of its solid waste from the landfills;

- (3) Implement an extensive community wastewater recycling and treatment management system that would enable the community under development to treat and recycle all of its wastewater for landscaping water requirements onsite of the community and any agricultural water irrigation requirements offsite of the community;
- (4) Protect and preserve open space by designating at least fifty per cent of the entire tract of land for the residential community for open space; provided that:
 - (A) Open space shall not include areas designated for golf courses; and
 - (B) Open space shall include the shoreline, if the planned community abuts and includes shoreline space;
- (5) Promote and encourage visitation to any nearby cultural or historical sites, public beaches, shores, trails, and other outdoor recreational areas by not restricting public access to these areas; and
- (6) Provide affordable housing units by designating and reserving at least forty per cent of all of its residential units within the planned community for affordable housing units for residents to enable them to stay in Hawaii and provide shelter for their families.

The measure also provides that state-issued permits to develop such communities would be expedited and receive priority over the processing of permit applications for the development of nonsustainable community development projects.

Written testimony was not submitted to your Committee.

Hawaii is a unique and beautiful State that is largely dependent on the importation of fuel, food, and supplies to sustain its economy and communities. In 2005, the Legislature enacted Act 8, Special Session Laws of Hawaii 2005, to establish the Hawaii 2050 Sustainability Task Force. The interest in the concept of sustainability has grown through the efforts of the Task Force; state and county departments and agencies; branches of the United States military; local businesses and community groups; and community engagement programs and projects. Private industries and developers have introduced technology and concepts that can assist communities in their efforts to become more sustainable and independent with minimal detrimental effects to the environment and the economy.

Your Committee finds that sustainability has transformed from the conceptual stage to an actual lifestyle that can be achieved, but only through a comprehensive joint effort with the government and the community. Establishing and supporting the development of sustainable communities in the State fulfills the intent of this measure, which is to support and further the efforts in achieving a sustainable future for Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying that a developer of a residential community of fifty or more residential units has a choice to comply with the sustainable community criteria established in this measure;
- (2) Clarifying that if the developer chooses to comply with the sustainable community criteria, the developer will be able to engage in the expedited permit process;
- (3) Adding language that describes the expedited permit process and the notice procedure the developer is required to follow to engage in the expedited permit process;
- (4) Clarifying the role of the Land Use Commission in assisting in providing a sustainable residential community that will designate at least fifty per cent of the entire tract of land for open space;
- (5) Clarifying that if any applicable permit-granting state department or agency takes longer than three hundred sixty days to issue a decision or permit for the sustainable community development plans, then the permit will be deemed approved;
- (6) Adding language that clarifies that the Energy Resources Coordinator is the Director of Business, Economic Development, and Tourism, as provided under section 196-3, Hawaii Revised Statutes;
- (7) Inserting an effective date of July 1, 2050, to encourage further discussion on this matter; and
- (8) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1925, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1925, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 925 Ways and Means on S.B. No. 1946

The purpose of this measure is to amend chapter 179D, Hawaii Revised Statutes, to ensure the safety of dams and reservoirs in the State.

Specifically, this measure:

- (1) Requires the owner of each dam to hold a valid certificate of approval to impound water;
- (2) Allows authorized personnel of the Department of Land and Natural Resources to enter upon any property, public or private, at reasonable times, without notice, to investigate the condition or operation of any dam;
- (3) Makes it unlawful to refuse entry to any authorized personnel of the Department of Land and Natural Resources to inspect a dam;
- (4) Grants the Department of Land and Natural Resources right to injunctive relief to enforce the provisions of chapter 179D, Hawaii Revised Statutes (dam safety law);
- (5) Allows the Department of Land and Natural Resources, in cases of emergency, to employ immediate remedial measures, at the cost of the owner of a dam, to protect persons and property;
- (6) Establishes the dam safety special fund to implement the dam safety program pursuant to chapter 179D, Hawaii Revised Statutes;

- (7) Allows liens to attach to property of the owner of a dam for the costs of any remedial measures undertaken by the Department of Land and Natural Resources;
- (8) Requires dams and reservoirs completed prior to the effective date of this measure to apply for certificate of approval to impound water;
- (9) Requires any dams or reservoirs under construction after the effective date of this measure to submit, for approval by the Department of Land and Natural Resources, plans and specifications for any dam construction, enlargement, repair, or removal, prior to commencing the work contemplated;
- (10) Requires the Department of Land and Natural Resources to submit annual reports to the Governor and Legislature relating to the dam safety program;
- (11) Establishes administrative penalties for the violation of chapter 179D, Hawaii Revised Statutes, or any rule, order, or condition adopted or issued pursuant to the chapter;
- (12) Makes it a class C felony for any person to negligently or knowingly violate chapter 179D, Hawaii Revised Statutes, or any rule, order, or condition adopted or issued pursuant to the chapter;
- (13) Makes other amendments to existing sections of chapter 179D, Hawaii Revised Statutes, for purposes of consistency with new provisions to the chapter; and
- (14) Makes an appropriation into and out of the dam safety special fund.

Your Committee received comments on this measure from the Attorney General, Department of Land and Natural Resources, Hawaii Farm Bureau Federation, and Alexander & Baldwin, Inc.

Most of the contents of this measure are the result of and are the recommendations contained in the *Report of the Independent Civil Investigation of the March 14, 2006, Breach of the Ka Loko Dam*, submitted by the Special Deputy Attorney General appointed to investigate the dam breach.

Your Committee shares the concerns relating to dam and reservoir safety that have arisen following the Ka Loko disaster, and the main purpose of this measure is to ensure that there are no further incidents of a dam or reservoir failure resulting in loss of life and property. Your Committee believes that many of the requirements of dam and reservoir owners contained in the measure, while adding additional burdens to those dam and reservoir owners, are necessary for that stated purpose.

Your Committee has amended this measure by:

- (1) Permitting a dam or reservoir owner to continue to impound water while in the process of applying for a certificate of approval to impound water, unless the Board of Land and Natural Resources determines that the dam or reservoir poses a danger to the health and safety of persons or property;
- (2) Allowing the Department of Land and Natural Resources to catalogue and maintain an inventory of all dams and reservoirs in the State without regard to chapter 91, Hawaii Revised Statutes (Administrative Procedure Act);
- (3) Repealing section 179D-5, Hawaii Revised Statutes, relating to unlawful conduct;
- (4) Extending the appropriation into and out of the dam safety special fund to fiscal year 2008-2009; and
- (5) Making the appropriation in this measure for an unspecified 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. 1946, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1946, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Menor, Hemmings, Whalen).

SCRep. 926 Ways and Means on S.B. No. 1380

The purpose of this measure is to enable the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund to adjust the base monthly contribution for the health benefit plans' rate structure.

Specifically, this measure requires the base monthly contribution to health benefit plans, if the Board of Trustees adopts a rate structure for plans other than self and family rates, to provide the equivalent underwriting cost of a cost-neutral adjustment to the base monthly contribution.

Your Committee received comments in support of this measure from the Department of Budget and Finance and the Employer-Union Health Benefits Trust Fund of the Department of Budget and Finance.

Your Committee finds that current health benefits plans are based on a two-tier structure with a cap (base monthly contribution) on self plans and a cap on family plans. The Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund will utilize a three-tier rate structure so that the rates for retiree health benefits plans would correspond more to the size of a retiree's family--specifically, a two-party rather than a family rate. This measure will provide the Board of Trustees the power to adjust the base monthly contribution accordingly in a cost-neutral manner to reflect any such 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. 1380 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 927 Ways and Means on S.B. No. 891

The purpose of this measure is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to contributions to the Hawaii Employer-Union Health Benefits Trust Fund for officers and employees in collective bargaining units (2), (3), (4), (6), (8), (9), and (13), and their excluded counterparts.

Your Committee received comments in support of this measure from the Office of Collective Bargaining and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that this measure is necessary to fund the premium costs associated with the anticipated agreement between the public employer and the exclusive representative of the bargaining units.

As affirmed by the record of votes of the members 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. 891 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 928 Ways and Means on S.B. No. 1384

The purpose of this measure is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (4) and their excluded counterparts.

Your Committee received comments in support of the measure from the Office of Collective Bargaining, the Judiciary, and the Hawaii Government Employees Association, AFSCME.

Your Committee finds that negotiations between the public employer and the exclusive bargaining representative of collective bargaining unit (4) are in progress, as the current contract period expires on June 30, 2007. This measure is a vehicle that must be kept alive in order to make the necessary appropriations in the event of a settlement.

Your Committee has amended this measure by including a provision to appropriate funds for the officers and employees of the Hawaii Health Systems Corporation who are the excluded counterparts of the officers and employees of the Hawaii Health Systems Corporation who are members of collective bargaining unit (4). Your Committee has also amended this measure by making numerous 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 S.B. No. 1384, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1384, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 929 Ways and Means on S.B. No. 1382

The purpose of this measure is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (2) and their excluded counterparts.

Your Committee received comments in support of the measure from the Office of Collective Bargaining, the Judiciary, and the Hawaii Government Employees Association, AFSCME.

Your Committee finds that negotiations between the public employer and the exclusive bargaining representative of collective bargaining unit (2) are in progress, as the current contract period expires on June 30, 2007. This measure is a vehicle that must be kept alive in order to make the necessary appropriations in the event of a settlement.

Your Committee has amended this measure by including a provision to appropriate funds for the officers and employees of the Hawaii Health Systems Corporation who are the excluded counterparts of the officers and employees of the Hawaii Health Systems Corporation who are members of collective bargaining unit (2). Your Committee has also amended this measure by making numerous 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 S.B. No. 1382, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1382, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 930 Ways and Means on S.B. No. 1387

The purpose of this measure is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for members of bargaining unit (8) and their excluded counterparts.

Your Committee received comments in support of this measure from the Office of Collective Bargaining and representatives of the Hawaii Government Employees Association.

Your Committee finds that negotiations between the public employer and the exclusive bargaining representative are in progress, as the current contract period will expire on June 30, 2007. This measure is a vehicle that must be kept alive in order to make the necessary appropriations in the event of a settlement.

Your Committee has amended this measure 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 S.B. No. 1387, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1387, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 931 Ways and Means on S.B. No. 1383

The purpose of this measure is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (3) and their excluded counterparts.

Your Committee received comments in support of the measure from the Office of Collective Bargaining, the Judiciary, and the Hawaii Government Employees Association, AFSCME.

Your Committee finds that negotiations between the public employer and the exclusive bargaining representative of collective bargaining unit (3) are in progress, as the current contract period expires on June 30, 2007. This measure is a vehicle that must be kept alive in order to make the necessary appropriations in the event of a settlement.

Your Committee has amended this measure by including a provision to appropriate funds for the officers and employees of the Hawaii Health Systems Corporation who are the excluded counterparts of the officers and employees of the Hawaii Health Systems Corporation who are members of collective bargaining unit (3). Your Committee has also amended this measure by making numerous 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 S.B. No. 1383, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1383, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 932 Ways and Means on S.B. No. 1928

The purpose of this measure is to authorize the Auditor to conduct investigations involving alleged waste, fraud, abuse, nonfeasance, or malfeasance in state government.

The bill also appropriates funds to establish an investigative unit to conduct the above-mentioned investigations.

The Office of the Auditor submitted comments in support of the bill.

Your Committee finds that, presently, there is no agency that performs independent investigations pertaining to alleged fraud, waste, abuse, nonfeasance, or malfeasance on behalf of the Legislature. The Department of the Attorney General usually acts on behalf of the executive branch when there is possible liability by or to the State.

Your Committee finds that establishing an investigative unit in the Office of the Auditor resolves this issue and will allow the Legislature to propose meaningful legislation as a result of such investigations. Moreover, investigations can only be authorized by the Legislature under certain circumstances, by statute, or by the Auditor with the President of the Senate and the Speaker of the House of Representatives concurring.

Your Committee amended the bill to change the appropriation to an unspecified amount and to make technical nonsubstantive changes for purposes of clarity, style, and conformity.

As affirmed by the record of votes of the members 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. 1928, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1928, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 933 Ways and Means on S.B. No. 1106

The purpose of this measure is to appropriate funds to the Hawaii State Commission on the Status of Women for programming, travel, and office expenses.

The Hawaii State Commission on the Status of Women, Oahu VOICES, and one concerned individual submitted comments in support of this measure.

Your Committee finds that this appropriation would allow the Commission to fully fund its mission to ensure equality for women and be a catalyst for change through advocacy, education, collaboration, and program development.

Your Committee notes that section 2 of the bill describes several different programs as examples of the Commission's activities, and it is the overall intent of the bill for this appropriation to enable the Commission to provide support to these and other similar programs as the Commission deems fit.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated to an unspecified amount to facilitate further discussion on this measure; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1106, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1106, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 934 Ways and Means on S.B. No. 156

The purpose of this measure is to increase voter participation by authorizing a vote by mail system for all elections, upon a determination of economic and administrative feasibility by the Chief Election Officer, in consultation with the county clerks.

The Chief Election Officer of the Office of Elections, the League of Women Voters, and the Disability Communication Access Board submitted comments in support of this measure.

Your Committee finds that the National Census Bureau reported that in 2004 Hawaii had the lowest voter turnout in the nation, a disturbing distinction for our State. In contrast, there has been a noticeable increase in the number of absentee voters in recent elections. Other states that

have implemented voting by mail systems have seen an increase in voter participation. Your Committee believes that this measure will allow registered voters in Hawaii flexibility in determining a convenient time to cast their vote, which will result in a higher rate of voter participation.

Upon consideration, your Committee has amended this measure by:

- (1) Specifying a deadline of eighteen days before the elections for the county clerk to mail ballots outside of the State;
- (2) Adding language to provide that mailing and returning the ballots shall be at no cost to the voter to conform to absentee ballot requirements;
- (3) Specifying that ballots may be counted after noon on election day;
- (4) Requiring that, to be counted, a ballot be from a voter who has registered to vote in compliance with section 11-15, Hawaii Revised Statutes; and
- (5) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 156, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 156, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 935 Ways and Means on S.B. No. 1424

The purpose of this measure is to provide emergency appropriations for the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs, to investigate the power outages that occurred on October 15, 2006, on the islands of Oahu, Maui, and Hawaii.

The Department of Consumer Affairs and the Public Utilities Commission submitted comments in support of this measure.

Your Committee finds that the Division of Consumer Advocacy's budget for fiscal year 2006-2007 was premised on the costs of consultant fees and representing the public in utility rate cases before the Public Utilities Commission. The investigation of the island-wide power outage was unexpected and beyond the Division's current budget and therefore requires this emergency appropriation.

Your Committee notes that the intent of this bill is to appropriate \$250,000 for the purpose 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. 1424, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 936 Ways and Means on S.B. No. 323

The purpose of this measure is to remove the expenditure ceiling from the high technology special fund and to require that administrative and fiscal positions of the High Technology Development Corporation be funded from the general fund, and not the special fund.

Furthermore, this measure appropriates general funds for the administrative and fiscal positions of the High Technology Development Corporation and for the Hawaii small business innovation research grant program.

Your Committee received comments in support of this measure from the Office of Technology Transfer and Economic Development at the University of Hawaii, High Development Corporation, 21st Century Systems, Ambient Micro LLC, Applied Marine Solutions, Archinoetics LLC, Cardax Pharmaceuticals, Geo Recovery Hawaii Inc., Hawaii Aquaculture Association, Hawaii and Pacific Operations, Hawaii Science and Technology Council, High Health Aquaculture, Kuehne AgroSystems Company LLC., Neptune Technologies Inc., Oceanit, Pacific Sun Energy Corporation, Quantum Leap Interactive, SEE/RESCUE Corporation, Trex Hawaii LLC., and Umikoa Ranch. Your Committee received comments in opposition to this measure from the Department of Budget and Finance. The Economic Development Alliance of Hawaii submitted comments.

Your Committee finds that this measure is necessary to provide continued support for Hawaii's high technology businesses. Removing the expenditure ceiling from the special fund and requiring certain positions of the development corporation to be funded through general funds will increase the capability and resources of the development corporation in meeting the high technology needs of 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. 323, S.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 937 Ways and Means on S.B. No. 867

The purpose of this measure is to require the Department of Education to conduct a feasibility study on converting hard cover textbooks to electronic books, called e-books, for use in public schools.

The Department of Education submitted comments on the bill.

Your Committee finds that textbook shortages continue to be an issue for many Hawaii public schools. Providing updated textbooks to each student in the public school system would be prohibitively expensive.

Your Committee further finds that e-books used in public school classrooms may relieve this shortage at a much lower cost, provide a learning experience more tailored to the individual needs of students, and permit teachers to work more effectively with a wide range of students. However, since a switch from textbook to e-book is a substantial change, it is necessary to obtain sufficient information regarding this switch and its consequences.

As affirmed by the record of votes of the members 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. 867, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 938 Ways and Means on S.B. No. 1203

The purpose of this measure is to establish a “cash and counseling” pilot program in Hawaii.

More specifically, the Department of Human Services would establish the program under which recipients of Medicaid personal care services or home- and community-based services receive a flexible monthly allowance and decide whom to hire and the services needed.

Your Committee received comments in support of the measure from the National Multiple Sclerosis Society and the Kokua Council. The Department of Human Services, the Hawaii Aging Advocates Coalition, and the Policy Advisory Board for Elder Affairs submitted comments.

Your Committee finds that under current law, there is a limited choice of programs available for the elderly for personal care services. The measure will allow recipients to choose a family member or friend, in lieu of an agency worker, to provide that personal care service, enabling these family members or friends to receive an offset to some of their financial sacrifices.

Your Committee finds that establishing this pilot program for recipients of Medicaid personal care services will promote independence, responsibility, and confidence in recipients and at the same time, recognize and support family caregivers and friends for their efforts.

As affirmed by the record of votes of the members 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. 1203 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 939 Ways and Means on S.B. No. 1170

The purpose of this measure is to appropriate or authorize temporary assistance for needy families funds for the Healthy Start Program, including Enhanced Healthy Start, to address budget shortfalls and implement recommended program improvements.

Specifically, the measure provides funds to hire a child development or clinical specialist and to complement provider training.

Catholic Charities Hawaii and Parents and Children Together submitted comments in support of this measure. The Department of Human Services, Hawaii Family Support Institute, and Maui Family Support Services submitted comments.

Your Committee finds that the Healthy Start Program has been a resource for Hawaii’s families by providing voluntary home visits to promote healthy child development and provide services to families identified as at risk for child abuse and neglect. The Enhanced Healthy Start Program was later established to serve entire families at threatened harm levels of risk, as well as infants and toddlers subject to abuse or neglect.

Your Committee further finds that an appropriation will allow the Healthy Start Program to make programmatic changes that will substantially increase its ability to make positive changes in the lives of many children and their families.

As affirmed by the record of votes of the members 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. 1170, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 940 Ways and Means on S.B. No. 1728

The purpose of this measure is to make an appropriation for a two-year demonstration project at the Waikiki Health Center and the West Hawaii Community Health Center for Hepatitis C testing, case management, and treatment.

Your Committee received comments in support of this measure from the Waikiki Health Center; Nursing, Advocates & Mentors, Inc.; Asian American Network for Cancer Awareness Research and Training; Filipino Coalition for Solidarity; Oahu Filipino Community Council; Philippine Nurses Association of Hawaii; United Filipino Council of Hawaii; Hepatitis Prevention, Education, Treatment & Support Network of Hawaii; Hep Cats Support Group Committee; and two individuals.

Your Committee finds that Hawaii has one of the highest rates of liver cancer in the United States due to the high rate of chronic viral hepatitis in our State. Over fourteen thousand individuals in Hawaii have been diagnosed with Hepatitis C. Part of the reason for this high prevalence is due to fact that many of our island residents are immigrants from the Philippines and other Pacific Island communities.

Your Committee further finds that, if not diagnosed at an early stage, treatment is very difficult, extremely expensive, and in many cases too late.

As affirmed by the record of votes of the members 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. 1728, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 941 Ways and Means on S.B. No. 1174

The purpose of this measure is to support the expansion of parent-child interaction programs at state correctional facilities.

Specifically, the bill appropriates funds to the Department of Public Safety to contract with community agencies to establish and implement parent-child interaction programs.

Your Committee received comments in support of the measure from: Child and Family Service, Community Alliance on Prisons, Keiki O Ka’Aina Family Learning Centers, Supporting Keiki of Incarcerated Parents (SKIP) Partnership, and four concerned individuals. One individual also submitted comments on this measure.

Your Committee finds that children of incarcerated parents suffer a multitude of negative consequences, including possible displacement from their home and separation from their primary or secondary caregiver. Children of incarcerated parents are also six times more likely to become criminal offenders themselves.

Your Committee further finds that parent-child interaction programs like SKIP strengthen families, reduce abuse and neglect of children of incarcerated parents, and decrease the rate of recidivism.

As affirmed by the record of votes of the members 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. 1174, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (English, Kim, Hemmings, Whalen).

SCRep. 942 Ways and Means on S.B. No. 331

The purpose of this bill is to help prevent identity theft by supporting efforts to protect a person's vital information and to develop more deterrents for identity theft.

More specifically, this measure appropriates funds to the Office of the Auditor for research and support services necessary to develop additional deterrents for identity theft, particularly those related to the compromise of electronic data and information.

Your Committee received comments in support of this measure from the Support Services Department of the Judiciary and Retail Merchants of Hawaii.

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. 331, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 331, S.D. 3.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 943 Ways and Means on S.B. No. 94

The purpose of this measure is to establish the food distribution program revolving fund.

More specifically, this measure establishes a revolving fund to accept administrative fees paid to the Department of Education by recipients of commodity foods under the National School Lunch Program. The Department of Education will expend funds from the revolving fund to offset the cost of warehousing commodity foods distributed under the National School Lunch Program.

Your Committee received comments in support of this measure from the Department of Education. The Department of Budget and Finance also submitted comments.

Your Committee finds that the Department of Education distributes commodity foods to public schools, private schools, and other state institutions that participate in the National School Lunch Program. The Department of Education paid in excess of \$1,200,000 to store commodity foods in warehouses in fiscal year 2006 but is prohibited from using federal funds to pay warehouse fees.

The revolving fund established under the measure, allows the Department of Education to use fees collected for, interest earned on, and other moneys associated with the food distribution program to support the continued operations of the food distribution program including payment for warehouse fees and allow the program to be self-sustaining.

Your Committee has amended this measure by:

- (1) Transferring the current funds for the warehousing and distribution of federal commodity foods to the food distribution program revolving fund; and
- (3) 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. 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, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 944 Ways and Means on S.B. No. 1156

The purpose of this measure is to extend the lapsing date of the appropriation made to the B plus scholarship program.

The measure also changes the program's eligibility criteria to include "a rigorous high school curriculum".

The Filipino Coalition for Solidarity, National Federation of Filipino American Associations Region 12, Nursing Advocates and Mentors, Inc., Philippine Nurses Association, United Filipino Council of Hawaii, University of Hawaii, and two individuals submitted comments in support. The Department of Education submitted comments.

Your Committee finds that the State's investment in higher education will help to reduce poverty and crime and increase social responsibility.

Your Committee further finds that making higher education affordable and accessible to qualified students ensures a competent and diverse workforce with the critical thinking skills necessary to keep Hawaii competitive in the global market.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount; and
- (2) Inserting language to ensure that the appropriations do not lapse until June 30, 2008, and June 30, 2009, respectively.

As affirmed by the record of votes of the members 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, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1156, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 945 Ways and Means on S.B. No. 1163

The purpose of this measure is to require a permanent plan for all foster youth fourteen and older.

The Department of Human Services offered comments on this measure.

Specifically, this measure requires the permanent plan to include an appropriate independent living program that provides foster youth with opportunities to learn basic life skills that will be needed when they become adults. This measure also appropriates unspecified amounts for the Department of Human Services for the independent living program.

Your Committee finds that this measure will provide foster youth the appropriate opportunities to learn basic life skills including money management and accessing information from various institutions in the community.

Your Committee has amended this measure 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1163, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1163, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 946 Ways and Means on S.B. No. 1678

The purpose of this measure is to provide adequate reimbursement to health care providers in Hawaii.

Specifically, this measure requires that, beginning on January 1, 2008, each:

- (1) Participating medical services provider within the network of a mutual benefit society;
- (2) Licensed hospital or nursing facility, excluding emergency room services; and
- (3) Health maintenance organization,

shall be reimbursed for the provision of medical services to patients, regardless of whether a patient is a participant in a medicaid program, at a rate not less than one hundred per cent of the medicare reimbursement amount that is in effect for the current year and updated for each calendar year thereafter. This measure also provides a mechanism for annual adjustment of rates for inflation. Finally, this measure appropriates an unspecified amount to the Department of Human Services to cover increases in reimbursement payments.

Your Committee received comments in support of this measure from the Chamber of Commerce of Hawaii, the Healthcare Association of Hawaii, and Hawaii Pacific Health. Comments in opposition were received from the Hawaii Medical Services Association. The Department of Human Services offered comments.

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

- (1) Clarifying, in section 2 creating a new section 346- , Hawaii Revised Statutes, that the reimbursement for each hospital or nursing facility licensed by the State shall be at a rate "not less than" one hundred ten per cent of the Medicare reimbursement amount, for the purpose of consistency with sections 1, 3, and 4;
- (2) Adding, throughout the measure, that reimbursements shall be "on all medicare codes" for the provision of medical services;
- (3) Adding a requirement for the Department of Human Services to report annually to the Legislature regarding adjustments to rates under the Medicaid fee schedule;
- (4) Changing the effective date to July 1, 2007, and thus also deleting the unnecessary provision that the appropriation made in section 6 shall take effect on July 1, 2007; and
- (5) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1678, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1678, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 947 Ways and Means on S.B. No. 917

The purpose of this measure is to direct the Department of Public Safety to develop a plan by January 1, 2008, to return to the State by July 1, 2009, all female prisoners incarcerated out-of-state and who are residents of this State.

Your Committee received comments on this measure from the Hawaii State Commission on the Status of Women, Community Alliance on Prisons, Hawaii Youth Services Network, and two individuals, all in support of this measure.

Your Committee is informed that one hundred seventy-four women who are residents of the State are incarcerated in prisons on the mainland due to the lack of adequate facilities in the State. This relocation not only affects the prisoners but, equally if not more importantly, it can have an adverse effect on any minor children of these women prisoners who are left behind in the State. Accordingly, because of this concern, the Department of Public Safety is directed to immediately develop a plan to return all female prisoners who are residents of the State of Hawaii to the State by July 1, 2009.

Your Committee has amended this measure by:

- (1) Requiring that the Department of Public Safety report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2008 on its plan to return to the State by July 1, 2009, all female prisoners who are residents of the State of Hawaii;

- (2) Incorporating into this measure the contents of Senate Bill No. 911, requiring that the Department of Public Safety undertake a study to identify three potential sites, two on the island of Oahu and one on a neighbor island, for the development of a new minimum security prison to hold a minimum of five hundred inmates and to include an intensive mandatory substance abuse treatment program;
- (3) Incorporating into this measure the contents of Senate Bill No. 916, S.D. 1, directing the Department of Public Safety to consider the feasibility of selling or leasing the Oahu Community Correctional Center site and using the proceeds of the sale or lease for the development of a new facility;
- (4) Incorporating into this measure the contents of Senate Bill No. 919, S.D. 1, requiring the mainland branch of the Department of Public Safety, Corrections Division, to submit quarterly reports about the conditions of each resident of the State of Hawaii who is incarcerated in a prison on the mainland under the Interstate Corrections Compact; and
- (5) 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. 917, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 917, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (English, Kim, Hemmings, Whalen).

SCRep. 948 Ways and Means on S.B. No. 1489

The purpose of this measure is to increase the resources of the Hawaii Paroling Authority. Specifically, the bill:

- (1) Converts two part-time member positions on the Hawaii Paroling Authority to full-time;
- (2) Authorizes the Governor to set the salary of the Chair and members of the Authority; and
- (3) Appropriates funds for salary increases, equipment, and supplies.

The Hawaii Paroling Authority and the Interim Director of the Department of Human Resources submitted comments in support of this measure.

Your Committee has amended this measure by:

- (1) Clarifying which executive salary commission report the governor shall use for guidance in setting the salaries;
- (2) Changing the amount appropriated to an unspecified amount to facilitate further discussion; and
- (3) Making a technical change to conform the text of section 353-63 to the printed version of the 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 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, 7. Noes, none. Excused, 4 (English, Kim, Hemmings, Whalen).

SCRep. 949 (Joint) Public Safety and Ways and Means on S.B. No. 959

The purpose of this measure is to address the warrant backlog problem in the State of Hawaii.

Testimony in support of the intent of this measure was submitted by the Department of Public Safety and the Office of the Public Defender. The Department of the Attorney General and the Department of the Prosecuting Attorney submitted testimony in support of section 2 (making an appropriation for additional sheriffs dedicated exclusively to the service and execution of warrants), and offered comments.

Your Committees find that the backlog in the service and execution of warrants is unacceptable. Your Committees further find that the joint task force requested and mandated to address the warrant backlog by the 2006 Legislature in Senate Concurrent Resolution No. 91, S.D. 1, and Act 308, Session Laws of Hawaii, respectively, has come up with several suggestions but has not supplied sufficient information regarding the needed resources and steps needed to put the task force suggestions into practice. Your Committees direct the joint task force to meet again in order to complete their recommendations and provide them to the Legislature in writing, including a timeline and budget suggestions, so that the Legislature can make better decisions about how to deal with the warrant backlog.

Your Committees note the validity of the concerns presented by the Department of the Prosecuting Attorney, in that placing the expiration dates in the Hawaii Revised Statutes may make offenders feel that complying with warrants are not necessary because, as long as there is a backlog, it is unlikely that the warrant would be executed before the expiration date. Your Committees further note that the Department of the Prosecuting Attorney is already in the habit of waiving the service and execution of warrants for minor offenses and believes this is best left to be a discretionary waiver rather than a statutory mandate.

Your Committees find that the Judiciary and the Department of Public Safety should work together to establish an automated centralized warrant management system that can be accessed by all law enforcement personnel. Your Committees further find that the Judiciary Information Management (JIMS) CourtConnect System under the Judiciary could be the proper system for the automated centralized warrant management system. However, some departments testified that the system has had technical and resource limitations. It is the intent of your Committees that the Judiciary and the Department of Public Safety consider the use of JIMS, with technical improvements and sufficient resources as a mechanism for the centralized warrant system.

Your Committees amended this measure to:

- (1) Exclude the codification of expiration dates for warrants in the Hawaii Revised Statutes;
- (2) To task the Judiciary and the Department of Public Safety with establishing an automated and centralized warrant management system that can be accessed by all law enforcement personnel;

- (3) To provide an appropriation in each year of the 2007-2009 fiscal biennium for the automated centralized warrant management system;
- (4) To provide an appropriation in each year of the 2007-2009 fiscal biennium to fund additional sheriff positions, including salaries and the purchase of necessary vehicles, dedicated to the exclusive purpose of the service and execution of warrants; and
- (5) To extend the effective date to provide for further discussion.

As affirmed by the records of votes of the members of your Committees on Public Safety and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 959, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 959, S.D. 2.

Signed by the Chairs on behalf of the Committees. Ayes, 10. Ayes with Reservations, 1 (Tsutsui). Noes, none. Excused, 4 (Chun Oakland, English, Hooser, Whalen).

SCRep. 950 Ways and Means on S.B. No. 1048

The purpose of this measure is to warn motorists of construction on roadways that include the use of steel plates by posting appropriate warning signs.

Two officials of the Street Bikers United Hawaii submitted comments in support of the bill. The Department of Transportation submitted comments.

Your Committee finds that under current law there is no specific requirement to warn motorists of the use of steel plates at construction sites.

Your Committee finds that the bill establishes the statutory requirement to post warning signs if construction work is performed on public highways.

Your Committee amended the bill by:

- (1) Inserting a savings clause as section 3 and renumbering the remaining sections accordingly; and
- (2) Making technical nonsubstantive changes for clarity, style, 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. 1048, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1048, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 951 Ways and Means on S.B. No. 1515

The purpose of this measure is to increase the amount of fine that may be imposed for a violation of the State's harbor laws or rules.

Specifically the measure increases the monetary ceiling for fines from \$10,000 to \$27,500.

The Department of Transportation submitted comments in support of the bill.

Your Committee finds that the fines currently imposed for violations of state harbor laws and rules are well below the amount federal and state agencies may impose on landowner's for violations of environmental regulations and are insufficient to function as a deterrent.

Your Committee amended the bill to make 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. 1515, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1515, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 952 Ways and Means on S.B. No. 1052

The purpose of this measure is to fulfill the state constitutional mandate to preserve the Hawaiian language.

Specifically, the measure:

- (1) Requires, rather than authorizes, the accurate use of Hawaiian names and language on new letterhead of state and county documents; and
- (2) Establishes the Hawaiian language interim task force to develop an implementation plan and identify a Hawaiian language authority to be consulted by government agencies in complying with this Act.

No written comments were submitted on the measure.

Your Committee finds that the Constitution of the State of Hawaii mandates the preservation and promotion of the Hawaiian language, one of the two official languages of the State. This measure recognizes that proper respect should be accorded to the language of the indigenous culture by promoting its use and mandating accuracy.

Upon consideration, your Committee has amended this measure by:

- (1) Clarifying that the Bishop Museum selects task force members to be appointed by the governor from a list of nominees received from each organization, the governor selects two native speaker members from nominees submitted by the President of the Senate and the Speaker of the House of Representatives, and all nine members are appointed by the Governor;
- (2) Changing the deadline for task force appointments and initial meeting to August 1, 2007;
- (3) Providing that the Hawaiian language interim task force shall terminate on July 1, 2008;

- (4) Changing the amount appropriated to an unspecified amount to facilitate further discussion on the measure;
- (5) Changing the effective date to July 1, 2007; and
- (6) Making technical nonsubstantive amendments for the purpose 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. 1052, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1052, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 5 (English, Hooser, Kim, Hemmings, Whalen).

SCRep. 953 Commerce, Consumer Protection and Affordable Housing on S.B. No. 188

The purpose of this measure is to amend the Small Business Regulatory Flexibility Act.

Specifically, this measure provides that a small business impact statement will be prepared and submitted to the Small Business Regulatory Review Board as early as practicable. This measure also requires that rules adopted that affect small businesses shall be reviewed every five years to determine whether they are still appropriate.

Additionally, this measure requires that a petition for regulatory review under section 201M-6, Hawaii Revised Statutes (HRS), and the list of rules adopted in the previous five years under section 201M-7, HRS, be sent to the Office of the Ombudsman.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; the Small Business Regulatory Review Board; and the Hawaii Business League. The Office of the Ombudsman submitted written comments on this measure.

Your Committee finds that the Small Business Regulatory Flexibility Act serves as a fair and equitable regulatory process. This Act has been particularly successful in reviewing rulemaking by public agencies that affects small businesses.

Your Committee notes the concerns raised by the Office of the Ombudsman as to the requirement that any petitions for regulatory review under section 201M-6, HRS, and the list of rules adopted in the previous five years under section 201M-7, HRS, be stored at the Office of the Ombudsman. The Ombudsman's concern is that the requirement is unnecessary and would not enhance the Office of the Ombudsman's ability to carry out its mandate.

In addition, the Office of the Ombudsman is concerned that it would become an official custodian of affected records and would have to establish a record keeping system and a means for providing public access in order to comply with chapter 92, HRS.

Your Committee further notes that the Ombudsman has requested that the requirement that the Office of the Ombudsman serve as a record depository be removed from this measure.

In order to promote further discussion, your Committee has amended this measure to change the effective date and to 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 Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 188, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 188, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Espero, Ihara).

SCRep. 954 Commerce, Consumer Protection and Affordable Housing on S.B. No. 713

The purpose of this measure is to establish certification and recertification procedures for nurse aides employed in state licensed or state certified health care settings and Medicare or Medicaid facilities.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs, the Hawaii Coalition of Care Home Administrators, the Healthcare Association of Hawaii, and the Hawaii Long Term Care Association. The Department of Health submitted written comments on this measure.

Your Committee finds that certifying and recertifying nurse aides who work in nursing facilities participating in Medicare and Medicaid programs and in other state licensed and certified health care settings will enable the Department of Commerce and Consumer Affairs, the Department of Human Services, and the Department of Health to monitor and evaluate the quality and competency of the nurse aides practicing in the State.

After full discussion on this measure, your Committee has amended this measure to:

- (1) Remove the requirement that all practicing nurse aides be certified and add language for the certification and recertification of nurse aides who work in nursing facilities that participate in Medicare and Medicaid programs and in other state licensed and certified health care settings;
- (2) Replace the definition of "findings" with a definition of "substantiated findings" in accordance with federal law;
- (3) Add a definition of "state licensed or state certified health care setting";
- (4) Prohibit any person from representing in any way that the person is a certified nurse aide without having first obtained certification;
- (5) Clarify that the maintenance requirements for recertification for Medicare or Medicaid facilities includes in-service training in a Medicare or Medicaid facility;
- (6) Clarify that the maintenance requirements for recertification for state licensed or state certified facilities includes a competency evaluation and employment in a state licensed or state certified health care setting;
- (7) Make other clarifying amendments; and

(8) Change the effective date to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 713, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 713, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 955 (Joint) Commerce, Consumer Protection and Affordable Housing and Ways and Means on S.B. No. 816

The purpose of this measure is to provide affordable prescription medicines while maintaining high quality prescription drug therapies.

Specifically, this measure creates a comprehensive Hawaii State Pharmacy Assistance Program by consolidating both the Hawaii Rx Plus Program and the State Medicare Part D Pharmacy Assistance Program into a single program in order to receive approval from the federal Centers for Medicare and Medicaid Services as a federal qualified state pharmacy assistance program.

Your Committees received written comments in support of this measure from the Department of Human Services and the AARP.

Your Committees find that prescription drugs have become the most expensive component of health care, accounting for approximately two-thirds of health care costs. This is often an unmanageable financial burden, particularly for the elderly population.

Your Committees further find that on January 1, 2006, the state Medicare part D State Pharmacy Assistance Program was created. The State Medicare Part D Program covers the co-payments for Medicare and Medicaid dual eligible clients to ensure a smooth transition of prescription drug coverage from Medicaid to Medicare. In addition, the federal Medicare Modernization Act of 2005 also provides special relief for qualified state pharmacy assistance programs. This measure is the first step in qualifying for special relief under the Medicare Modernization Act of 2005.

Upon the recommendation of the Department of Human Services, your Committees amended this measure to add a new subsection to section 346-342, Hawaii Revised Statutes, to require drug manufacturers or labelers who sell prescription drugs in the State to enter into a rebate agreement with the Department of Human Services, as approved by the federal Centers for Medicare and Medicaid Services. Your Committees have also amended this measure to make technical and clarifying amendments provided by the Department of Human Services.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable 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. 816, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 816, S.D. 2.

Signed by the Chairs on behalf of the Committees. Ayes, 14. Noes, none. Excused, 3 (Hooser, Hemmings, Whalen).

SCRep. 956 Commerce, Consumer Protection and Affordable Housing on S.B. No. 12

The purpose of this measure is to re-enact health insurance rate regulation by prohibiting health insurance rates from being excessive, inadequate, or unfairly discriminatory.

This measure also requires that health care insurers submit rate filings for approval by the Department of Commerce and Consumer Affairs, establishes what type of information needs to be provided to enrollees with regard to rates, and establishes various penalties and appeal procedures.

The Hawaii State Teachers Association submitted written comments in support of this measure. The Hawaii Medical Service Association submitted written testimony in opposition of this measure. Written comments were submitted by the Department of Commerce and Consumer Affairs and the American Family Life Assurance Company of Columbus.

Act 74, Session Laws of Hawaii 2002 (Act 74), established a health insurance rate regulation law that ensured that health insurance rates were not excessive, inadequate, or unfairly discriminatory in a manner similar to the way that motor vehicle, workers' compensation, homeowners', and other property and casualty insurance lines are presently regulated. Pursuant to a sunset provision, Act 74 was repealed on June 30, 2006.

Your Committee finds that the intent of this measure is to re-enact the health insurance rate regulation law in order to protect Hawaii consumers from predatory and discriminatory pricing and to open the market for competition, therefore, providing Hawaii consumers with more choices for health insurance.

Your Committee has amended this measure to clarify that the definition of "managed care plan" or "plan" does not include specific disease or disability policies.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 12, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 12, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 957 Commerce, Consumer Protection and Affordable Housing on S.B. No. 667

The purpose of this measure is to provide individuals who graduated from an accredited mental health counselor program prior to July 1, 2007, with alternative methods for satisfying the practicum intern experience and post-graduate experience requirements necessary for licensure.

Written comments in support of this measure were submitted by the Department of Commerce and Consumer Affairs and one individual. Written comments in opposition of this measure were submitted by the Alliance for Professional Counselor Licensure.

Your Committee finds that, pursuant to Act 14, Session Laws of Hawaii 2006, the Legislature increased the requirements for licensure of mental health counselors. However, Act 14 created a gap group of individuals who would be prohibited from licensure under the new law. Your Committee further finds that the provision of alternative methods for licensure are appropriate to ensure that these individuals may satisfy the requirements necessary for licensure without compromising the essential qualifications determined by the Legislature.

This measure provides alternative methods for satisfying necessary requirements for licensure for individuals who graduated from an accredited mental health counseling program prior to July 1, 2007. However, your Committee determines that further clarification is necessary to ensure that a suitable amount of experience is completed before licensure is granted and the alternative methods provided are truly substitutes for and not additions to the existing requirements.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the method for satisfying the practicum intern experience requirement is an alternative method to that currently provided under the law;
- (2) Clarifying that the method for satisfying the post-graduate experience requirement for licensure is an alternative method to that currently provided under the law;
- (3) Specifying that under either method, at least three thousand hours of post-graduate experience is required for licensure; and
- (4) Amending the effective date to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing 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, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 958 (Majority) Commerce, Consumer Protection and Affordable Housing on S.B. No. 1004

The purpose of this measure is to ensure that individuals living in rural areas of the State have access to appropriate mental health care services by authorizing appropriately trained and supervised psychologists to prescribe psychotropic medications for the treatment of mental illness.

Written comments in support of this measure were submitted by the American Psychological Association; the Hawai'i Psychological Association; the Hawai'i Primary Care Association; Waianae Coast Comprehensive Health Center; Moloka'i Community Health Center; the Board Members of the West Hawaii Community Health Center; Hamakua Health Center; Na Pu'uwai Native Hawaiian Health Care System; Community Clinic of Maui; Papa Ola Lokahi; Waikiki Health Center; Kokua Kalihi Valley; Ho'ola Lāhui Hawai'i; West Hawaii Community Health Center, Inc.; Mental Health America of Hawaii; and thirty-one individuals.

Written comments in opposition of this measure were submitted by the Board of Medical Examiners, the Hawaii Psychiatric Medical Association, the Hawai'i Society of Addiction Medicine, the Hawaii Medical Association, the National Alliance of Mental Illness, and fifty-three individuals.

Written comments were submitted by the Board of Psychologists.

Your Committee finds that there is limited access to mental health care treatment services for those living in the rural areas of the State.

Your Committee further finds that the delivery of comprehensive, accessible, and affordable mental health care may be enhanced by providing trained and supervised psychologists with limited prescriptive authority for the specific purpose of providing care in federally qualified health centers or other licensed health clinics located in federally designated medically underserved areas. This measure will address the urgent need for timely, appropriate, and cost-effective mental health and pharmacological services for qualified health centers that are most in need of psychologists with prescriptive authority.

Your Committee has amended this measure by deleting the definitions of "collaborative relationship" and "medical psychologist" since the context in which these terms are used make their defining unnecessary. Your Committee has also made technical, nonsubstantive changes for the purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1004, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1004, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 3. Ayes with Reservations, 1 (Espero). Noes, 1 (Slom). Excused, 2 (Ige, Sakamoto).

SCRep. 959 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1350

The purpose of this measure is to allow the Hawaii Housing Finance and Development Corporation to waive its shared appreciation equity and ten-year buyback restriction requirements for sustainable affordable leasehold projects and for immediate family members of the purchaser who would otherwise qualify under the rules.

Written comments in support of this measure were submitted by the Hawaii Housing Finance and Development Corporation (HHFDC) and Hawaii Reserves, Inc.

Your Committee finds that the law currently exempts certain individuals from the shared appreciation equity and ten-year buyback restrictions applicable to housing governed under chapter 201H, Hawaii Revised Statutes. However, the law does not address the sale or transfer of real property subject to sustainable affordable leases, under section 516-1, Hawaii Revised Statutes. Your Committee believes that the failure to exclude sustainable affordable leases will obstruct the expediency and intended purpose of developing sustainable affordable leases, which is to provide housing that is to continue as part of the affordable housing inventory. This measure addresses this deficiency in the law.

Additionally, this measure attempts to address those situations where immediate family members of the purchasers of affordable housing are forced to vacate the property upon the death of the purchaser under the shared appreciation equity and ten-year buyback provisions. Your Committee believes that the death of a purchaser should not require the eviction of immediate family members from the home, which could thereby exacerbate current homelessness problems. Instead, the purchaser should be required to designate an immediate family member, who would otherwise be qualified for purchase under the HHFDC rules, and who would be provided the right of first refusal to acquire the home upon death.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that to be exempt from the shared appreciation equity and ten-year buyback provisions, the purchaser must designate an immediate family member who would otherwise qualify for property acquisition under the HHFDC rules who would be offered the right of first refusal to the property; and
- (2) Including a definition for "immediate family member" to include any grandparent, parent, sibling, spouse, reciprocal beneficiary, or child of the purchaser.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1350, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1350, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 960 Commerce, Consumer Protection and Affordable Housing on S.B. No. 1425

The purpose of this measure is to ensure an adequate supply of licensed contractors is available to perform necessary repairs and reconstruction work during a state of emergency or disaster by authorizing the Contractors License Board to issue emergency contractor licenses under certain circumstances and subject to certain qualifications.

Written comments in support of this measure were submitted by the Department of Defense and State Farm Insurance Companies. Written comments were submitted by the Contractors License Board and the Subcontractors Association of Hawaii.

Your Committee finds that the after effects of hurricanes Katrina and Rita demonstrated the effects of having a short supply of skilled and licensed contractors. Currently, if a natural disaster or other state of emergency were to arise in Hawaii, the demand for skilled and licensed contractors may exceed the actual supply. This might lead to people being scammed by unlicensed and unskilled individuals. The intent of this measure is to protect consumers by allowing out-of-state contractors, who are licensed in other jurisdictions and subject to other qualifications, to obtain emergency contractor licenses in order to perform necessary repair and reconstruction work during a state of emergency or disaster.

Your Committee has amended this measure to require that any applicant for an emergency contractor license must provide proof of workers' compensation insurance for work done in the State.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing 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, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 961 Ways and Means on S.B. No. 709

The purpose of this measure is to assist in the development and economic health of growth industries in the State.

Specifically, this measure requires the Department of Business, Economic Development, and Tourism to investigate, collect, analyze, and publish research and data to track economic progress of growth industries to supply economic information to policy makers, the public, and growth industries for use in setting policies, objectives, and goals. This measure also appropriates an unspecified amount to the Department of Business, Economic Development, and Tourism to improve the State's ability to measure the productivity of and progress toward achieving innovation in Hawaii's economy.

Your Committee received comments in support of this measure from the Department of Business, Economic Development, and Tourism. Comments in opposition were received from Archinoctics, LLC, Island News Technologies, LLC, Hawaii Venture Capital Association, and four individuals. Applied Marine Solutions, Archinoctics, LLC, and six individuals commented.

Your Committee believes that data need to be collected and analyzed in a comprehensive and coordinated manner to supply necessary information to policy makers, the public, and growth industries to make informed decisions to improve Hawaii's growth industries.

Your Committee has made technical nonsubstantive amendments 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. 709, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 709, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Fukunaga, Menor, Hemmings).

SCRep. 962 Ways and Means on S.B. No. 897

The purpose of this measure is to appropriate general funds into the Hawaii 3Ts school technology laboratories fund to expend for project EAST programs statewide.

Your Committee received comments in support of the measure from the Department of Education, the Department of Business, Economic Development, and Tourism, the National Defense Center of Excellence for Research in Ocean Sciences, Ho'ike, and three concerned citizens. The High Technology Development Corporation offered comments.

Your Committee finds that Hawaii's continued prosperity and ability to preserve its quality of life and preferred lifestyle depend on the State's investment in human resources and innovation as the driver of economic development and as the State's response to the challenge of globalization. Your Committee further finds that part of this investment should be in programs that produce graduates from Hawaii's secondary education system with analytical and problem-solving skills that can only be nurtured through early exposure to the hard sciences, technology, engineering, and mathematics.

Your Committee has amended this measure by making a number of technical amendments to:

- (1) Specify in the operative provisions the purpose for the appropriation, which is to expand project EAST programs statewide;

- (2) Clarify the ratio of matching funds to grants by reference to the specific statutory requirements of the fund;
- (3) Clarify that the Economic Development Alliance of Hawaii has the lead in administering the fund; and
- (4) Change the appropriation to an unspecified amount for the purposes of continued discussion of 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 S.B. No. 897, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 897, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 963 Ways and Means on S.B. No. 1131

The purpose of this measure is to enhance the Department of Education's ability to utilize technology to streamline its processes, provide data necessary to support students, and increase accountability and transparency within the Department of Education.

Specifically, this measure appropriates funds to support the Office of Information Technology Services for the continued implementation of student information systems, student support systems, additional program requirements, and infrastructure enhancement for fiscal years 2007-2008 and 2008-2009. This measure also creates a fee for service pilot program to provide assistance to schools based on a schedule of deliverables on hourly rates that shall be funded and staffed with an unspecified percentage of the \$4,221,956 appropriated for fiscal year 2007-2008 under section 1 of the measure.

Your Committee received comments in support of this measure from the Department of Education.

Your Committee believes that the amounts appropriated in this measure will enable the Department of Education to support an integrated comprehensive student support system, to implement and enhance the centralized student information system, a financial management system, and the associated network support services.

Your Committee has amended this measure to reflect the correct name of the Office of Information Technology Services by inserting the word "information" on page 1, line 17 of the measure. Further, the amounts appropriated were changed to unspecified amounts to facilitate further discussion. Your Committee has also made a technical nonsubstantive amendment 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. 1131, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1131, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 964 Ways and Means on S.B. No. 613

The purpose of this measure is to provide financial and other support for programs furthering early education.

More specifically, the bill requires the Department of Education to identify unused public school land and facilities for use by early childhood education programs, requires a maximum ratio of one teacher to ten students in certain schools, and appropriates funds.

The Department of Education submitted comments on the bill and the Hawaii Teacher Standards Board submitted comments in support of the bill.

Your Committee finds that early childhood education is instrumental for future development and success. It is important to accomplish the goals set out by the previously established Early Learning Education Task Force.

Your Committee finds that this bill takes into account the presented issues. Early childhood education can be best supported if the Department of Education identifies currently unused public school land and facilities and limits the student-to-teacher ratio to fifteen to one in underachieving schools and schools with a high percentage of students qualifying for free and reduced lunches. The limited funds for the latter goal will be allocated on a sliding scale based on the percentage of students at a school who qualify for free or reduced lunches, with schools having a higher percentage receiving proportionately more funds than schools with lower percentages.

Your Committee further finds that financial support for early childhood education inclusion programs and collaboration of public programs and private providers helps to ameliorate current concerns.

Your Committee has amended the bill to:

- (1) Delete the suggested establishment of the early education incentive program and all related provisions;
- (2) Change the student-to-teacher ratio requirement back from ten to one to fifteen to one;
- (3) Require the Department of Human Services, which already conducts inspections of early childhood education facilities, to report that information to the Department of Education thereby not duplicating the effort;
- (4) Require the Department of Education to report back to the Legislature with its findings and recommendations; and
- (5) Make technical nonsubstantive changes for purposes of clarity, style, and conformity.

As affirmed by the record of votes of the members 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. 613, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 613, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 965 Ways and Means on S.B. No. 691

The purpose of this measure is to require the Department of Education to provide suitable transportation to and from school and for educational field trips for all children in grades kindergarten to twelve and in special education classes.

The Hawaii School Bus Association submitted comments in support of this measure. The Department of Education submitted comments.

Your Committee finds that part of providing a proper education to public school students throughout the State includes the provision of safe, reliable, and consistent transportation to and from school and for educational excursions. Currently, the Department of Education provides transportation services to students living outside of Honolulu proper, with some exceptions, and those living beyond a mile away from school.

Many other students may not require transportation services because they live in areas that are serviced by the City and County of Honolulu bus system, are attending schools under a geographic exemption, or do not proceed directly home after school. Your Committee understands that requiring the Department of Education to provide transportation services to all public school students could be a costly endeavor and a major undertaking.

Your Committee is most concerned with ensuring that the current level of transportation services provided to students is not diminished or, if necessary, that such changes are not executed without input from interested parties, including parents. The establishment of a process to allow stakeholders to participate in changes to current policies and procedures will help to ensure that the transportation needs of the students are being met.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2050 to facilitate further discussion; and
- (2) Making a technical nonsubstantive change for the purpose 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. 691, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 691, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (English, Tsutsui, Whalen).

SCRep. 966 Ways and Means on S.B. No. 1177

The purpose of this measure is to provide funds for the establishment of a Global Youth Center in Hawaii.

Specifically, this measure will allow the Global Youth Center to provide youth from around the world the opportunity to learn about and address major global issues. The Global Youth Center will be administered through the East-West Center, and will ensure that Hawaii students, particularly public school students, are provided with opportunities to participate in programs and activities to increase awareness of global issues and to address these issues through a variety of activities including meetings and forums.

Comments in support of this measure were submitted by the East-West Center and Redford-McCandless International. The Department of Business, Economic Development, and Tourism submitted comments on this measure.

Your Committee finds that education and awareness are the paths to world peace, sustainability, and productivity for future generations. The youth of the world must develop awareness of the important issues facing our global community and be equipped with the analytical tools to craft solutions. In response to the Millennium Youth People's Congress, held in Hawaii in 1999, the Legislature adopted House Concurrent Resolution No. 151, H.D. 1 (2005), which recognized the need for a Global Youth Center to provide a forum for youth to be educated on and address major global issues and further recognized the role that Hawaii should play in establishing such a center.

Your Committee finds that the creation of a Global Youth Center in Hawaii presents a unique opportunity for developing an international framework for youth from around the world to become actively engaged in shaping a better future for the international community. Hawaii's central location between Asia and the Americas, its cultural diversity, and shared languages provide an excellent forum for the Center's youth to address the needs and concerns of a multitude of diverse political, religious, economic, and socioeconomic views. Your Committee believes that the Global Youth Center will also provide Hawaii students, particularly public school students, opportunities to become more involved in international dialogue and interaction.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount to facilitate further discussion on 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. 1177, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1177, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (English, Tsutsui, Whalen).

SCRep. 967 Ways and Means on S.B. No. 1779

The purpose of this measure is to create a task force to evaluate system responses to cases of child sexual assault and exploitation.

Your Committee received comments in support of the measure from the Department of Education and the Sex Abuse Treatment Center of the Kapiolani Medical Center for Women and Children. The Department of Human Services and the Children's Justice Centers of Hawaii (Judiciary) submitted comments on the bill.

Your Committee finds that there is a need to develop a coordinated organized system that can appropriately respond to cases of child sexual assault, exploitation, and associated crimes or issues.

Your Committee finds that convening a task force comprised of law enforcement and social service representatives from federal, state, and county agencies and private, charitable social agencies will assist in providing effective recommendations on system responses to cases of child sexual assault and exploitation.

As affirmed by the record of votes of the members 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. 1779 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 968 Judiciary and Labor on S.B. No. 1802

The purpose of this measure is to amend provisions on confidentiality of records in chapter 334, Hawaii Revised Statutes, Mental Health, Mental Illness, Drug Addiction, and Alcoholism, to authorize a health care provider to disclose information to another health care provider for the purpose of continued care or treatment.

Your Committee received testimony in support of this measure from Hawaii Pacific Health, the Hawaii Psychiatric Medical Association, the Health Association of Hawaii, Kaiser Permanente Hawaii, Phoenix Health Systems, and the Queens Medical Center. The Hawaii Association of Health Plans offered comments.

Your Committee finds that the language in this bill, patterned after Hawaii law that allows providers to transfer information on HIV/AIDS for purposes of continued care and treatment, will enable providers to share necessary and relevant medical information while respecting the patient's dignity and privacy.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1802 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 969 Judiciary and Labor on S.B. No. 675

The purpose of this measure is to propose a constitutional amendment to require the Tax Review Commission to meet every ten years instead of five years.

Your Committee received written comments in support of this measure from the Hawaii Government Employees Association. Written comments in opposition was received from the Department of Taxation. Written comments were received from the Tax Foundation of Hawaii.

Your Committee finds that a five-year interval for the tax review commission to meet, as required in the Hawaii constitution, is too short a time period to fully implement, measure, and analyze their recommendations. Your Committee believes that a ten-year time interval between the convening of a Tax Review Commission is more appropriate.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 675 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 970 Judiciary and Labor on S.B. No. 1346

The purpose of this measure is to restore the statutory provision allowing pre-sentence mental and medical examinations of defendants for the purposes of sentencing.

Your Committee received testimony in support of the bill from the Attorney General's Office and from the Honolulu Prosecutor's Office. The Public Defender's Office opposed the bill.

In 2005, the statutory provision was inadvertently repealed as part of the revisions to section 706-603 of the Hawaii Revised Statutes. This bill restores that provision and allows for the pre-sentence mental or medical examination of defendants as part of the Judiciary pre-sentence investigation process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1346 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 971 Judiciary and Labor on S.B. No. 1053

The purpose of this measure is to prohibit a county to condemn and transfer private property to a private entity if that private entity expressed interest in purchasing the property for development, commercial purposes, or private use. Exceptions are provided for public utilities, irrigations systems, affordable housing, community developments, and development tracts.

Your Committee received testimony in support of this measure from the Hawaii Association of Realtors and a concerned citizen. The Department of Planning and Permitting of the City and County of Honolulu and the Office of the Corporation Counsel of the County of Hawai'i opposed this measure. The National Federation of Independent Businesses in Hawaii testified in support of the intent of the measure. The Department of the Corporation Counsel of the City and County of Honolulu offered comments and suggested revisions.

Your Committee finds that this measure addresses a concern about overbroad government authority to take property from one private owner and transfer it to another private entity under the guise of urban renewal or economic development.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1053, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Gabbard).

SCRep. 972 Judiciary and Labor on S.B. No. 1279

The purpose of this measure is to provide a property owner an avenue for judicial relief when the public purpose of a proposed condemnation is in question, and to provide a means for those whose property has been taken by eminent domain to repurchase the property if the property has not been used or ceases to be used for the public use stated in the instrument authorizing condemnation.

Your Committee received testimony in support of this measure from the Hawaii Association of Realtors and a concerned individual. The National Federation of Independent Businesses in Hawaii supported the intent of the measure. The Department of Transportation and the Corporation Counsel of the City and County of Honolulu testified in opposition.

Your Committee finds that the power of eminent domain should not be applied casually, for some unspecified future purpose, without due regard to the emotional upheaval suffered by those who lose their property. This measure addresses that concern.

Your Committee notes that in Stand. Com. Rep. No. 194, on this measure, the Committee on Water, Land, Agriculture, and Hawaiian Affairs expressed concerns that references to “condemnation resolution and other legislation or declaration authorizing the declaration” and the event that commences the sixty day notice requirement require further review and clarification. These matters remain to be addressed as this measure proceeds through the legislative process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1279, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 973 Judiciary and Labor on S.B. No. 663

The purpose of this measure is to authorize administrative inspections of containers used to transport aquatic life, to repeal the probable cause requirement for searches, and to direct the Department of Land and Natural Resources to create an administrative inspection scheme to enable the department to determine compliance with the terms of a license; permit or registration relating to aquatic life.

Your Committee finds that the probable cause requirement has hindered the protection of Hawaii’s ocean resources such as coral, fishes, and other marine life, and that an inspection scheme for regulatory purposes will allow inspections of vessels, containers, coolers, carriers or vehicles owned by the licensee, permittee or registrant to determine compliance. Instances of smuggling of these resources from Hawaii’s ocean should be reduced by an inspection scheme.

Your Committee received testimony in support of this measure from the Ocean Law and Policy Institute and from several private citizens. There was no testimony opposing the bill.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 663, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 974 Judiciary and Labor on S.B. No. 470

The purpose of this measure is to provide for drug testing of public school employees, teachers, public library employees, and all elected officials of the State, counties, Board of Education, and Office of Hawaiian Affairs based on reasonable suspicion.

Your Committee finds that drug abuse is pervasive within our community and affects many occupations. Your Committee is very concerned about the welfare of our young people and the future of our State. Your Committee finds that teachers are role models for their students and should provide an example to emulate. Likewise, elected officials, because of their public profile and visibility should present a role model as leaders of the State. They also make decisions that impact the State and every citizen in the future.

Your Committee recognizes that many of the positions covered by this bill do not fall in the category of occupations that would allow for random drug testing by the State Constitution. Thus, your Committee finds that a reasonable approach to drug testing is the reasonable suspicion standard where testing may occur where there exist facts to suspect one is under the influence of drugs.

Your Committee received testimony from representatives of the Department of Education, Hawaii State Teachers Association, Hawaii Government Employees Association, and the Drug Policy Forum in opposition to the bill. However, upon further questioning, the representative from the Department of Education concurred that the schools should be drug free and the basic objection was that the Department is currently negotiating reasonable suspicion drug testing. In addition, all those in opposition concurred that there is a need for drug testing. Your Committee finds that the children of this State need to be the focus for the necessity of this bill.

Your Committee amended the bill by changing the effective date to July, 2059. The bill was also amended to provide that this Act will take effect if the Hawaii State Teachers Association and the State do not reach an agreement on drug testing in their contract negotiations.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 470, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 470, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Nishihara).

SCRep. 975 Judiciary and Labor on S.B. No. 1398

The purpose of this measure is to update and amend chapter 449, Hawaii Revised Statutes, governing escrow depositories.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs. Hawaii Escrow & Title, Inc., Integrity Escrow & Title, and Security Title Corporation opposed this measure. The Escrow Association of Hawaii and Guardian Escrow Services, Inc. offered comments. Title Guaranty Escrow Services provided comments and proposed an alternate draft.

Your Committee was informed that the Escrow Association of Hawaii and the Commissioner of Financial Institutions have been working together to develop comprehensive revisions to the Escrow Depository statute, and that further revisions may be proposed as this measure proceeds through the legislative process. Based on testimony presented, your Committee finds it prudent to increase the minimum net capital requirement for an escrow depository, set at \$50,000 in 1973, in light of the value of current real estate escrow transactions in Hawaii. An increase to \$500,000, however, would disproportionately burden smaller escrow companies. Moreover, it appears that an increase in errors and omissions insurance could enhance consumer protection.

Accordingly, your Committee has amended this measure by:

- (1) Increasing the \$50,000 tangible net worth or bond requirement in section 449-5.5, Hawaii Revised Statutes, to \$100,000, instead of \$500,000;
- (2) Amending section 449-12, Hawaii Revised Statutes, by increasing the \$100,000 errors and omissions insurance requirement to \$750,000; and
- (3) Changing the effective date to July 1, 2059, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1398, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1398, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 976 Judiciary and Labor on S.B. No. 1414

The purpose of this measure is to enhance the criminal penalties associated with individuals who commit insurance fraud by including felony insurance fraud as one of the felony violations that can increase the sentences of repeat felony offenders.

Your Committee received testimony in support of the bill from the Insurance Commissioner and the Attorney General's Office. The Public Defender opposed the bill.

Your Committee finds that while insurance is often perceived as a non-violent and victimless crime, the ramifications of insurance fraud affect everyone through higher insurance premiums.

Your Committee amended the bill by inserting "(b)(2)" after 432:1-106 on page 3, line 17 of the bill, to clarify that the enhanced sentencing provided under this measure only pertains to the class C felony identified in that section of law. Your Committee also changed the effective date of the bill to July 1, 2059.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1414, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1414, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 977 Judiciary and Labor on S.B. No. 813

The purpose of this measure is to render expressions of sympathy or benevolence made to a patient or to a member of a patient's family inadmissible as evidence of an admission of liability in civil proceedings against a health care provider, or in related arbitration proceedings.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Consumer Lawyers of Hawaii, the Hawaii Medical Association, the Healthcare Association of Hawaii, Kaiser Permanente, and the Queen's Medical Center. The Judiciary Standing Committee on the Rules of Evidence (Standing Committee) testified in support of the intent, but opposed the bill in its present form. The Hawaii Association of Health Plans offered comments.

Several testifiers preferred language in S.B. No. 3279 (2006) on grounds it would protect statements that might be construed as admissions of guilt:

"Rule Apologies; medical care. (a) In any civil action that is brought against a health care provider, as defined in section 671-1, or in any arbitration proceeding that relates to the civil action, any statement, affirmation, gesture, or conduct expressing apology, responsibility, liability, sympathy, commiseration, condolence, compassion, or a general sense of benevolence that:

- (1) Was made by a health care provider to the patient, a relative of the patient, the patient's survivors, or a health care decision maker for the patient; and*
- (2) Relates to the discomfort, pain, suffering, injury, or death of the patient as the result of the unanticipated outcome of medical care is inadmissible as evidence of an admission of liability or as evidence of an admission against interest."*

The Standing Committee, on the other hand, recommended one rule applicable to all tortfeasors, as in S.B. No. 1339 (2007) or H.B. No 1253 (2007), rather than a special rule for health care providers. Your Committee notes that S.B. No. 1339, S.D. 1 (2007) contains language proposed by the Standing Committee.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2059, to allow continued discussion; and
- (2) Making a technical, nonsubstantive change for clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 813, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 813, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 978 Judiciary and Labor on S.B. No. 17

The purpose of this measure is to prohibit government contracts under \$5,000,000 for design professional services to require the design professional to defend the State against all claims.

Your Committee received testimony in support of this measure from the Small Business Regulatory Review Board, the American Council of Engineering Companies, the American Institute of Architects Hawaii State Council, the Coalition of Hawaii Engineering and Architectural

Professionals, Consulting Structural Hawaii, Inc., Engineering Concepts, Inc., Engineering Solutions, Inc., Finance Insurance, Ltd., Kai Hawaii, Inc., the Limtiaco Consulting Group, Masa Fujioka & Associates, and Shimabukuro, Endo & Yoshizaki, Inc. The Corporation Counsel of the City and County of Honolulu opposed this measure. The Attorney General testified in opposition to this measure and proposed an amendment.

Your Committee finds that many design professionals are small business owners for whom the requirement to defend the State is unduly onerous. This bill allows contracts to require the design professional to indemnify the State and hold the State harmless.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2059, to encourage further discussion; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 17, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 17, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 979 Judiciary and Labor on S.B. No. 1603

The purpose of this measure is to extend to June 30, 2010 the automatic repeal dates of Act 190, Session Laws of Hawaii (SLH) 1996, Relating to Public Land Liability, Act 170, SLH 2002, Relating to State and County Tort Liability, and Act 82, SLH 2003, Relating to Public Land Liability.

Act 190 established a process to develop legally adequate warnings at public beach parks. Act 170 provides liability protection for lifeguard services on the beach and in the ocean. Act 82 established a risk assessment group to review warning sign design and placement and to protect the State and counties from liability arising from recreational activities on public lands.

This measure also creates a task force to collect data and examine the effectiveness of Act 190, Act 170, and Act 82.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs and the Consumer Lawyers of Hawaii. The Attorney General, the Department of Land and Natural Resources, the Department of Labor and Industrial Relations State Fire Council, the Honolulu Fire Department, the County of Hawaii, the County of Kauai Fire Department, and a member of the County Council of the County of Maui testified in support of the measure with suggested amendments. The County of Hawaii, The County of Hawaii State Lifeguard Association supported the intent of the measure and suggested amendments. Proposed amendments generally related to whether the sunset provisions should be extended or repealed, and whether the task force should or should not be created.

Your Committee finds it to be in the best interest of the public to continue to provide state and county governments with protection from liability in cases involving public lands, including beach parks and other recreational areas.

Your Committee finds it appropriate to include in this measure S.B. No. 1641 (2007), a Bill for an Act Relating to Counties, another bill that involves government liability that your Committee heard on the same date. S.B. No. 1641 extends the statute of limitations for actions against a county for damage or injury from six months to two years.

Accordingly, your Committee has amended this measure by:

- (1) Retaining the substantive provisions of S.B. No. 1063 S.D. 1 as Part I;
- (2) Adding the substantive provisions of S.B. No. 1641 as a new Part II;
- (3) Including provisions that apply to Parts I and II in a new Part III;
- (4) Making technical, nonsubstantive revisions for clarity and style; and
- (5) Changing the effective date to June 29, 2059, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1603, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1603, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 980 Ways and Means on S.B. No. 1388

The purpose of this measure is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (9) and their excluded counterparts.

Your Committee received comments in support of the measure from the Judiciary, and the Hawaii Government Employees Association, AFSCME.

Your Committee finds that this measure is a vehicle that must be kept alive in order to make the necessary appropriations upon the resolution of the bargaining process.

Your Committee has amended this measure by including a provision to appropriate funds for the officers and employees of the Hawaii Health Systems Corporation who are the excluded counterparts of the officers and employees of the Hawaii Health Systems Corporation who are members of collective bargaining unit (9). Your Committee has also amended this measure by making numerous technical amendments. Lastly, your Committee has changed the effective date to July 1, 2057 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. 1388, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1388, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 981 Ways and Means on S.B. No. 1389

The purpose of this measure is to appropriate funds for fiscal biennium 2007-2009 for salary increases and cost adjustments in the collective bargaining agreement for members of bargaining unit (9) and their excluded counterparts.

Your Committee received comments in support of this measure from the Judiciary and the Hawaii Government Employees Association, AFSCME.

Your Committee finds that this measure is a vehicle that must be kept alive in order to make the necessary appropriations upon resolution of the bargaining process.

Your Committee has amended this measure by including a provision to appropriate funds for the officers and employees of the Hawaii Health Systems Corporation who are the excluded counterparts of the officers and employees of the Hawaii Health Systems Corporation who are members of collective bargaining unit (10).

Your Committee has also amended this measure 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 S.B. No. 1389, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1389, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 982 Ways and Means on S.B. No. 1391

The purpose of this measure is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (13) and their excluded counterparts.

Your Committee received comments in support of the measure from the Judiciary and the Hawaii Government Employees Association, AFSCME.

Your Committee finds that this measure is a vehicle that must be kept alive in order to make the necessary appropriations upon the resolution of the bargaining process.

Your Committee has amended this measure by including a provision to appropriate funds for the officers and employees of the Hawaii Health Systems Corporation who are the excluded counterparts of the officers and employees of the Hawaii Health Systems Corporation who are members of collective bargaining unit (13). Your Committee has also amended this measure by making numerous technical amendments. Lastly, your Committee has changed the effective date to July 1, 2057 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. 1391, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1391, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 983 Judiciary and Labor on S.B. No. 1342

The purpose of this measure is to clarify that an appeal to the Tax Appeal Court from a Board of Review decision, or the decision of an equivalent county administrative body, must be served on the Director of Taxation or County Real Property Assessment Division within thirty days of the date of the decision to properly confer jurisdiction over the appeal.

Testimony in support of this measure was received from the Department of Taxation, Department of the State Attorney General, and City and County of Honolulu – Department of Budget and Fiscal Services. Your Committee received no opposing testimony.

Your Committee has amended this measure by delaying the effective date to continue further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1342, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1342, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 984 Ways and Means on S.B. No. 1933

The purpose of this measure is to improve public education in the State, including enhancing academic and fiscal accountability in the department of education.

Specifically, this measure:

- (1) Enhances services and the procurement of learning materials at the school complex level;
- (2) Creates a business service center and an education service center to provide greater support to schools within each complex;
- (3) Supports complex area level professional development training of school community councils;
- (4) Allows schools to purchase business services to ensure best accounting and recordkeeping practices and adequate financial audit preparation;
- (5) Encourages schools to pool resources to achieve objectives in paragraphs (1) to (4);
- (6) Supports specialized high schools linked to Hawaii's workforce development needs;

- (7) Enhances the role of the University of Hawaii in educational research and policy development;
- (8) Creates an early childhood initiative; and
- (9) Improves science and mathematics programs.

Your Committee received supporting comments on this measure from the Governor, the Department of Education who supported parts 2, 3, and 5, the University of Hawaii, the Department of Business, Economic Development, and Tourism, the State Council on Developmental Disabilities, the Center on Disabilities Studies, and a representative from CTA Solutions.

Your Committee finds that recent reconfigurations and improvements to the public school educational system in the past few years have resulted in dramatic changes administratively and academically for administrators, teachers, parents, and especially students. As stakeholders in the educational system strive to improve the quality and delivery of education in the State, your Committee is ever aware of, and sensitive to, the objectives, aspirations, and the needs of the Department of Education and the community-at-large.

This measure represents another major step in the improvement of the public school educational system to address specific needs and objectives of stakeholders in the system.

Your Committee has amended the measure by incorporating relevant provisions of two similarly related bills into this measure, S.B. No. 97, Making an Appropriation for Science Education, and S.B. No. 1267, Relating to Mathematics Education. Your Committee will continue to review and study the proposals made in this measure during the course of the legislative session and has therefore retained or changed appropriations to unspecified amounts. Your Committee has also made 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. 1933, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1933, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 985 Ways and Means on S.B. No. 1676

The purpose of this measure is to authorize the Hawaii Health Systems Corporation to form its own domestic captive insurance company under a five-year pilot project to insure the corporation against medical malpractice and other liabilities.

Furthermore, this measure transfers general funds into the corporation's special fund in order to establish the captive insurance company.

Your Committee received comments in support of the measure from the Hawaii Health Systems Corporation.

Your Committee finds that the Hawaii Health Systems Corporation requires long-term stability in risk financing for insurance. A captive insurance company offers the flexibility to control losses, thereby effectuating savings and eliminating the uncertainty surrounding the insurance market.

Your Committee has amended this measure by:

- (1) Removing the sunset date of the measure and thereby making the captive insurance company authorization permanent and deleting references to a pilot project;
- (2) Including appropriations for fiscal year 2008-2009; and
- (3) Clarifying that the expending agency for the appropriations in both years of the fiscal biennium is the Hawaii Health Systems 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 is in accord with the intent and purpose of S.B. No. 1676, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1676, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 986 Ways and Means on S.B. No. 1456

The purpose of this measure is to make an emergency appropriation to the Department of Health for the continued operation of the Adult Mental Health Division.

A mental health advocate and member of the federal government's Substance Abuse & Mental Health Services Administration's Subcommittee on Consumer/Survivor Issues for the National Advisory Council submitted comments in support of the bill.

Your Committee finds that the Adult Mental Health Division cannot fully comply with its obligations because of a lack of funding.

Your Committee has amended the bill to:

- (1) Change the amount of the emergency appropriation to \$7,542,043; and
- (2) Comply with the requirements of section 9 of article VII of the Constitution of the State of Hawaii, by inserting a new section 5 which states that the appropriation in this bill will cause the general fund expenditure ceiling to be exceeded by \$7,542,043, or an additional 0.141 per cent. As required by section 37-93, Hawaii Revised Statutes, the new section of this Act also sets forth the reasons for exceeding the general fund expenditure ceiling for fiscal year 2006-2007.

As affirmed by the record of votes of the members 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. 1456, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1456, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 987 Ways and Means on S.B. No. 1459

The purpose of this measure is to make an emergency appropriation to the Department of Health for early intervention services for children age zero to three years with a developmental delay or biological or environmental risk.

The Department of Health, State Council on Developmental Disabilities, Center on Disability Studies, and the Hawaii Chapter, American Physical Therapy Association submitted comments in support of this measure.

Your Committee finds that due to an increased number of children referred for early intervention services, the Department of Health has had to carry out its federal and state obligations by expanding its purchase-of-service programs, resulting in increased costs to evaluate and serve additional children as required.

Your Committee has amended this measure to:

- (1) Change the amount of the appropriation to \$4,419,644; and
- (2) Comply with the requirements of section 9 of article VII of the Constitution of the State of Hawaii, by inserting a new section 5 which states that the appropriation in this bill will cause the general fund expenditure ceiling to be exceeded by \$4,419,644, or an additional 0.082 per cent. As required by section 37-93, Hawaii Revised Statutes, the new section of this Act also sets forth the reasons for exceeding the general fund expenditure ceiling for fiscal year 2006-2007.

As affirmed by the record of votes of the members 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. 1459, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1459, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 988 Ways and Means on S.B. No. 1260

The purpose of this measure is to make an emergency appropriation to enable Kahuku Hospital to continue operating on the north shore of Oahu.

Specifically, this measure appropriates \$950,000 as a grant, pursuant to chapter 42F, Hawaii Revised Statutes, to Kahuku Hospital to enable it to continue operations; preserve its hospital license; retain its certificate of need and critical access hospital designation; reorganize; and settle its debts to allow Kahuku Hospital to be acquired by the Hawaii health systems corporation or become affiliated with the Hawaii health systems corporation.

Your Committee received comments in support of this measure from Kahuku Hospital, Hawaii Reserves, Inc., Brigham Young University at Hawaii, Polynesian Cultural Center, American Council of Life Insurers, Koolau Loa Neighborhood Board, and thirty-seven individuals.

Your Committee has amended this bill to comply with the requirements of section 9 of article VII of the Constitution of the State of Hawaii, by inserting a new section 4 which states that the appropriation in this bill will cause the general fund expenditure ceiling to be exceeded by \$950,000, or an additional 0.018 per cent. As required by section 37-93, Hawaii Revised Statutes, the new section of this Act also sets forth the reasons for exceeding the general fund expenditure ceiling for fiscal year 2006-2007.

As affirmed by the record of votes of the members 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. 1260, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1260, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 989 Ways and Means on S.B. No. 1182

The purpose of this measure is to assist social security recipients who reside in certain institutional care settings with personal expenditures.

Specifically, this measure establishes a needs allowance of \$50 monthly for residents of care homes and long-term care facilities, to be increased annually in an amount equal to the Social Security income benefit increase. This measure also exempts from the income tax law and the general excise tax the monthly needs allowance received indirectly by a facility operator on behalf of an individual resident of a qualified facility or directly by an individual resident of a qualified facility.

Your Committee received comments in support of this measure from the Department of Human Services, University of Hawaii School of Social Work, Maui County Office on Aging, National Association of Social Workers, Services for Seniors, and seventy-two individuals.

Your Committee believes that the establishment of a needs allowance indexed to future Social Security income benefit increases constitutes a significant step in assisting elderly residents residing in certain institutional care settings.

Your Committee has amended this measure by clarifying that the needs allowance may be spent on behalf of the client by the operator of the residence or facility in which the client resides. Your Committee has also made technical nonsubstantive amendments 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. 1182, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1182, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 990 Ways and Means on S.B. No. 1918

The purpose of this measure is to expand health care coverage for children in Hawaii.

Specifically, this measure will:

- (1) Provide continuous, quality health care services to uninsured newborn children between one and thirty-one days of age;
- (2) Provide health care coverage to certain children between thirty-one days to eighteen years old through a public-private partnership between the Department of Human Services and a managed care plan;
- (3) Provide access to free medical care for certain children nineteen years of age or younger whose family income is at or below three hundred per cent of the federal poverty level;
- (4) Provide medical assistance under QUEST-Net at no charge to children nineteen years or younger whose family income is at or above two hundred fifty per cent and does not exceed three hundred per cent of the federal poverty level for Hawaii and who are otherwise eligible for QUEST-Net benefits; and
- (5) Provide funding.

Hawaii Medical Services Association, Hawaii Pacific Health, and Hawaii Family Forum submitted comments in support of this measure. The Department of Budget and Finance submitted comments in opposition to this measure. The Attorney General, Hawaii Primary Care Association, and the Department of Human Services submitted comments on this measure.

Your Committee finds that there is a gap group of uninsured children in the State that is not eligible for any type of state or federal health care coverage. Your Committee further finds that children that remain uninsured typically do not receive an appropriate level of medical care. The State has an opportunity to help provide health care coverage for children in this gap group by creating partnerships with private health care insurers and equally dividing the costs of healthcare services.

Your Committee has concerns about language in the bill that requires the Department of Human Services to contract with a private health care provider to create a "dollar for dollar matching funds, public-private partnership" to provide health care services to children that require services exceeding the \$10,000 threshold. In addition, your Committee finds it unnecessary to create the Hawaii infant care special fund. Rather, your Committee finds it more efficient to fund the Hawaii infant care program through appropriations from the general fund.

It is your Committee's intent to expand health care coverage for children in Hawaii. Accordingly, your Committee has amended this measure by:

- (1) Replacing the Hawaii infant care special fund in section 2 with the Hawaii infant care program and funding this program with unspecified appropriations from the general fund;
- (2) Specifying the scope of services available to infants under the Hawaii infant care program as the same services available under QUEST;
- (3) Requiring the Department of Human Services, not the Department of Health, to reimburse providers for services under the Hawaii infant care program;
- (4) Removing previous sections 3 and 4, relating to the administration of special funds;
- (5) Adding language to section 3 that specifies that the Hawaii children's health care program is a three-year pilot program;
- (6) Adding language to section 3 that specifies that the Department of Human Services shall ensure that private organizations have the opportunity to participate in the Hawaii children's health care program, provided that they offer benefits equal to those available from a managed care plan licensed in the State;
- (7) Deleting section 8, which makes an appropriation to the Hawaii infant care special fund;
- (8) Changing the sums appropriated to unspecified amounts to facilitate further discussion on this measure;
- (9) Renumbering all remaining sections consecutively; and
- (10) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1918, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1918, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 991 Ways and Means on S.B. No. 1431

The purpose of this measure is to make an emergency appropriation for emergency relief operations throughout the State as a result of the October 15, 2006, Kiholo Bay earthquake disaster.

Specifically, this measure makes appropriations to:

- (1) Cover the costs of statewide response and recovery efforts to repair damaged public and private structures and transportation, utility, and irrigation infrastructure, including the cost of national guard personnel on state active duty;
- (2) Cover the required twenty-five per cent cost share for the Federal Emergency Management Agency's public assistance program;
- (3) Upgrade state and county warning systems;
- (4) Hire consultants to survey alternate sources of irrigation water and develop plans to protect sources and distribution of irrigation water on the island of Hawaii; and
- (5) Provide financial assistance to critical facilities, including public schools, hospitals, and nursing facilities for structural and non-structural mitigation projects.

Your Committee received comments in support of this measure from the state Judiciary, the Department of Education, the Department of Civil Defense, the Mayor of Hawaii county, and the Daughters of Hawaii.

Your Committee is in agreement that many of the residents of this State are in need of immediate financial assistance to remedy the devastation suffered due to the Kiholo Bay earthquake and that an immediate emergency appropriation to provide that financial aid is in the public interest and ensures the public's health, safety, and welfare.

Your Committee has amended this measure by:

- (1) Changing the source of funds for the Kiholo Bay earthquake disaster recovery projects, including the twenty-five per cent state cost share to be eligible for Federal Emergency Management Agency assistance, from the general fund to the emergency and budget reserve fund;
- (2) Requiring that any reimbursements the State receives from the Federal Emergency Management Agency be redeposited into the emergency and budget reserve fund; and
- (3) Complying with the requirements of section 9 of article VII of the Constitution of the State of Hawaii, by inserting a new section 7 which states that the appropriation in this bill will cause the general fund expenditure ceiling to be exceeded by \$900,000, or an additional 0.017 per cent. As required by section 37-93, Hawaii Revised Statutes, the new section of this Act also sets forth the reasons for exceeding the general fund expenditure ceiling for fiscal year 2006-2007.

As affirmed by the record of votes of the members 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. 1431, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1431, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 992 Ways and Means on S.B. No. 1500

The purpose of this measure is to make an emergency appropriation of \$4,500,000, for fiscal year 2006-2007 to the Department of Taxation to reimburse it for costs incurred in implementing and administering the county surcharge on the general excise tax, including the costs of the computer vendor.

Your Committee received comments in support of this measure from the Department of Taxation and the City and County of Honolulu Department of Budget and Fiscal Services.

Your Committee has amended this measure to:

- (1) Comply with the requirements of section 9 of article VII of the Constitution of the State of Hawaii, by inserting a new section 5 which states that the appropriation in this bill will cause the general fund expenditure ceiling to be exceeded by \$4,500,000, or an additional 0.084 per cent. As required by section 37-93, Hawaii Revised Statutes, the new section of this Act also sets forth the reasons for exceeding the general fund expenditure ceiling for fiscal year 2006-2007; and
- (2) Make 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1500, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1500, S.D. 3.

Signed by the Chair on behalf of the Committee. Ayes, 9. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 993 Ways and Means on S.B. No. 932

The purpose of this measure is to establish a comprehensive incarcerated offender reentry system to help adult offenders prepare for release and reintegration back into the community, including a full continuum of services accessible to the offender after release from incarceration.

More specifically, this measure:

- (1) Requires the Department of Public Safety to establish model programs, subject to funding by the Legislature, designed to reduce recidivism and promote successful reentry into the community;
- (2) Requires the Director of Human Services and the Director of Public Safety to establish policies and practices that address the needs of families in which a parent is incarcerated and requires the Director of Public Safety to conduct research on the impact of a parent's incarceration on the well-being of the offender's children;
- (3) Requires the Director of Labor and Industrial Relations to take steps to enhance the employability of ex-offenders and requires the Director of Public Safety, with the assistance of the Department of Taxation and the Department of Labor and Industrial Relations, to develop and propose tax incentives for hiring ex-offenders;
- (4) Requires the Director of Public Safety to return out-of-state inmates one year prior to their scheduled release in order to participate in the reentry system;
- (5) Permits the Director of Public Safety to establish a full-time reentry specialist position to ensure that offenders have access to reentry programming within all state facilities, monitor all state contracted reentry programs, and facilitate parent-child relationships in the context of correctional facility governance;
- (6) Establishes the Offender Reentry Programs and Services Stakeholders Committee, the purpose of which shall be to monitor and review reentry programs and make recommendations to the Department of Public Safety and the Legislature;
- (7) Authorizes the Director of Public Safety to award grants, in accordance with chapter 42F, for adult offender reentry demonstration projects that establish or improve the offender reentry system for which each adult offender in state correctional custody is provided an individualized reentry plan; and
- (8) Appropriates an unspecified amount of general funds for both fiscal years 2007-2008 and 2008-2009 to be expended by the Department of Public Safety for the planning, development, implementation, and expansion of the comprehensive reentry system.

Your Committee received comments in support of this measure from the American Civil Liberties Union of Hawaii, the Community Alliance on Prisons, the Drug Policy Forum of Hawaii, Maui Economic Opportunity, Inc., and a private citizen. The Attorney General submitted comments.

Your Committee finds that preparing incarcerated persons for reentry into the community is essential to their successful rehabilitation and for the prevention of recidivism. A system that ensures offenders exiting our prisons have acquired the skills and treatment necessary to reenter the community as law-abiding citizens will enhance public safety. Preparation for reentry must include not only educational programs, but also life skills development workshops, including budgeting, nutrition, exercise, substance abuse treatment, parenting, and job skills.

Your Committee further finds that a comprehensive reentry program will be cost-effective since the cost of incarceration greatly outweighs the cost of preparing incarcerated offenders to become productive members of society. Furthermore, research has shown that continuing treatment through a comprehensive reentry program as proposed by this measure is necessary to ensure that released offenders have the support they need to be successful.

Your Committee has amended this measure by incorporating the contents of S.B. No. 910, S.D. 1, S.B. No. 912, S.B. No. 913, S.D. 1, S.B. No. 672, and S.B. No. 855. Accordingly, the resulting omnibus bill now also:

- (1) Appropriates an unspecified amount of funds to establish a two year pilot day reporting center program in the Department of Public Safety. The day reporting center will be available to serve two hundred offenders with six months to one year remaining on their sentences. Offenders assigned to the day reporting center will live at home, but be required to report to the center for training, supervision, counseling, and other skills development programs as deemed necessary. The Director of Public Safety will be required to submit a written report on the pilot program to the Legislature prior to the start of the 2009 Regular Session;
- (2) Appropriates an unspecified amount of funds to expand the restorative circles pilot program to correctional facilities statewide. The restorative circles program is voluntary and only open to offenders who want to reconcile with their victims and victims who want to participate. The program brings the offender together with the victim with the guidance of an impartial, trained, and experienced community leader and the supporters of the offender and the victim. Each restorative circle lasts approximately three hours, with half the time devoted to reconciliation and the other half to developing a transition plan;
- (3) Permits the Hawaii Paroling Authority to parole committed persons to the county in the State where the committed person has the greatest family or community support, opportunities for employment, job training, education, treatment, and other social services. This will allow the Hawaii paroling authority to provide meaningful opportunities for offenders to reintegrate into society and demonstrate that they have the potential to function as law-abiding citizens;
- (4) Appropriates an unspecified amount of funds for a grant to the Maui Economic Opportunity, Inc., to expand reintegration programs for offenders exiting state correctional facilities and reduce the rate of recidivism. Maui Economic Opportunity, Inc., is a nationally recognized project that involves the offenders' families, community, and the cultural values of Native Hawaiians in providing a seamless continuum of care, training, and treatment. The program has dramatically and effectively reduced the recidivism rate of the offenders who successfully complete the program;
- (5) Appropriates an unspecified amount of funds for a cognitive restructuring and transition pilot program to be established at the Kulani Correctional Facility, Hawaii Community Correctional Center, and the Hale Nani Reintegration Center. Cognitive restructuring has proven to be an effective means for treating substance abuse and helping released offenders find and maintain employment.

Your Committee has also amended this measure by making technical nonsubstantive amendments 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. 932, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 932, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (English, Kim, Hemmings, Whalen).

SCRep. 994 Ways and Means on S.B. No. 1191

The purpose of this measure is to appropriate funds to the Department of Transportation to conduct a study to identify intersections where the time to cross the intersection is insufficient for elderly pedestrians, and to develop additional plans to make crosswalks and roadways safer.

Your Committee received written comments in support of this measure from the Department of Transportation, Department of Health, AARP Hawaii, Ke Ala Hele Makalae/Kauai Coastal Path, the Policy Advisory Board for Elder Affairs, and the Hawaii Bicycling League.

Your Committee finds that making Hawaii's roadways safer for pedestrians is consistent with Kamehameha's famous law, Ke Kanawai Mamalahoe, the law of the splintered paddle, now in Article IX of the State Constitution. Ke Kanawai Mamalahoe ensures every man, woman, and child is able to travel freely and in peace, with the right "to lie down to sleep by the roadside without fear of harm."

Your Committee amended this measure to allow the Department of Transportation in conjunction with nonprofit organizations and the counties to:

- (1) Take immediate action steps to make crosswalks and roadways safe; and
- (2) Conduct a statewide study to identify intersections where the time to cross the intersection is insufficient for elderly pedestrians, and to develop additional plans to make crosswalks and roadways safe.

Your Committee further amended this measure to provide unspecified appropriations in each year of the 2007-2009 fiscal biennium for traffic countdown timers, a public awareness campaign, and pilot safety measures such as pedestrian activated signals, the painting of advanced crosswalk markings, hand-carried signs and flags, enforcement of crosswalk laws for drivers and pedestrians, and to provide grants-in-aid to the counties for traffic countdown timers. The grants-in-aid are to be supported by a dollar-for-dollar match from the counties. Your Committee deleted the amount allotted for the statewide crosswalk safety and improvement study, leaving it unspecified for further discussion. Technical, nonsubstantive changes have also been made for the purposes of clarity and style.

It is your Committee's expectation that the Department of Transportation will work in collaboration with the AARP and the counties for the purposes of fulfilling this Act.

As affirmed by the record of votes of the members 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. 1191, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1191, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 995 Ways and Means on S.B. No. 1677

The purpose of this measure is to enhance traffic flow on the island of Maui by appropriating funds for the design of a Maui traffic control center.

Maui Land and Pineapple Company submitted comments in support of this measure. The Department of Transportation submitted comments in opposition to this measure.

Your Committee finds that traffic is routinely backlogged across Maui during morning and afternoon rush hours as a result of roadway maintenance, traffic accidents, or special events. A traffic control center on Maui would inform drivers about the roads, intersections, and possible delays along their route. This would improve traffic, reduce traffic congestion, maximize traffic flow, and enhance public safety.

Your Committee finds that an intelligent transportation system applies communications and information technology to provide solutions to traffic congestion and traffic control issues. A successful intelligent transportation system contains a traffic control center as a key component of the system.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the appropriation is for the development and implementation of an intelligent transportation system architectural plan on Maui, that includes a traffic control center; 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. 1677, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1677, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 996 Ways and Means on S.B. No. 890

The purpose of this measure is to reduce the State's dependency on fossil fuels.

Specifically, this measure appropriates moneys to develop comprehensive agricultural management practices to facilitate the sustainable production of clean energy crops through the long-term enhancement of soil quality using ecologically sustainable means.

Comments in support of this measure were submitted by the University of Hawai'i System, Hawaiian Mahogany, Inc., Joule Junction, LLC, and Kauai County Farm Bureau.

Your Committee finds that this measure provides an opportunity to develop solutions to resolve Hawaii's dependence on fossil fuels for fertilizer and energy through the utilization of charcoal produced locally from biomass as a permanent soil additive. It is possible that through the production process of biomass-derived charcoal for soil nutrient enhancement purposes, positive net energy may be produced to satisfy community electrical needs while at the same time reduce carbon dioxide levels in the atmosphere. If no action is taken to reduce greenhouse emissions, the concentration of these gases in the atmosphere will negatively impact Hawaii's, as well as the rest of the world's, economy and ecosystems.

Concern over Hawaii's dependence on fossil fuels to satisfy its agriculture and energy needs has grown rapidly over the past few years. The State's dependence on fossil fuel is compounded by the fact that the Hawaiian Islands have heavily leached soils with very low nutrient content and almost no potassium or phosphorus available for potential uptake by vegetation or agricultural crops. Agricultural crop yields for use as food and clean energy feedstocks are strongly dependent on sufficient levels of available nutrients for plant uptake.

Unfortunately, American agriculture has become as dependent on the Middle East for fertilizer as the rest of American industry has become for energy. Farmers need safe energy, clean air, and quality soil and water in order to continue feeding our communities. Thousands of years ago, many agrarian cultures understood the value of enriching soil fertility with charcoal (carbon). Some of the greatest leaps forward in agricultural science have come from re-introducing the use of historical practices. Many of the answers for the future come from our past, and your Committee finds that this ancient technique of soil enrichment deserves further exploration.

Your Committee finds that this measure provides for the development of critical sustainable agriculture strategies and a training program to facilitate both food and energy production while reducing greenhouse gas levels and increasing state employment. This measure will support local farmers and provide for a potential alternative crop, thereby reducing Hawaii's dependence on off-island energy providers.

Accordingly, your Committee has amended this measure by:

- (1) Changing the amounts of the appropriations in sections 3 and 4 to unspecified amounts to facilitate further discussion; and,
- (2) Making technical nonsubstantive amendments for the purpose 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. 890, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 890, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 997 Ways and Means on S.B. No. 1923

The purpose of this measure is to require the prior approval of the Legislature for the exchange of any public lands.

Specifically, this measure will require the prior legislative approval of the exchange of lands controlled by the Department of Land and Natural Resources and other departments, agencies, and entities, included but not limited to the Department of Agriculture, University of Hawaii, Hawaii Community Development Authority, and Aloha Tower Development Corporation.

Your Committee has received comments from the Department of Land and Natural Resources, Department of Transportation, and Hawaiian Homes Commission in opposition to this measure. The Attorney General submitted comments.

This measure will require the prior approval by two-thirds majority of each house of the Legislature of any proposed land exchanges of lands owned or controlled by state departments and agency for privately held lands. This measure will ensure that any land exchanges involving public lands will be for a public purpose and in the best interest of the State.

Your Committee notes that section 171-50, Hawaii Revised Statutes, deals with the exchange of public lands controlled by the Department of Land and Natural Resources and that the language contained in this measure may conflict with section 171-50, Hawaii Revised Statutes, particularly with subsection (c) that provides for the legislative disapproval of any land exchange proposed by the Department of Land and Natural Resources.

Accordingly, your Committee has amended this measure by changing its effective date to allow further discussion on this measure. Your Committee has further made 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. 1923, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1923, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, 1 (Hemmings).

SCRep. 998 Ways and Means on S.B. No. 1924

The purpose of this measure is to require the prior approval of the Legislature for any sale of public lands.

Specifically, this measure will require the prior legislative approval of the sale of lands controlled by the Department of Land and Natural Resources, and other departments, agencies, and entities, including but not limited to the Department of Agriculture, University of Hawaii, Hawaii Community Development Corporation, and Aloha Tower Development.

Your Committee received comments in support of this measure from the State Council of Hawaiian Homestead Associations and a private citizen and comments in opposition to this measure from the Department of Land and Natural Resources, Department of Transportation, and Hawaii Housing Finance and Development Corporation. The Office of Hawaiian Affairs submitted comments.

This measure requires the prior approval by a two-thirds majority of each house of the Legislature for the sale of any public lands owned or controlled by any state department or agency. This measure will ensure that the sale of any public lands will be for a public purpose and in the best interest of the State.

Your Committee has amended this measure by:

- (1) Amending section 171-13, Hawaii Revised Statutes, relating to dispositions of public lands to reference the new section proposed by this measure;
- (2) Changing its effective date to allow further discussion on this measure; and
- (3) Making technical nonsubstantive changes for 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. 1924, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1924, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, 1 (Hemmings).

SCRep. 999 Ways and Means on S.B. No. 1644

The purpose of this measure is to mitigate the adverse effects of the March 2006, mudslides on the residents of Maunalaha, Oahu.

The measure accomplishes this purpose by:

- (1) Establishing a Maunalaha Infrastructure Development Special Fund and a Maunalaha Housing Revolving Fund to assist Maunalaha residents in rebuilding their homes; and
- (2) Authorizing the Department of Land and Natural Resources to transfer leases at Maunalaha, Oahu, in the event of damage due to adverse acts of nature that occurred between January 1 and April 1, 2006.

This measure also appropriates an unspecified amount for lease transfer costs for fiscal year 2007-2008, appropriates an unspecified amount to the Maunalaha Infrastructure Development Special Fund for fiscal year 2007-2008, and requires a report to the 2008 Legislature regarding any lease transfers made.

Written testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Hawaii Housing Finance and Development Corporation, the Maunalaha Valley Community Association, and two individuals. Written testimony in opposition to this measure was submitted by the Department of Budget and Finance. The Tax Foundation of Hawaii submitted written comments.

Your Committee finds that in March 2006, record-breaking heavy rains on Oahu caused recurring mudslides in the Round Top-Tantalus area. Within a half an hour, an entire section of the hillside was gone – what was once a slope became a gorge in minutes. While many of the

immediate needs of the Maunaloa residents were met in the days and weeks following the flooding, the landslides created unstable conditions for some of the lessees, making repairs and rebuilding difficult, if not impossible.

Your Committee further finds that the lessees of Maunaloa Valley have resided there for many decades, and the leases executed under Act 225, Session Laws of Hawaii 1981, as amended by Act 40, Session Laws of Hawaii 1982, are intended to meet a moral obligation to provide long-term stability and land tenure for these families.

Your Committee has amended this measure 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. 1644, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1644, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1000 Ways and Means on S.B. No. 162

The purpose of this measure is to exempt the funds received by Iolani Palace from statutory standards and conditions related to grants and subsidies.

Your Committee received comments in support of the measure from the Friends of Iolani Palace. Comments in opposition to the measure were received from the Department of Land and Natural Resources. The Office of Hawaiian Affairs submitted comments.

Your Committee has amended this measure by inserting the official designation of the Friends of Iolani Palace as the State of Hawaii Museum of Monarchy History and specifying that qualifying standards and conditions for grants and subsidies in chapter 42F, Hawaii Revised Statutes, do not apply to funds received by the State of Hawaii Museum of Monarchy History. Your Committee has also made 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. 162, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 162, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 1001 Ways and Means on S.B. No. 1458

The purpose of this measure is to make an emergency appropriation to the Department of Health for emergency medical services for the fiscal period beginning July 1, 2006, and ending June 30, 2007.

The Department of Defense and the Healthcare Association of Hawaii submitted comments in support of this measure.

Your Committee finds that aeromedical services constitute a critical component of Hawaii's continuum of health care.

Your Committee further finds that this emergency appropriation is necessary to cover the reimbursement costs for aeromedical services that were previously provided by the United States Army, but are now being provided by the Hawaii Army National Guard.

Your Committee has amended this measure to:

- (1) Change the appropriation amount to \$439,684;
- (2) Comply with the requirements of section 9 of article VII of the Constitution of the State of Hawaii, by inserting a new section 5 which states that the appropriation in this bill will cause the general fund expenditure ceiling to be exceeded by \$439,684, or an additional 0.008 per cent. As required by section 37-93, Hawaii Revised Statutes, the new section of this Act also sets forth the reasons for exceeding the general fund expenditure ceiling for fiscal year 2006-2007.
- (3) Specify the additional amount and percentage by which the appropriation contained in this bill will exceed the expenditure ceiling for fiscal year 2006-2007.

As affirmed by the record of votes of the members 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. 1458, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1458, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 1002 Ways and Means on S.B. No. 1284

The purpose of this measure is to enable the Employees' Retirement System to become fully funded.

Specifically, effective 2008-2009, this measure increases employers' contributions to the Employees' Retirement System. This measure also authorizes the Board of Trustees of the Employees' Retirement System to set salary scale assumptions based upon recommendations from the actuary. Finally, this measure repeals the provision allowing the employer contribution rate to be reduced if the period required to amortize the unfunded actuarial liability falls below twenty-five years.

Your Committee received comments in support of this measure from the Department of Budget and Finance.

Your Committee finds that this measure will result in the Employees' Retirement System becoming fully funded based upon current benefits. However, if future legislatures grant additional benefits, which can include allowing earlier retirements, the amount of time to reach full funding will be changed.

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

- (1) Adding a new section 1 explaining that the purpose of this measure is to establish a policy framework to enable the Employees' Retirement System to eventually eliminate its \$5,100,000,000 unfunded liability over a reasonable length of time of approximately

twenty-nine years while noting that the results depend on several factors, including stability in the level of benefits received by current and former employees and that if future legislatures grant additional benefits, (which includes earlier retirements) the time it will take for the Employees' Retirement System to become fully funded will be lengthened. The remaining sections of the bill are renumbered accordingly; and

- (2) Making technical nonsubstantive amendments for the purposes of 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. 1284, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1284, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Kim, Menor, Hemmings).

SCRep. 1003 Judiciary and Labor on S.B. No. 1528

The purpose of this measure is to clarify that all traffic infractions under the statewide traffic code are treated as traffic violations and not criminal offenses.

Your Committee received testimony in support of this bill from the Judiciary. There was no opposition to this bill.

Your Committee finds that this bill would affirm what Hawai'i case law has held, that traffic infractions are not criminal in nature, and therefore should be treated under regulatory and not criminal proceedings.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1528 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 1004 Judiciary and Labor on S.B. No. 946

The purpose of this measure is to allow a person whose driver's license has been revoked for life to reapply and be reissued a new driver's license.

Your Committee received testimony in support from Mothers Against Drunk Driving, the Public Defender's Office, and a private attorney. Testimony in opposition was received from the Honolulu Prosecutor's Office and the Honolulu Police Department. The Judiciary took no position on the bill.

This bill would allow for reinstatement of driving privileges after ten years has passed, with certification that the person is no longer in need of substance abuse treatment, and the person complies with specific application requirements.

Your Committee amended the measure by removing the provision for the reissuance of lifetime revocation. In light of the importance of driving in today's society, your Committee believes that a lifetime prohibition without an opportunity to ever drive again is too severe a penalty for the crime of driving under the influence of intoxicants. Your Committee also amended the effective date to July 1, 2007 since the Administrative Drivers License Revocation Office currently restores licenses routinely.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 946, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 946, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Gabbard). Noes, none. Excused, 1 (Inouye).

SCRep. 1005 Judiciary and Labor on S.B. No. 1161

The purpose of this measure is to require the Department of Human Services to provide a written report to the court, which the court must then provide to the parties two days prior to a hearing in a case where there are allegations of domestic abuse.

Your Committee received testimony in support of the bill from the Department of Human Services. The Judiciary and Legal Aid Society of Hawaii took no position on the bill but offered comments.

Your Committee finds that requiring the court to provide a report to the parties on the disposition on the referral forty eight hours prior to the hearing. Accordingly, your Committee amended the bill to provide that written or oral disposition be provided two days prior to the hearing if possible. Your Committee also amended the bill to provide that the report of the disposition be noted on the court order.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1161, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1161, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 1006 Judiciary and Labor on S.B. No. 1636

The purpose of this measure is to broaden the definition of "substance abuse on-site screening test" to include tests used for forensic testing as a workplace testing device and approved by the Director of Health.

This bill also provides that if there is no United States Food and Drug Administration (FDA) package insert, the screening test may be conducted in accordance with the package insert that accompanies the substance abuse test that is manufactured in a facility licensed by the FDA.

Your Committee received testimony in support of the bill from Ralph Inouye Co., Building Industry Association Hawaii, S & M Sakamoto, Inc., Kapolei Property Development LLC, Hawaii Carpenters Union, Local 745, and Hidano Construction, Inc. The Department of Health opposed the bill.

Your Committee took some of the recommendations of the Department of Health and amended the bill authorizing employers to drug test applicants and unions to drug test members and allowed for the manufacturers to apply to the Department of Health for interim approval while pursuing FDA approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1636, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1636, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 1007 Judiciary and Labor on S.B. No. 1891

The purpose of this measure is to make a violation of chapter 171, Hawaii Revised Statutes, a petty misdemeanor.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and twelve private citizens.

Your Committee has amended this measure by:

- (1) Increasing the minimum fine for a first offense from \$100 to \$500;
- (2) Increasing the minimum fine for a second offense within five years of a previous conviction for the same offense from \$500 to \$1,000; and
- (3) Increasing the minimum fine for a third or subsequent offense within five years of a second conviction from \$1000 to \$2000.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1891, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1891, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Nishihara).

SCRep. 1008 Ways and Means on S.B. No. 1932

The purpose of this measure is to provide safe and well maintained educational facilities for students in our public schools and the University of Hawaii.

Specifically, the measure:

- (1) Appropriates general revenues and authorizes the issuance of general obligation bonds for repair and maintenance projects at the Department of Education and the University of Hawaii;
- (2) Appropriates funds for land and facilities for early childhood education programs;
- (3) Requires the Department of Education to prepare suitable empty classrooms to be used for early childhood education programs; and
- (4) Requires the Department of Education to inspect early childhood education facilities at least annually to ensure safe and clean facilities.

The University of Hawaii submitted comments in support of this measure and the Department of Education offered comments in support of Part I.

Your Committee finds that there is an estimated backlog of \$341,000,000 in repair and maintenance projects at the Department of Education and an estimated backlog of \$165,000,000 at the University of Hawaii.

Additionally, your Committee finds that there is a great need for additional early childhood education facilities and efforts should be made to meet the demand for early childhood education programs.

Your Committee has amended this measure by:

- (1) Requiring that the proceeds of bonds issued under section 3 of this bill be deposited into the state educational facilities special fund, and adding a new section to appropriate moneys out of the special fund for department of education repair and maintenance projects;
- (2) Requiring the Department of Human Services, which already conducts inspections of early childhood education facilities, to report that information to the Department of Education, thereby preventing duplicative inspection efforts.
- (3) Adding a severability clause to ensure the validity of other sections of the bill should any section be held invalid for any reason;
- (4) Changing the sums appropriated to unspecified amounts to facilitate further discussion on the measure; and
- (5) Making technical nonsubstantive changes for the 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. 1932, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1932, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Hemmings).

SCRep. 1009 Ways and Means on S.B. No. 707

The purpose of this measure is to provide a new markets tax credit of one hundred per cent of the amount paid to a qualified community development entity located in Hawaii for a qualified equity investment, and to require the taxpayer to have received an allowance of credit under section 45D of the Internal Revenue Code, the federal new markets tax credit.

The Department of Taxation; Hawaii Science & Technology Council; Chun, Kerr, Dodd, Beaman & Wong; KUD International LLC and Phase 3 Properties; and the Tax Foundation of Hawaii provided written comments on this measure.

Your Committee finds that this measure would allow the State to benefit from the success of the federal new market tax credit program by leveraging the federal program infrastructure to channel investments towards economic development in Hawaii. In addition, it has the potential to attract capital from outside the State, to the benefit of local development activities.

Your Committee has amended this measure by:

- (1) Clarifying that the investment shall be made through a qualified community development entity that has received an allocation of credit under section 45D of the Internal Revenue Code; and
- (2) Making technical 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 S.B. No. 707, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 707, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1010 Ways and Means on S.B. No. 1365

The purpose of this measure is to:

- (1) Require the Employees' Retirement System to have \$100,000,000 allocated for Hawaii venture capital investments, unless it is not prudent to do so; and
- (2) Appropriate funds to the University of Hawaii Office of Technology Transfer and Economic Development to enter into a partnership with a private sector entity.

The Employees' Retirement System (ERS), Economic Development Alliance of Hawaii, Applied Marine Solutions, Oceanit, and three individuals provided written comments on this measure.

Your Committee finds that increasing opportunities for Hawaii companies to attract venture capital is often critical to their survival and is certainly a strong contributing factor in successfully building a business. Your Committee has heard the concerns of the ERS, but believes that there is enough agreement by all parties on the importance of diversification and building economic sustainability in Hawaii.

Your Committee has amended this measure for the purposes of continuing the discussion between the Legislature and the ERS, by:

- (1) Requiring the ERS to consider Hawaii venture capital investment opportunities, unless it is not prudent to do so; and
- (2) Specifying that the ERS system shall allocate an undesignated percentage of funds for Hawaii venture capital investments, unless it is not prudent to do so.

As affirmed by the record of votes of the members 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. 1365, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1365, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1011 Ways and Means on S.B. No. 644

The purpose of this measure is to require the installation of solar energy or comparable renewable energy devices to heat water in the construction of every new residential single-family residence, condominium, and townhouse, beginning January 1 of an unspecified year.

This measure also increases the tax credit for the installation of solar thermal energy systems in residential properties.

Your Committee received written comments in support of this measure from the Hawaiian Electric Company; Sierra Club Hawai'i Chapter; ProActive Chiropractic, LLC; and four individuals. Written comments in opposition were received from The Gas Company and Hawaii Solar Energy Association. Written comments were received from the Department of Taxation; Department of Business, Economic Development, and Tourism; and the Tax Foundation of Hawaii.

Your Committee finds that solar energy or comparable renewable energy devices for heating water are a great cost saver for homeowners. The monthly savings in electricity expenses would significantly offset the cost of monthly mortgage payments. If every home has a solar energy or comparable renewable energy water heater, then the State's dependence on imported oil would likewise be significantly reduced over time.

Your Committee further finds that solar water heating is the best "clean" energy alternative for homes in Hawaii. Your Committee further finds that using fossil fuels to heat water is one of the most significant contributors to environmental pollution.

Your Committee believes that affordability is essential to the success of this measure. Although solar water heating makes housing more affordable over time, an incentive is needed to set this in motion, raise awareness, and reduce the initial costs of the device.

Your Committee has amended this measure to:

- (1) Expand the existing income tax credit for solar thermal devices installed in homes originally constructed prior to January 1, 2009;
- (2) Insert a date of January 1, 2009, when solar energy or comparable renewable energy devices are required to be installed in every new residential construction;
- (3) Provide that the tax credits for single family residential properties and multi-family residential properties shall be raised from the existing \$2,250 and \$350, respectively, to \$3,250 and \$450, respectively, beginning July 1, 2007, for residences originally constructed prior to January 1, 2009; and

(4) Changing the effective date to July 1, 2050, in the interests of furthering discussion.

Your Committee notes that under this measure, as amended, the solar thermal energy systems tax credit would no longer be in effect beginning January 1, 2009, for new residential construction. However, the same tax credit for commercial properties, wind-powered energy systems, and photovoltaic energy systems would remain in effect thereafter. This is consistent with the intent of this measure to convert all residential water heating systems to solar energy power by January 1, 2009. This measure represents the first logical step to promote universal energy conservation statewide by taking advantage of the State's perennially warm climate. Solar energy water heating has proven its feasibility, effectiveness, and utility.

As affirmed by the record of votes of the members 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. 644, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 644, S.D. 3.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1012 Judiciary and Labor on S.B. No. 257

The purpose of this measure is to preclude controlled substances from being sold on the streets by preventing the improper prescribing and dispensing of pharmaceuticals in the State.

Your Committee received testimony in support of this measure from the Department of Public Safety, Longs Drugs, Board of Pharmacy and Kaiser Permanente.

Your Committee finds that pharmaceutical controlled substances are being fraudulently prescribed by practitioners through the Internet, telephone, and mail without a proper medical reason or examination.

Your Committee intends to accomplish the purpose of this measure by:

- (1) Enabling the Department of Public Safety to bring an administrative action against a controlled substance registrant for violations of Chapter 329, Hawaii Revised Statutes;
- (2) Adding the definition of "bona fide practitioner-patient relationship" to establish minimum guidelines that must be met prior the administering, prescribing, or dispensing of controlled substances;
- (3) Clarifying the requirements for oral prescriptions issued to a pharmacy and record keeping requirements for all controlled substances;
- (4) Clarifying that it is a violation of state law to pre-sign blank prescriptions to facilitate the fraudulent obtaining of controlled substances;
- (4) Clarifying that it is a violation of state law to facilitate the issuance or distribution of a written or oral prescriptions when the practitioner is not physically in the State; and
- (5) Enabling the Department of Public Safety to conduct administrative inspections of pharmacies and deleting the requirement for administrative inspection warrants.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 257, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 257, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 1013 Human Services and Public Housing on S.B. No. 424

The purpose of this measure is to expand the Bridge to Hope program to enable heads of households who are receiving financial assistance and who are participating in the First-to-Work programs to pursue educational activities beyond the new two-year federal limit.

The University of Hawai'i System; the Hawaii State Commission on the Status of Women; Hawai'i Bridge to Hope; the National Association of Social Workers; Hawaii Women Work; American Association of University Women, Windward Branch; and twenty-three individuals, many of whom are current and former participants in the Bridge to Hope program, submitted testimony in support of this measure. The Department of Human Services submitted written comments.

Your Committee finds that recent changes to the federal Temporary Assistance for Needy Families program rules and subsequent changes to the First-To-Work programs limit educational activities to two years of study leading to vocational or technical degrees in order to meet federal work requirements. The federal law has a grandfather provision for current student participants that allows them to finish their education. However, new participants would be prohibited from pursuing baccalaureate education. Your Committee recognizes the significant impact that access to post-secondary education can have on economic self-sufficiency. A full range of educational activities maximizes participants' current benefits and increases their long-term ability to support themselves and their families.

According to the Department of Human Services' testimony, it is a requirement of the Bridge to Hope program that participants attend school on a full-time basis.

Your Committee has amended this measure by adding language to ensure that the participants are attending school on a full-time basis as defined by the post-secondary educational institution that they are attending.

It is your Committee's intent to enable new First-To-Work participants to continue their educational activities beyond the two-year federal limit by transferring them to the state-funded Bridge to Hope program.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 424, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 424, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hooser).

SCRep. 1014 Ways and Means on S.B. No. 798

The purpose of this measure is to create a one-time tax credit for victims of the October 15, 2006 earthquakes.

The Department of Defense, Department of Taxation, and Tax Foundation of Hawaii provided written comments on this measure.

Your Committee finds that this measure would provide some level of financial aid to victims of the 2006 earthquakes, as was provided by the Legislature in 2006 for flood victims. Your Committee notes the concern, however, that this measure does not include any deterrents to fraudulent claims.

In response, the Department of Defense referred to Act 110, Session Laws of Hawaii 2006, which does contain language that would require proof of damage and repair. Your Committee believes this will strengthen the measure, while still giving additional financial options for legitimate earthquake claims.

Your Committee has amended this measure, accordingly by:

- (1) Reducing the maximum tax credit per individual from \$35,000 to \$10,000; and
- (2) Requiring the taxpayer to sign a statement and provide information determined by the Department of Taxation as necessary to claim the credit under penalties of perjury.

As affirmed by the record of votes of the members 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. 798, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 798, S.D. 3.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1015 Ways and Means on S.B. No. 1285

The purpose of this measure is to exempt the service stations from having to pay the four per cent general excise taxes on their gross sales of gasoline, and to increase the fuel tax on each gallon of gasoline that is distributed to businesses that use the fuel for its businesses and to the service stations for sale to the consumers.

Written comments supporting the intent of this measure were submitted by the Department of Taxation. The Tax Foundation of Hawaii submitted written comments.

Exempting the service stations from paying the four per cent general excise tax on each gallon of gasoline sold should reduce the overall cost of gasoline to the consumer. In addition, the one cent increase of the fuel tax on each gallon of fuel (including gasoline) distributed to service stations and other business enterprises that use the fuel will inject sorely needed revenue of approximately \$9.2 million annually into the state highway fund. At a time of increasing costs and demands for repair and maintenance of state highways, the state highway fund balance is projected to decline from \$91.9 million in the current fiscal year to \$5.2 million in 2013.

Your Committee notes that the state highway fund provides money critical to the repair and maintenance of state highways, and that the money in the fund can be used to match federal highway dollars in a twenty per cent to eighty per cent ratio. However, your Committee remains concerned that the state highway fund may be in for financial distress.

As affirmed by the record of votes of the members 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. 1285, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Ayes with Reservations, 2 (Menor, Whalen). Noes, none. Excused, 1 (Hemmings).

SCRep. 1016 Ways and Means on S.B. No. 1229

The purpose of this measure is to deter copper theft by requiring scrap dealers to include a thumbprint in the required identification statement of all persons redeeming copper and to establish a copper redemption database.

Your Committee received written comments in support of this measure from the Honolulu Prosecuting Attorney. Written comments in opposition were received from Reynolds Recycling. Written comments were received from the Department of Commerce and Consumer Affairs (DCCA).

Your Committee finds that the recent increase in prices for scrap metal such as copper has caused a spate of copper thefts in the State. Recent thefts are costing resident taxpayers, public utility companies, private companies, and state entities significant income to replace the copper that is stolen and to repair the damage caused by these thefts. As a result, copper theft has become a serious and rapidly growing crime.

This new type of theft has devastating effects on the entire community, not just utility companies, businesses, and government agencies. It causes phone outages, power outages, and rising construction costs. The cost of the stolen copper is often only a small percentage of the victims' loss. Criminal copper scavengers can cost a homeowner up to \$40,000 or more in damage to their home for copper that will net the criminal approximately \$1,000.

The intent of this measure is to deter copper theft by placing stricter restrictions on the acceptance of copper by scrap dealers.

Your Committee has amended this measure by:

- (1) Requiring scrap metal dealers to maintain a record of transactions in copper, similar to pawnbrokers for articles, on the recommendation of the DCCA, and to forthwith transmit by email or facsimile to the county police the police-approved form of the record of information on the copper transaction;
- (2) Deleting the copper redemption database, on recommendation of the DCCA, and deleting the appropriation to the DCCA accordingly;
- (3) Changing the effective date to upon approval; and

- (4) 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. 1229, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1229, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1017 Ways and Means on S.B. No. 696

The purpose of this measure is to establish a process for determining and assessing school impact fees for financing new or expanding existing public schools or facilities when new residential subdivisions are contemplated.

Written comments on the measure were submitted by the Department of Education.

This measure is based upon proposed legislation submitted by the School Impact Fee Working Group, established pursuant to Act 246, Session Laws of Hawaii 2005, recommending a method for determining school impact fees within identified school impact districts. Your Committee finds that further clarification and refinement of the provisions of this measure are necessary to streamline the process for determining the amount of the school impact fees or the provision of land in lieu of payment of the fees.

Accordingly, your Committee has amended this measure by:

- (1) Including a provision that requires the amount of the fee in lieu to be increased from the date it was determined to the date of payment using the Engineering News-Record Construction Cost Index, or an equivalent index if that index is discontinued;
- (2) Altering the current calculations for determining the amount of land provided or fee in lieu paid;
- (3) Clarifying that the basis for determining school impact fees is on both new permanent classroom construction and new portable classroom construction;
- (4) Deleting the calculation for the current level of service for greenfield school impact areas;
- (5) Including new formulas for calculating the school impact fee per dwelling unit for single family detached and multi-family housing in each designated school impact district based upon school level;
- (6) Prohibiting the counties from issuing a residential building permit in a school impact district until written confirmation of payment of the school impact fee has been received from the Department of Education;
- (7) Allowing impact fee funds to be expended on portable buildings;
- (8) Specifying that if a fee in lieu is not expended within twenty years of the date of collection, the Department of Education shall refund a developer the amount of a fee in lieu paid and any interest accrued thereon calculated at the rate paid by the State on twenty-year bonds sold on the date closest to the date the fee in lieu was paid;
- (9) Changing the effective date of the Act to July 1, 2050, to facilitate further discussion on the measure; and
- (10) Making 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. 696, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 696, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1018 Ways and Means on S.B. No. 988

The purpose of this measure is to reduce greenhouses gas emissions and raise public awareness of renewable energy.

Specifically, this measure establishes a photovoltaic rebate program to all grid-connected residential, community-center, and small business utility customers within electric service areas.

Written comments in support of this measure were submitted by the Department of Commerce and Consumer Affairs, Office of the Director, State of Hawaii; Chair of the Public Utilities Commission, Department of Budget and Finance, State of Hawaii; Energy Services Department, Hawaiian Electric Company; Proactive Chiropractic, LLC; Hawaii Solar Energy Association; Sierra Club Hawaii Chapter; ProVision Technologies, Inc.; Pacific Biodiesel; Hawaii PV Coalition; and eight individuals.

Your Committee finds that to ensure the preservation and protection of our environment and natural resources, it is necessary to foster a widespread use of sustainable energy resources and energy efficient technology and products. One type of renewable energy that should be used more widely is photovoltaic energy. However, the initial cost of installing photovoltaic energy systems is high.

Your Committee further finds that providing a rebate program for qualifying installations will help minimize the initial costs and encourage citizens and businesses to invest in photovoltaic energy systems.

Your Committee amended this measure by deleting the appropriation amount of \$10,000,000 leaving the appropriation amount blank for 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. 988, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 988, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1019 (Majority) Ways and Means on S.B. No. 1792

The purpose of this measure is to affirm the State's commitment to provide quality health care for the people of the State.

More specifically, this measure would:

- (1) Establish a regional affiliate corporation of the Hawaii Health Systems Corporation for the Maui region, as a first step to more regional control for all regions of the Corporation, to be governed by a community-based regional board; and
- (2) Provide the necessary authority for regional affiliate corporations to accomplish the goal of community-based governance.

Your Committee received comments in support of this measure from the Chairperson of the County Council of Maui, various officials from Maui Memorial Medical Center, Maui Medical Group, two members of the Maui Region Management Advisory Group, Pioneer Inn, and two hundred ten individuals. Comments in opposition were received from various officials from the Hawaii Health Systems Corporation and its board of directors, Chairperson of the Public Health Management Advisory Committee, officials from the Kauai region and its board of directors, officials from the West Hawaii region, medical director of the Oahu region, Kau Hospital, Mahelona Medical Center, Kohala Hospital, Kauai Management Advisory Committee, East Hawaii Management Committee, and various individuals from the Mahelona Medical Center Charitable Foundation. The Department of Accounting and General Services, the State Procurement Office, the Office of Information Practices, HGEA/ASFCME, and one individual offered comments.

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

- (1) Clarifying that the Hawaii Health Systems Corporation board and each regional affiliate corporation board shall be exempt from only the sunshine law with respect to meetings and not to the entire public agency meetings and records law;
- (2) Clarifying that no real property, including land, structures, and fixtures, or other physical assets, such as personal property, including furnishings, equipment, and inventory, of the Hawaii Health Systems Corporation shall be transferred to any regional affiliate corporation; provided that health systems financial assets and financial liabilities within the region shall be transferred to the regional affiliate corporation;
- (3) Clarifying that, upon the establishment of a regional affiliate corporation:
 - (A) The regional affiliate corporation shall assume custodial care of all real property, including land, structures, and fixtures, and any other physical assets, such as personal property, including furnishings, equipment, and inventory, of the Hawaii Health Systems Corporation within its region;
 - (B) No sale or encumbrance of any such real property or such other physical assets of the corporation shall be permitted without the mutual consent of the Hawaii Health Systems Corporation board and the appropriate regional board; and
 - (C) The Hawaii health systems corporation board shall enter into an agreement with a regional board to lease, at a nominal annual rent of \$1, any such real property or such other physical assets for use by the regional affiliate corporation;
- (4) Clarifying that each regional affiliate corporation shall be responsible for various powers and duties with respect to facilities, operations, and activities within its own region, as opposed to the Hawaii Health Systems Corporation's powers and duties on a corporate-wide level, as enumerated in section 323-7, Hawaii Revised Statutes;
- (5) Clarifying that the Hawaii Health Systems Corporation board and any regional affiliate corporation board shall hire their own attorneys to represent and defend a member in any civil action for which immunity is conferred, and deleting the power to call on the Attorney General for legal services as the Hawaii Health Systems Corporation requires;
- (6) Including the members of the Hawaii Health Systems Corporation board or any regional affiliate corporation as members immune from and indemnified for civil liability;
- (7) Specifying the amount that a regional affiliate corporation is authorized to issue in revenue bonds at up to and including \$100,000,000;
- (8) Clarifying that regional and facility budgets of regional affiliate corporations are to be consolidated into a corporation-wide budget for corporation-wide planning and appropriation requests;
- (9) Clarifying that the capital and strategic plans developed by regional affiliate corporations must be consistent with, and incorporated into, the overall corporation-wide plans;
- (10) Clarifying that a regional affiliate corporation has the power to purchase, lease, exchange, or otherwise acquire, in its own name, property other than property owned by the Hawaii Health Systems Corporation;
- (11) Clarifying that only the Hawaii Health Systems Corporation has the power to create captive insurance companies to benefit public health facilities and operations in all regions;
- (12) Clarifying that there is only one health systems special fund, but that a regional subaccount shall be established for each regional affiliate corporation within the special fund;
- (13) Clarifying that, upon request, a regional affiliate corporation may share its surplus or resources with a facility outside of its own region, subject to authorization by its regional board, to benefit the corporation-wide system of health care;
- (14) Clarifying that each regional affiliate corporation shall submit its annual budgets collaboratively with the Hawaii Health Systems Corporation to the legislature beginning in the 2009-2011 fiscal biennium;
- (15) Clarifying that each regional affiliate corporation is exempt from paying county assessments and state taxes of any kind;
- (16) Clarifying that only the rights, powers, functions, and operational authority, but not physical assets, of the Hawaii Health Systems Corporation are transferred to a regional affiliate corporation, and that physical assets are leased to a regional affiliate corporation;
- (17) Making conforming amendments related to the transfer of financial assets to and assumption of custodial control by a regional affiliate corporation;

- (18) Deleting the appropriation to support the transition from the Hawaii Health Systems Corporation to the Maui regional affiliate corporation;
- (19) Changing the effective date of the measure to July 1, 2007, and changing the effective date of section 2, which creates the Maui regional affiliate corporation, to July 1, 2008; and
- (20) Making technical nonsubstantive amendments for the purposes of consistency 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. 1792, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1792, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Ayes with Reservations, 2 (Chun Oakland, Hooser). Noes, 1 (Hemmings). Excused, 1 (Whalen).

SCRep. 1020 Ways and Means on S.B. No. 1101

The purpose of this measure is to establish and appropriate moneys to the kokua na keiki special fund and to create a task force to coordinate resources for homeless children.

The Department of Education, the Legal Aid Society of Hawaii, and the Hawaii Family Forum of the Roman Catholic Church submitted comments in support. The Department of Budget and Finance submitted comments in opposition. The Office of the Attorney General submitted comments.

Your Committee finds that the number of homeless children has increased dramatically. Homelessness often affects children disproportionately, putting them at risk of developing poor health, exposure to sexual abuse or other violence, poor academic performance, and a lack of positive social interactions. Your Committee finds that a coordinated effort will help to ensure the safety, security, and well-being of these children.

Your Committee amended the bill to address the concerns raised by the Attorney General to:

- (1) Include standards that permit the Department of Human Services to award grants; and
- (2) Specify that the funds in the kokua na keiki special fund be used to hire a coordinator of services for homeless children.

Your Committee also amended this bill to:

- (1) Change the appropriations to unspecified amounts to facilitate further discussion; and
- (2) Change the repeal date for the Act to June 30, 2011, to provide sufficient time for the Department of Human Services to submit its final 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 is in accord with the intent and purpose of S.B. No. 1101, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1101, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1021 Ways and Means on S.B. No. 781

The purpose of this measure is to appropriate \$150,000 to develop a feasibility study for a Hawaii state fire and emergency training facility, and to appropriate moneys for a public education campaign on natural disaster preparedness.

Your Committee received comments in support of this measure from the State Fire Council, Kauai Fire Department, and Honolulu Fire Department.

Your Committee finds that fire fighters and other emergency first responders must be able to fully respond to natural and manmade disasters. The development of a Hawaii state fire and emergency training facility will help ensure that fire fighters and emergency first responders are able to meet the needs of the public in the case of such disaster.

In addition, your Committee finds that the creation of a public education campaign for natural disaster preparedness will help ensure the safety of residents in the event of a natural disaster.

Your Committee has amended this measure by:

- (1) Changing the appropriation in section 2 to an unspecified amount in order to promote continuing discussion; 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. 781, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 781, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Hemmings).

SCRep. 1022 Judiciary and Labor on S.B. No. 1158

The purpose of this measure is to create a citizen's family law advisory committee to be placed, for administrative purposes, in the Judiciary.

Your Committee received testimony in support of the bill from a representative of the National Association of Social Workers, Hawaii. Testimony from the Judiciary opposed the bill. Legal Aid Society of Hawaii provided comments and offered amendments to the bill.

Your Committee finds that this bill would create an ongoing process by which Judiciary personnel, Family Court professionals, related service providers, and the public can participate in and provide feedback about the Family Court and family law matters.

Your Committee amended the bill to allow for more effective and efficient input by the advisory committee. The amendments would allow input into administrative proceedings and into improving access to Family Court. It would also allow the advisory committee to hold hearings.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1158, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1158, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 1023 Judiciary and Labor on S.B. No. 1529

The purpose of this measure is to clarify the civil adjudication of civil traffic infractions.

Specifically, this measure:

- (1) Establishes that the district court may adjudicate civil traffic infractions charged against minors;
- (2) Applies the civil standard of proof for civil traffic infraction trials;
- (3) Remedies difficulties encountered by certain district courts in complying with concurrent scheduling requirements for civil and related criminal proceedings;
- (4) Protects a defendant's privilege against self-incrimination;
- (5) Promotes consistency in processing and adjudicating moving and non-moving civil traffic infractions; and
- (6) Permits the use of electronic citations.

Your Committee received testimony in support of this bill from the Judiciary and from Catrala-Hawaii.

Your Committee finds that this bill would provide clear, unambiguous, and consistent methods of processing traffic infractions in a more expedient and less burdensome manner, while ensuring protections against self-incrimination for defendants.

Your Committee amended the bill at the recommendation from the Judiciary and Catrala-Hawaii to remove the car rental companies and the U-drive companies from liability for the violations of their renters.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1529, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1529, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 1024 Judiciary and Labor on S.B. No. 1780

The purpose of this measure is to exempt recipients of social service payments from the scope of employment under related state laws and define "recipients of social service payments" as it relates to chapters 383, 386, 392, and 393, Hawaii Revised Statutes.

The organizations affected by this measure manage the Social Security benefits for their Social Security - Supplemental Security Income (SSI) clients. These benefits include programs and services for SSI clients who are developmentally disabled. These programs and services may include residential habilitation, personal habilitation/habilitation, skilled nursing, and respite services.

In the late 1970's, parents of the developmentally disabled children asked the Legislature to establish programs and services to allow citizens with developmental disabilities to live in the least restrictive environment. This movement to deinstitutionalize the developmentally disabled recognized the various levels of disabilities within this group and from the highly challenged to those who can lead productive lives in the community with minimal assistance. Institutions like Waimano Home faded away and the future brought a new beginning for our developmentally disabled.

In the late-1980's, at the request of the State of Hawaii Departments of Health and Human Services, organizations contracted with the State to provide Medicaid Home and Community Based Waiver services for the developmentally disabled and continuing the State's commitment to these citizens to live in the least restrictive environments outside of a institution.

Home Care Providers not covered under the Hawaii Unemployment Insurance Laws.

In a May 3, 1990 Letter, the Department of Labor and Industrial Relations (DLIR) recognized that these organizations would not be covered under the Hawaii Unemployment Insurance Laws. The Department stated, "... concerning unemployment insurance coverage of 'home care providers' who care for handicapped or other individuals that cannot care for themselves and are cared for in the 'providers' private home. The provider's services would not be covered under the Hawaii Unemployment Insurance Laws."

Home Care Providers not covered under Hawaii Workers' Compensation and Temporary Disability Laws

On September 16, 1991, the DLIR recognized that "... 'home care providers' who are 'providers' in their private homes and are contracted through the State Department of Human Services ... are excluded from the term 'employment' as specified under Section 386-1, HRS, of the Workers' Compensation (WC) Law. ... The Temporary Disability Insurance (TDI) Law, under Section 392-5, HRS, contains an identical exclusion. Therefore, you are not required to provide TDI coverage to the 'home care providers'."

In August, 2006, the Director of Labor and Industrial Relations made a new determination that "home care providers" were not exempted from Unemployment, Workers' Compensation and Temporary Disability Laws even though Section 392-5(19), Hawaii Revised Statutes, recognized and stated:

"Domestic, which includes attendant care, and day care services authorized by the department of human services under the Social Security Act, as amended, performed by an individual in the employ of a recipient of social service payments;" (emphasis added)

This measure clarifies and reiterates the original determinations in 1990 and 1991 by the DLIR excluding home care services authorized by the Department of Human Services under the Social Security Act, as amended, performed by an individual in the employ of a recipient of social service payments from Hawai'i's Unemployment Insurance, Workers' Compensation and Temporary Disability Laws.

This measure also reminds the State of its rich history in supporting the developmentally disabled and the Legislature's continuing support to enable Hawai'i's developmentally disabled to lead rich and full productive lives in the least restrictive environment.

Testimony in support of this measure was received from numerous agencies such as Supporting Exceptional Citizens of Hawaii (SECOH); Home & Community Services of Hawaii, Inc., individually, and through Kobyashi, Sugita & Goda; United Filipino Council of Hawaii; Cable Adult Foster Home; Tapat Foster Home; Daligcon Expanded Care; Guerrero Foster Home; Febereo Foster Home; Bagasol DDD Home; Catholic Charities Hawaii; Gusman Adult Foster Home; Espiritu Foster Care Home; Dalmacio Adult Foster Home; Apostol Adult Care; E&R ARCH; Alonzo Adult Foster Home; Domingo Foster Home and ten private citizens.

Opposing testimony was received from the Department of Labor and Industrial Relations, State Attorney General, Easter Seals Hawaii, The Arc in Hawaii, Responsive Caregivers of Hawaii, and the State Council on Developmental Disabilities.

The home care providers in support of this measure stated that if they were not exempt under Section 89-5, Hawaii Revised Statutes, they would be forced to close their business.

Questions were raised stating that the federal laws, ERISA and FUTA, pre-empt states from expanding the present state statutes. It is the Committee's belief that this measure does not expand on the present exemptions but merely define the exemptions more specifically to continue the original intent by the Legislature more than ten years ago.

In addition, the organizations that are affected by the new DLIR ruling are conduits to manage and distribute the SSI benefits for the recipient's needs. In essence, it is the SSI recipient that dictates the type of home care needed and at times receives these services at their home. Therefore, another interpretation of this situation could treat the recipients of SSI benefits as "employers" and therefore subject to the above-mentioned state laws. Your Committee does not believe that Congress' intent in establishing SSI benefits would have included recognizing the SSI recipients as "employers". On the same basis, Congress would have also not intended that the organizations managing SSI benefits for the Department of Human Services and for the SSI recipient would ever be considered "employers".

Your Committee has amended the measure to include language proposed by a consortium composed of members from the State Council on Developmental Disabilities, SECOH, and Home & Community Services of Hawaii, Inc., through Kobyashi, Sugita & Goda. All references related to independently licensed or certified adult foster home or care home provider has been deleted. A delayed effective date and technical, nonsubstantive changes recommended by Legislative Reference Bureau have been made.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1780, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1780, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 1025 **Ways and Means on S.B. No. 1612**

The purpose of this measure is to establish measurement and reduction procedures to reduce greenhouse gas emissions in the State.

Specifically, the measure:

- (1) Requires the Department of Health to adopt reporting and verification of statewide greenhouse gas emissions and to monitor and enforce compliance;
- (2) Requires adoption of a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions levels in 1990, to be achieved by 2020;
- (3) Requires the adoption of rules to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions; and
- (4) Authorizes the adoption of market-based compliance mechanisms.

The Sierra Club, Hawai'i Chapter, Hawai'i Wildlife Fund, Honolulu Seawater Air Conditioning, and twenty-one individuals provided written comments in support of this measure. The Department of Health; Hawaiian Electric Company, Inc.; and Western States Petroleum Association provided written comments.

Your Committee finds that the proposed language in this measure is similar to California law, and that California is one of the states with the highest carbon dioxide emissions in the nation. Your Committee further finds that according to 2003 Environmental Protection Agency data, Hawaii ranks among the seven lowest states for emissions.

Your Committee strongly supports the reduction of greenhouse gas emissions, but believes the program in this measure may be premature, and may not be the most appropriate response for Hawaii. Your Committee agrees with the Department of Health that, as a first step, a 1997 report on greenhouse gas emissions estimates should be updated, and an inventory of emissions developed. With this information in hand, the State can develop programs specifically tailored to Hawaii in order to reduce greenhouse gas emissions in and around the islands.

Your Committee has amended this measure accordingly by:

- (1) Deleting the proposed new chapter on greenhouse gas reduction contained in section 2 of this measure and inserting language to require the Department of Health to conduct a thorough greenhouse gas emissions inventory of Hawaii sources and to update the past report prepared by the Department of Business, Economic Development, and Tourism and the Department of Health entitled "Inventory of Hawaii Greenhouse Gas Emissions Estimates for 1990", dated July 1997, with reports to the 2008 and 2009 Legislatures;
- (2) Specifying that the appropriation in section 3 is for two positions;

- (3) Making an appropriation to the Hawaii Energy Policy Forum at the University of Hawaii at Manoa to develop a plan with a timetable for implementation to reduce greenhouse emissions in Hawaii; and
- (4) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1612, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1612, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1026 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 1184

The purpose of this measure is to ensure that Hawaii's endangered adults are provided adequate protective services under the law.

Specifically, this measure amends the law relating to Adult Protective Services by:

- (1) Clarifying the purpose and persons to be protected;
- (2) Extending the protection to persons over age eighteen who meet the definition of "vulnerable adult";
- (3) Including a definition for the term "vulnerable adult";
- (4) Deleting the definition for "dependent adult" and replacing references thereto with the term "vulnerable adult"; and
- (5) Authorizing the Department of Human Services to investigate and the Family Court to have jurisdiction over a "vulnerable adult" who has been abused or is in imminent danger of abuse.

No testimony or written comments were submitted on this measure.

Your Committees find that the Adult Protective Services program of the Department of Human Services provides crisis intervention, investigation, and emergency services to dependent adults who are reported to be abused, neglected, or financially exploited by others or seriously endangered due to self-neglect. Your Committees further find that Hawaii's elderly population is the fastest growing segment in the State, which necessitates that the State works to ensure that these individuals are provided appropriate services and protection from incidences of abuse and neglect. However, it is not only the elderly who are in danger of abuse or neglect. Individuals also in danger are those whose ability to protect themselves is substantially impaired due to incapacity or physical, mental, or other disability. Your Committees determine that further clarification in the law is necessary to ensure that all individuals necessitating the receipt of protective services are provided such services in the most appropriate and timely manner possible.

Accordingly, your Committees have amended this measure 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 Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1184, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1184, S.D. 2.

Signed by the Chairs on behalf of the Committees. Ayes, 10. Ayes with Reservations, 1 (Tsutsui). Noes, none. Excused, 6 (English, Inouye, Kim, Menor, Hemmings, Whalen).

SCRep. 1027 Ways and Means on S.B. No. 796

The purpose of this measure is to ensure that the State is prepared for natural disasters and other catastrophic occurrences.

Specifically, this measure:

- (1) Authorizes general obligation bonds to fund the installation of additional sirens to the State Civil Defense Warning System;
- (2) Permits the Governor to order the release of up to ten per cent of moneys appropriated from interest earnings in the Emergency and Budget Reserve Fund to provide assistance after a natural disaster;
- (3) Appropriates funds for:
 - (A) Emergency supply caches;
 - (B) The State Civil Defense Major Disaster Fund;
 - (C) Non-declared disaster activation and response; and
 - (D) The Ethnic Education Foundation of Hawaii to assist them in disseminating information in the event of a disaster.

The National Federation of Filipino American Associations; the Filipino Coalition for Solidarity; Nursing, Advocates and Mentors, Inc.; the Philippine Nurses Association-Hawaii; the Congress of Visayan Organizations; and one individual submitted written comments in support of this measure. The Department of Budget and Finance, and the Department of Defense submitted written comments.

Your Committee finds that while the State and private agencies have made great strides in becoming capable of responding to a tsunami or hurricane disaster, more resources are needed to upgrade equipment and decrease coverage gaps in the existing warning systems. Your Committee further finds that it is important to ensure that victims of natural disasters receive prompt emergency relief after a natural disaster. It is also imperative that statewide dissemination of information is provided in a format that is accessible and understandable by everyone.

Your Committee has amended this measure by:

- (1) Inserting language from S.B. No. 794, making an appropriation for the State Civil Defense Emergency Supply Program, to effectively equip emergency shelters in order to support special needs populations and to maintain the development of the emergency supply program;

- (2) Changing all of the appropriation amounts to blank amounts for purposes of further discussion;
- (3) Authorizing the Governor to provide grants of emergency assistance up to a blank dollar amount for a blank percentage of uninsured damages after a natural disaster;
- (4) Making clarifying technical amendments to section 328L-3(b), Hawaii Revised Statutes, to enable the Governor to order the release of up to ten per cent of moneys appropriated from interest earnings in the Emergency and Budget Reserve Fund for the purposes of paragraph (3); and
- (5) Making technical, nonsubstantive changes for the 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. 796, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 796, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1028 (Majority) Ways and Means on S.B. No. 1276

The purpose of this measure is to require the preparation of an environmental impact statement (EIS) for the expenditure of public funds for commercial harbor improvements to accommodate the Hawaii Superferry.

This measure also prevents Hawaii Superferry from commencing operations until mitigation measures recommended in the EIS are implemented by the Department of Transportation (DOT), and requires the DOT to assess reasonable costs incurred for the preparation of an EIS.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs; Cetacean Society International; Hawaii PV Coalition; Sierra Club, Hawaii'i Chapter; AANCArt; American Friends Service Committee; Maui Outdoor Circle; Maui Clean Air Coalition; Surfrider Foundation; Maui Coral Reef Network; Helping Hands Hawaii; Maui Individualized Learning Center; People for the Preservation of Kaua'i; and Patrice Pendarvis Studio; and ninety individuals. Written comments in opposition was received from the Department of the Attorney General; Department of Transportation; Conferencehub Corp.; Kaua'i Chamber of Commerce; Maui Chamber of Commerce; Maui County Farm Bureau; Coloriginals; Clear Channel Radio Hawaii; Hawaii Oceanic Technology, Inc.; Ocean Marine Insurance Agency, Inc.; Hawaii Superferry; Over the Top Events; Pacific Sport Events and Timing; Help-U-Sell Paradise Realty; Love to Travel Tours; and eighty-four individuals.

Your Committee finds that state commercial harbor improvements that require the expenditure of large amounts of governmental funds should comply with the environmental review process. Your Committee is concerned that new maritime activities that require substantial harbor improvements, such as the Hawaii Superferry, could have serious effects on vehicular traffic, transport of non-native species between islands, introduction of invasive plant and animal species, increased collisions with whales, and increased warehousing at the harbors, among other issues, all of which have economic and environmental consequences that come within the scope of issues to be reviewed under the environmental impact statement law.

In addition to environmental concerns, your Committee has serious concerns about harbor and traffic congestion. Harbors on Oahu, Maui, and Kauai are so congested that the viability of Hawaii's shipping industry is threatened unless harbor improvements and expansion are immediately undertaken. Operations like the Hawaii Superferry would add to the congestion.

However, the Attorney General raised significant constitutional and legal issues in lengthy comments on this measure and concluded that the "passage of this measure may subject the State to substantial (but presently unquantifiable) liability."

Thus, your Committee has amended this measure by:

- (1) Rewording the purpose section to clarify that the intent of the measure is to reassert the Legislature's intent when it enacted the environmental impact statement law that the Legislature intended for major commercial harbor improvement projects to be subject to an environmental impact statement;
- (2) Deleting all references to the Hawaii Superferry and replacing it with a generic reference to any business or entity that proposes to operate or operates vessels that carry passengers and their vehicles between Hawaii's islands that require major commercial harbor improvements; and
- (3) Defining "major commercial harbor improvements" as any commercial harbor improvement project that requires the expenditure of over \$1,000,000 of public 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. 1276, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1276, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 8. Ayes with Reservations, 4 (Baker, Chun Oakland, Fukunaga, Tokuda). Noes, 2 (Kim, Hemmings). Excused, 1 (Whalen).

SCRep. 1029 Ways and Means on S.B. No. 1438

The purpose of this measure is to establish a Fiftieth Anniversary of Statehood Commission (Commission).

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism (DBEDT).

The intent of this measure is to plan and coordinate the celebration of the fiftieth anniversary of Hawaii's admission to statehood in August 1959. Your Committee finds that Hawaii has benefited greatly from statehood, particularly the rights, privileges, and protections that statehood and citizenship under the United States provide.

Your Committee is cognizant of the comments concerning representation on the Commission, as expressed by DBEDT, and has endeavored to satisfy these concerns to the extent reasonable in bringing together a diverse citizen panel to plan for such an event.

Your Committee has amended this measure by:

- (1) Increasing the Commission membership to twenty-five persons, to be selected without regard to Senate confirmation;
- (2) Changing the selection of nominees by the President of the Senate, Speaker of the House of Representatives, and the Governor, to provide as follows:
 - (A) Six members to be selected by the President of the Senate, to represent various sectors including Hawaii's youth, academic community, labor, business, and cultural groups;
 - (B) Six members to be selected by the Speaker of the House of Representatives, to represent various sectors including labor, business, cultural groups, faith-based organizations, and youth;
 - (C) Five members to be selected by the Governor, including persons knowledgeable in the history of Hawaii and Hawaiian culture, event planning, and developing community partnerships;
- (3) Deleting the requirement that every member have some knowledge about the history and culture of Hawaii, and experience in event planning and in developing community partnership, on the basis that it is likely difficult to find such inherent experience to fill every position;
- (4) Clarifying that a vacancy is to be filled by the same selection authority as appointed the vacating member;
- (5) Providing for a quorum of fifteen members, with twelve members required for an affirmative vote;
- (6) Changing the appropriation amount to an unspecified sum; and
- (7) 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. 1438, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1438, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1030 Ways and Means on Gov. Msg. No. 268

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF THE DEPARTMENT OF BUDGET AND FINANCE

G.M. No. 268 GEORGINA K. KAWAMURA, for a term to expire 12-6-2010

Your Committee reviewed the personal statement and resume submitted by the nominee and finds Georgina K. Kawamura to have the necessary qualifications to serve as the Director of Finance.

Your Committee received comments in support of the nomination of Ms. Kawamura as Director of Finance from Mr. Robert N. E. Piper, Deputy Director, Department of Budget and Finance and nine managers and senior staff members from the Department of Budget and Finance; Mr. David Shimabukuro, Administrator, Employees' Retirement System; Major General Robert G.F. Lee, Hawaii National Guard; Mr. Carlito P. Caliboso, Chairperson, Public Utilities Commission; the Board of Trustees, Office of Hawaiian Affairs; Mr. Larry Reifurth, Deputy Director, Department of Commerce and Consumer Affairs; Mr. Orlando "Dan" Davidson, Hawaii Housing Finance and Development Division; Mr. Jack Tonaki, State Public Defender; Mr. Jim Williams, Administrator, Hawaii Employer-Union Health Benefits Trust Fund; Mr. Brian Sekiguchi, Deputy Director, Airports Division, Department of Transportation; Ms. Charmaine Tavares, Mayor, County of Maui; Mr. Ronald D. Kouchi and Mr. Mel Rapozo, Council members, Kauai County Council, Mr. Peter Fithian, Airport Concessionaires; Mr. Colbert M. Matsumoto, Chairman and CEO, Island Insurance Companies; Mr. Randall J. Hee, President and CEO, Kauai Island Utility Cooperative; the State of Hawaii Organization of Police Officers; and Mr. Christopher Grandy, University of Hawaii.

Your Committee finds that, consistent with the exemplary comments received on her behalf, her four years as Director of Finance, and an extensive and impressive professional background in management and finance, Director Kawamura has also distinguished herself as an ex-officio member of the Board of Trustees of the Employees' Retirement System (ERS). The Administrator of the ERS testified that Director Kawamura "approached issues facing the ERS with a long-term perspective, which is important for the health of the ERS. She asks the right questions before making decisions, and more importantly has done what is in the best interest of the ERS members."

In a rare expression of support and respect, nine Department of Budget and Finance managers and senior staff members expressed their support for Director Kawamura and testified that "[s]he has a remarkable ability to absorb details of the operating and CIP budget and displays a thorough understanding of budgeting principles and practices. She has brought graciousness, composure, and level-headedness to the position, along with her sense of humor and energy. Ms. Kawamura has actively pushed and prodded both our staff and departmental staffs to develop better performance measures and to more fully integrate these measures into budget decision making and budget presentations. She has also led the charge in making the State's budget documents more understandable and 'user friendly.'" "[We have] observed first hand Mrs. Kawamura's genuine commitment, sensitivity, and concern for the well-being of her employees. In her first four years as Director of Finance, she has demonstrated through decision making and her interaction with employees an innate ability to balance equity and fairness with appreciation and compassion. She has made 'right' decisions when the choices are difficult ones and has earned our respect in the process."

Director Kawamura is also respected by the business community, as evidenced by comments submitted by the President of Kauai Island Utility Cooperative, who testified, "Mrs. Kawamura being open-minded and willing to listen to our concerns as the first electric cooperative in the State of Hawaii not only supported our endeavor, but also assisted KIUC with the proposed language. KIUC feels her efforts were above and beyond, and would like to recognize her as being instrumental in the successful passing of our legislation."

Director Kawamura is also admired and respected by many friends, such as Colbert Matsumoto who has remained loyal to her over the years because she is "a source of 'community pride,' that someone who grew up in the small community of Lanai could assume such an important public role. She distinguished herself and demonstrated her capacity to take on the weighty challenges of that position [as Director of Finance]."

Your Committee also finds that, while supporting her confirmation, Senators expressed concerns about delays in grants-in-aid being released to nonprofit organizations that provide valuable community services. Senators requested that Director Kawamura implement improved processes and technical assistance to departments to expedite the release of such funds. In addition, Senators requested the Department of Budget and Finance to compile comprehensive vacancy reports for all departments so that legislators can better understand various departments' labor needs. Director Kawamura expressed her willingness to work with the departments and your Committee to address these concerns.

As 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, 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, 8. Noes, none. Excused, 3 (Chun Oakland, Menor, Whalen).

SCRep. 1031 Education on S.C.R. No. 18

The purpose of this measure is to request the Department of Education to work with appropriate entities to extend the length of the school day for elementary and middle schools to accommodate increased physical education, art, and music requirements.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that children across the nation are demonstrating staggering rates of obesity, including Hawaii, where adolescent obesity rates have doubled over the past two decades. Your Committee further finds that a child's life is not only enhanced, but may also be prolonged and improved with the presence of routine physical exercise, as well as the exposure to the arts and music. This measure seeks to encourage the Department of Education to consider the merits of extending the school day for elementary and middle schools to accommodate time for physical education, arts, and music instruction. Your Committee believes that additional projects, competitions, and activities will also positively impact a student's overall health, success, and well-being and should be a part of the discussion in determining the propriety of extending the school day.

Accordingly, your Committee has amended this measure by expanding the scope of the types of requirements, activities, and programs that the Department of Education should consider in determining whether and the method by which to extend the school day for elementary and middle schools.

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. 18, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 18, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 1 (Hee).

SCRep. 1032 Intergovernmental and Military Affairs on S.R. No. 13

The purpose of this measure is to oppose the creation of a National Identification Card and the implementation of the Real ID Act of 2005.

Written testimony in support of this measure was submitted by the City and County of Honolulu, Department of Customer Services, Division of Motor Vehicles, Licensing and Permits Administration; County of Hawaii Police Department; American Civil Liberties Union of Hawaii; Na Loio, Immigrant Rights and Public Interest Legal Center; Americans for Democratic Action; The Hawaii Government Employees Association; and five individuals. Oral testimony in support of this measure was submitted by the Director of the State Civil Defense.

Your Committee finds that the State of Hawaii is proud of its long tradition of protecting civil rights and liberties of all of its residents, affirming the fundamental rights of all people and, in some circumstances, provides more expansive protections than are granted by the United States Constitution.

Your Committee further finds that the State of Hawaii denounces terrorism in all its forms and condemns all acts of terrorism by any entity, wherever the acts may occur. To this end, any new security measures to provide protection from terrorist attacks should be carefully designed to enhance public safety without infringing on the civil liberties and rights of citizens.

Your Committee further finds that Real ID Act of 2005, Public Law 109-13:

- (1) Creates a national identification card by mandating federal standards for state drivers' licenses and identification cards requiring states to share their motor vehicle databases;
- (2) Mandates the documents that states must require to issue drivers' licenses and requires states to place uniform information on every driver's license in a standard, machine-readable format;
- (3) Prohibits federal agencies and federally-regulated commercial aircrafts from accepting a driver's license or identification card issued by a state that has not fully complied with the Act;
- (4) Creates a costly unfunded mandate for the states;
- (5) Creates a database containing information on every American and makes it accessible to motor vehicle employees and law enforcement officials nationwide that can be used to gather and manage information on citizens;
- (6) Enables the creation of additional private sector databases that combine both transactional information and driver's license information gained from scanning the machine-readable information to be contained on every driver's license, which could create significant hardships on Americans attempting to verify their identities in order to utilize air travel, open bank accounts, or perform many other functions required to live in the United States;
- (7) Enables the crime of identity theft by making personal information of all Americans more accessible from more locations;
- (8) Contains onerous record verification and retention provisions that place unreasonable burdens on motor vehicle licensing and registration divisions and on third parties required to verify records;
- (9) Places enormous burdens on consumers seeking new drivers' licenses;

- (10) Places motor vehicle licensing and registration division staff on the front lines of immigration enforcement by forcing public employees to determine federal citizenship and immigration status; and
- (11) Passed as a rider to an emergency appropriations measure for military operations in Iraq and Afghanistan, which did not receive a hearing by any congressional committee or a vote solely on its merits.

Your Committee further finds that it opposes the institution of a National Identification Card and the implementation of the Real ID Act of 2005, particularly those provisions that:

- (1) Violate the rights and liberties granted under the Hawaii State Constitution or the United States Constitution, and the Bill of Rights; and
- (2) Create unfunded mandates for the State without any plan for financial subsidization for implementation.

Your Committee further finds that the Senate of the State of Hawaii supports the repeal of the Real ID Act of 2005, and urges the Hawaii Congressional delegation to support any legislation that calls for the repeal, amendment, or, at a minimum, the provision of proper funding for the implementation of the Real ID Act of 2005.

Your Committee amended this measure by clarifying language in the measure describing the creation of a public sector database and removing language concerning a provision contained in the Real ID Act of 2005 that no longer exists.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military 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, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 1033 Intergovernmental and Military Affairs on S.C.R. No. 31

The purpose of this measure is to oppose the creation of a National Identification Card and the implementation of the Real ID Act of 2005.

Written testimony in support of this measure was submitted by the City and County of Honolulu, Department of Customer Services, Division of Motor Vehicles, Licensing and Permits Administration; County of Hawaii Police Department; American Civil Liberties Union of Hawaii; Na Loio, Immigrant Rights and Public Interest Legal Center; Americans for Democratic Action; The Hawaii Government Employees Association; and five individuals. Oral testimony in support of this measure was submitted by the Director of the State Civil Defense.

Your Committee finds that the State of Hawaii is proud of its long tradition of protecting civil rights and liberties of all of its residents, affirming the fundamental rights of all people and, in some circumstances, provides more expansive protections than are granted by the United States Constitution.

Your Committee further finds that the State of Hawaii denounces terrorism in all its forms and condemns all acts of terrorism by any entity, wherever the acts may occur. To this end, any new security measures to provide protection from terrorist attacks should be carefully designed to enhance public safety without infringing on the civil liberties and rights of citizens.

Your Committee further finds that Real ID Act of 2005, Public Law 109-13:

- (1) Creates a national identification card by mandating federal standards for state drivers' licenses and identification cards requiring states to share their motor vehicle databases;
- (2) Mandates the documents that states must require to issue drivers' licenses and requires states to place uniform information on every driver's license in a standard, machine-readable format;
- (3) Prohibits federal agencies and federally-regulated commercial aircrafts from accepting a driver's license or identification card issued by a state that has not fully complied with the Act;
- (4) Creates a costly unfunded mandate for the states;
- (5) Creates a database containing information on every American and makes it accessible to motor vehicle employees and law enforcement officials nationwide that can be used to gather and manage information on citizens;
- (6) Enables the creation of additional private sector databases that combine both transactional information and driver's license information gained from scanning the machine-readable information to be contained on every driver's license, which could create significant hardships on Americans attempting to verify their identities in order to utilize air travel, open bank accounts, or perform many other functions required to live in the United States;
- (7) Enables the crime of identity theft by making personal information of all Americans more accessible from more locations;
- (8) Contains onerous record verification and retention provisions that place unreasonable burdens on motor vehicle licensing and registration divisions and on third parties required to verify records;
- (9) Places enormous burdens on consumers seeking new drivers' licenses;
- (10) Places motor vehicle licensing and registration division staff on the front lines of immigration enforcement by forcing public employees to determine federal citizenship and immigration status; and
- (11) Passed as a rider to an emergency appropriations measure for military operations in Iraq and Afghanistan, which did not receive a hearing by any congressional committee or a vote solely on its merits.

Your Committee further finds that it opposes the institution of a National Identification Card and the implementation of the Real ID Act of 2005, particularly those provisions that:

- (1) Violate the rights and liberties granted under the Hawaii State Constitution or the United States Constitution, and the Bill of Rights; and
- (2) Create unfunded mandates for the State without any plan for financial subsidization for implementation.

Your Committee further finds that the Legislature of the State of Hawaii supports the repeal of the Real ID Act of 2005, and urges the Hawaii Congressional delegation to support any legislation that calls for the repeal, amendment, or, at a minimum, the provision of proper funding for the implementation of the Real ID Act of 2005.

Your Committee amended this measure by clarifying language in the measure describing the creation of a public sector database and removing language concerning a provision contained in the Real ID Act of 2005 that no longer exists.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 31, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 31, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 1034 Intergovernmental and Military Affairs on Gov. Msg. Nos. 493 and 494

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY BOARD ON VETERANS' SERVICES

G.M. No. 493 ANNE V. STEVENS, for a term to expire 6-30-2008; and

G.M. No. 494 PATRICIA ANN WIELAND, for a term to expire 6-30-2009

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Anne V. Stevens and Patricia Ann Wieland to have the necessary qualifications to be appointed to the Advisory Board on Veterans' Services.

Your Committee received testimony in support of Anne V. Stevens from the Director of the Office of Veterans Services, State of Hawaii, Department of Defense; The Mestizo Association; Pearl Harbor Visitor Center; and one individual. Ms. Stevens served for twelve years in the United States Coast Guard and received the United States Coast Guard Commendation Medal for her search and rescue work in Hawaii where she is credited with saving one hundred fifty-seven lives. Ms. Stevens also served as a former legislator in the State of Hawaii House of Representatives where she avidly served the people of Waikiki and Ala Moana. She worked as a sincere and tireless advocate for the homeless veterans that were recently evicted from Ala Moana Beach Park, providing them with important information on veterans' shelters and other services. Ms. Stevens brings a wealth of knowledge and commitment to the issues affecting veterans making her a key component to the Advisory Board on Veterans' Services.

Your Committee received testimony in support of Patricia Ann Wieland from the Director of the Office of Veterans Services, State of Hawaii, Department of Defense; Veterans Helping Veterans; and two individuals. Ms. Wieland honorably served in the United States Navy Reserve for twenty-one years. She currently works as the Coordinator for the Veterans' Affairs Volunteer Service at the Spark Matsunaga Medical Center where she provides diligent assistance to returning veterans regarding the procedures for filing their claims for veterans' benefits. Ms. Wieland's heightened understanding of the issues and needs of veterans make her a valuable asset to the Advisory Board on Veterans' Services.

As affirmed by the records of votes of the members of your Committee on Intergovernmental and Military Affairs that are attached to this report, your Committee, after full consideration of the background, 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, 2. Noes, none. Excused, 1 (Hemmings).

SCRep. 1035 Judiciary and Labor on H.B. No. 853

The purpose of this measure is to clarify that a prevailing wage law violation by a contractor on one project counts as one violation of chapter 104, Hawaii Revised Statutes (HRS), and that each prevailing wage law violation by the same contractor on one or more different projects will each count as another violation so that multiple prevailing wage law violations can occur on a single project or on multiple projects, even though the projects were all occurring at about the same time.

Testimony in support of this measure was received from the Hawaii Building and Construction Trades Council, Hawaii State AFL-CIO, International Union of Elevator Constructors, Laborers' Union Local 368, Iron Workers, Plumbers-Fitters Local 675 and one individual. Testimony in opposition was received from the Department of Labor and Industrial Relations, Building Industry Association, Healy Tibbitts Builders, Inc., King & Neel, Inc., Rons Construction Corporation, KAIKOR Construction Company, Inc., S&M Sakamoto, Inc., Koga Engineering & Construction, Inc., Hawaiian Dredging Construction Company, Royal Contracting Co., Ltd., Ralph S. Inouye Co., Ltd., General Contractor, A-1 A-Lectrician, Inc., and MEI Corp.

All testifiers agreed that no contractor should be allowed to skirt the prevailing wage law that is intended to protect the worker on the same or on different projects. Therefore, your Committee finds that amending the law to clarify that one violation on a single project will constitute the first violation and that further violations on the same or on another project by the same contractor will constitute the second, third, or more violations by the same contractor for purposes of enforcement and increased penalties. Thus, even if the contractor has more than one project that is subject to the prevailing wage law requirements, and violates the law on each project, even though the violation may occur on the same day, each violation will be counted as a separate violation and be used against the contractor as a repeat violator of the prevailing wage law for enforcement purposes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, Your Committee is in accord with the intent and purpose of H.B. No. 853, H.D. 2, 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, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1036 Economic Development and Taxation on Gov. Msg. Nos. 306, 307, 308 and 309

Recommending that the Senate advise and consent to the nominations of the following:

COMMUNITY-BASED ECONOMIC DEVELOPMENT ADVISORY COUNCIL

- G.M. No. 306 ELAINE LOUISE HOGUE, for a term to expire 6-30-2011;
 G.M. No. 307 WAYNETTE HO-KWON, for a term to expire 6-30-2011;
 G.M. No. 308 ANNA K. RIBUCAN, for a term to expire 6-30-2011; and
 G.M. No. 309 ANNA MARIE P. SPRINGER, for a term to expire 6-30-2011

Upon review of the testimonies and statements submitted by the nominees, your Committee finds that Elaine Louise Hogue, Waynette Ho-Kwon, Anna K. Ribucan, and Anna Marie P. Springer have the necessary character, experience, and qualifications to serve on the Community-Based Economic Development Advisory Council.

Your Committee received testimony in support of Elaine Louise Hogue from the Department of Business, Economic Development, and Tourism.

Elaine Louise Hogue is Project Administrator for St. Anthony of Padua Church and School, where she is responsible for project, program, and long-term planning. Ms. Hogue also has extensive experience in grants administration, community development, and fundraising in both Hawaii's nonprofit and business sectors. She is a reappointment to the Council, and during her first four years over \$750,000 in grant funds were awarded to fifty-three communities statewide and four hundred twenty-four businesses were created or sustained by this assistance.

Your Committee received testimony in support of Waynette Ho-Kwon from the Department of Business, Economic Development, and Tourism.

Waynette Ho-Kwon is Director of the Lana'i Visitors Bureau, where her responsibilities include all aspects of promoting the island as a visitor and corporate destination. A graduate of Kapi'olani Community College, Ms. Ho-Kwon began her career in the visitor industry, and remains committed to the many related cultural events, including the Aloha Week festivals. She is a reappointment to the Council, where she is a strong advocate and liaison for the island of Lana'i.

Your Committee received testimony in support of Anna K. Ribucan from the Department of Business, Economic Development, and Tourism; United States Small Business Administration; County of Maui Office of Economic Development; and Maui Small Business Development Center.

Anna K. Ribucan is the Small Business Advocate for the County of Maui Office of Economic Development. In her work, Ms. Ribucan relies both on her extensive personal experience as a small business owner and as a corporate trainer and advocate for a broad range of Hawaii companies. She has served on the Council for one year, and her expertise with business plans, loan applications, and grant requests has proven a valuable asset in the Council's deliberations and decisions.

Your Committee received testimony in support of Anna Marie P. Springer from the Department of Business, Economic Development, and Tourism and American Savings Bank.

Anna Marie P. Springer is Senior Vice President, Community Liaison, American Savings Bank, where she has been a member of senior management since the mid 1980s. Her extensive career in Hawaii's financial industry earned her the Pacific Business News "Business Woman Advocate of the Year" in 2000, and the United States Small Business Administration "Women in Business Award" in 2001. She is active in a wide range of professional, civic, and community organizations, and brings a wealth of experience and expertise to her reappointment to the Council.

As affirmed by the records of votes of the members of your Committee on Economic Development and Taxation that are attached to this report, your Committee, after full consideration of the background, 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. 1037 Economic Development and Taxation on Gov. Msg. No. 350

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION

- G.M. No. 350 SHARON MARIE WONG, for a term to expire 6-30-2011

Upon review of the testimony and statement submitted by the nominee, your Committee finds that Sharon Marie Wong has the necessary character, experience, and qualifications to serve on the High Technology Development Corporation.

Your Committee received testimony in support of the nominee by the Department of Business, Economic Development, and Tourism; the High Technology Development Corporation; and one individual.

Sharon Marie Wong is President of IMS, Inc., an accounting and tax preparation firm she founded in 1974. A graduate of the New York Institute of Finance, Ms. Wong has also worked in the real estate industry in Hawaii. She is a member of numerous civic and business organizations, ranging from the Chamber of Commerce of Hawaii, Better Business Bureau of Hawaii, and the Hearing Committee for the Hawaii Disciplinary Board of the Hawaii Supreme Court.

Ms. Wong has served on the board of the High Technology Development Corporation since 2003, and is currently Second Vice-Chair. An active board member, she brings a practical, entrepreneurial approach and solid financial experience to all aspects of the deliberations of the High Technology Development Corporation.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee, after full consideration of the background, 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. 1038 Economic Development and Taxation on Gov. Msg. Nos. 390 and 391

Recommending that the Senate advise and consent to the nominations of the following:

SMALL BUSINESS REGULATORY REVIEW BOARD

G.M. No. 390 BRUCE E. BUCKY, for a term to expire 6-30-2010; and

G.M. No. 391 PETER YUKIMURA, for a term to expire 6-30-2009

Upon review of the testimonies and statements submitted by the nominees, your Committee finds that Bruce E. Bucky and Peter Yukimura have the necessary character, experience, and qualifications to serve on the Small Business Regulatory Review Board.

Your Committee received testimony in support of Bruce E. Bucky from the Department of Business, Economic Development, and Tourism and the Small Business Regulatory Review Board.

Bruce E. Bucky is President and Chief Executive Officer of Hildgund Jewelry, a company he has owned since 2002. Prior to purchasing Hildgund Jewelry, Mr. Bucky served in various executive and sales offices with the company beginning in 1991. A graduate of the Gemological Institute of America, Mr. Bucky is currently Vice President of the Hawaii Jewelers Association. He is also active in civic and community organizations, including Hawaii Special Olympics and Habitat for Humanity.

Your Committee received testimony in support of Peter Yukimura from the Department of Business, Economic Development, and Tourism; Small Business Regulatory Review Board; First Hawaiian Bank Kauai Region; Central Pacific Bank, Better Brands; Fujita & Miura Public Relations, LLC; Meadow Gold Dairies; and Solid Concepts, Inc.

Peter Yukimura is currently President of three companies: Yukimura's, Inc.; Koa Trading Company; and M & K Distributors. A life-long resident of Kauai, he holds a Bachelor of Science degree in Business Administration from the University of Hawaii, and joined the family business in 1971. Mr. Yukimura served as a member of the Land Use Commission from 1997-2005, and is currently 2nd Vice Chair of the Board of Directors of Kauai Island Utility Cooperative. He is active in numerous business and civic organizations, including the Hawaii Employers Council, Kauai Chamber of Commerce, Kauai United Way, and Kauai Community College Foundation.

As affirmed by the records of votes of the members of your Committee on Economic Development and Taxation that are attached to this report, your Committee, after full consideration of the background, 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. 1039 Economic Development and Taxation on Gov. Msg. No. 423

Recommending that the Senate advise and consent to the nomination of the following:

KING KAMEHAMEHA CELEBRATION COMMISSION

G.M. No. 423 BENJAMIN J. YIM, for a term to expire 6-30-2011

Upon review of the testimony and statement submitted by the nominee, your Committee finds that Benjamin J. Yim has the necessary character, experience, and qualifications to serve on the King Kamehameha Celebration Commission.

Your Committee received testimony in support of the nominee by the Department of Accounting and General Services.

Benjamin J. Yim is a Customer Service Representative and a staff member of the Visual Department at Maui Divers of Hawaii, positions he has held for over fifteen years. In addition, Mr. Yim has extensive experience as a floral designer and has worked in various aspects of Hawaii's visitor industry for over twenty-five years. A graduate of Kaimuki High School and Honolulu Business College, Mr. Yim has also been a performer, host, and lei maker since the early 1980s for cultural events ranging from the Miss Hawaii Pageant to the Aloha Week festivities.

Mr. Yim represents the Kapahulu Music Club, and as a reappointment to the Commission he has been actively involved in chairing various committees and participating in all aspects of the Commission's work.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee, after full consideration of the background, 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. 1040 Education on H.B. No. 21

The purpose of this measure is to clarify when testing for asbestos-containing materials is required at all public and charter school facilities under the Asbestos Hazard Emergency Response Act of 1986.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, and the Hawaii Government Employees Association.

Your Committee finds that pursuant to Act 186, Session Laws of Hawaii (SLH) 2005, the Legislature required the Department of Education to take responsibility for ensuring that asbestos testing is conducted prior to the renovation or painting of school facilities. Your Committee further finds that Act 51, SLH 2005, requires the testing of both exterior and interior surfaces, if the surfaces have not previously been tested. However, under the Federal Asbestos Hazard Emergency Response Act of 1986, asbestos testing is only required on interior surfaces, including exterior hallways connecting buildings, porticos, and mechanical systems used to condition interior spaces, for all suspected asbestos-containing materials. Therefore, the law should be clarified to focus resources and efforts on testing those surfaces most likely to contain asbestos.

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. 21, 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 (Hee).

SCRep. 1041 Education on H.B. No. 25

The purpose of this measure is to increase the number of qualified teachers in Hawaii by requiring the Hawaii Teacher Standards Board to pursue full teacher license reciprocity with all other states.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii Teacher Standards Board. Testimony in opposition to this measure was submitted by the University of Hawaii and the Hawaii State Teachers Association.

Your Committee finds that Hawaii is currently experiencing a teacher shortage problem, which often seems to be exacerbated by the prescriptive requirements for teacher licensure in the State. The State must explore methods for developing, recruiting, and retaining qualified teachers from both within and outside of the State. Your Committee believes that there are many highly qualified teachers who are licensed outside of Hawaii and willing to teach within the State, but are unable to readily obtain a Hawaii teaching license.

Under existing law, the Hawaii Teacher Standards Board is required to pursue full teacher license reciprocity with the mid-Atlantic states, as well as with California, Colorado, Illinois, Michigan, New York, Oregon, and Washington. Your Committee believes that efforts to increase the teacher pool can be more fully realized through the Hawaii Teacher Standards Board's pursuit of full teacher license reciprocity with all states.

Your Committee recognizes the concerns that some or many of the other states may have standards for teacher licensure that are less than those necessary for licensure in Hawaii; however, each state would have to be examined on an individual basis to determine the appropriateness of licensure reciprocity. Additionally, the Hawaii Teacher Standards Board has indicated that it is currently in the process of adopting new administrative rules to allow a teacher with an out-of-state license who has undergone similar testing requirements to be automatically licensed in Hawaii. Your Committee believes that these new administrative rules would help to provide a larger qualified teacher applicant pool for Hawaii's schools.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Hawaii Teacher Standards Board to adopt policies for the issuance of licenses to teachers with out-of-state licenses who have passed similar testing requirements to those required in Hawaii; provided that upon adoption, administrative rules for that purpose would supersede the statutory requirement; and
- (2) Requiring the Hawaii Teacher Standards Board to provide notification to the Chairs of the Senate Committee on Education and the House of Representatives Committee on Education of the adoption of administrative rules for out-of-state teacher licensure.

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. 25, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 25, 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 (Hee).

SCRep. 1042 Intergovernmental and Military Affairs on S.R. No. 19

The purpose of this measure is to provide Federal veterans' benefits and services to World War II Filipino veterans.

Your Committee received testimony in support of this measure from the Philippine Nurses Association – Hawaii, Filipino Coalition for Solidarity, Congress of Visayan Organizations, Asian American Network for Cancer Awareness Research and Training – Hawaii, National Federation of Filipino American Associations, Oahu Filipino Community Council, Nursing Advocates and Mentors, Inc., and United Filipino Council of Hawaii.

Your Committee finds that members of the Philippine Commonwealth Armed Forces and the Special Philippine Scouts were drafted into the United States Armed Forces by the Military Order of July 26, 1941, and from 1941-1946, tens of thousands of Filipino soldiers risked their lives assisting the United States Armed Forces in its campaign to liberate the Philippines. To this end, it is the intent of your Committee to support the provision of Federal veterans' benefits and services to Filipino wartime veterans for their valiant service during World War II.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs 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, 3. Noes, none. Excused, none.

SCRep. 1043 Intergovernmental and Military Affairs on S.C.R. No. 39

The purpose of this measure is to provide Federal veterans' benefits and services to World War II Filipino veterans.

Your Committee received testimony in support of this measure from the Philippine Nurses Association – Hawaii, Filipino Coalition for Solidarity, Congress of Visayan Organizations, Asian American Network for Cancer Awareness Research and Training – Hawaii, National Federation of Filipino American Associations, Oahu Filipino Community Council, Nursing Advocates and Mentors, Inc., and United Filipino Council of Hawaii.

Your Committee finds that members of the Philippine Commonwealth Armed Forces and the Special Philippine Scouts were drafted into the United States Armed Forces by the Military Order of July 26, 1941, and from 1941-1946, tens of thousands of Filipino soldiers risked their lives assisting the United States Armed Forces in its campaign to liberate the Philippines. To this end, it is the intent of your Committee to support the provision of Federal veterans' benefits and services to Filipino wartime veterans for their valiant service during World War II.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 39 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, none.

SCRep. 1044 Intergovernmental and Military Affairs on S.R. No. 18

The purpose of this measure is to grant the priority issuance of visas to Filipino veterans' children with approved immigration petitions.

Your Committee received testimony in support of this measure from the United Filipino Council of Hawaii, Asian American Network for Cancer Awareness Research and Training – Hawaii, Philippine Nurses Association - Hawaii, Nursing Advocates and Mentors, Inc., Oahu Filipino Community Council, Congress of Visayan Organizations, Filipino Coalition for Solidarity, and the National Federation of Filipino American Associations, Region 12. Oral testimony was given by World War II Filipino-American Veterans Association - Hawaii.

Your Committee finds that members of the Philippine Commonwealth Armed Forces and the Special Philippine Scouts were drafted into the United States Armed Forces by the Military Order of July 26, 1941, and from 1941-1946, tens of thousands of Filipino soldiers risked their lives assisting the United States Armed Forces in its campaign to liberate the Philippines.

Your Committee further finds that the Immigration Act of 1990 awarded citizenship to each veteran, but unfairly excluded the veterans' dependants by requiring each veteran to submit an immigrant petition with supporting affidavits requesting that the veterans' dependants be permitted to live with the veteran. To this end, it is the intent of your Committee to support the granting of priority issuance of visas to veterans' children with approved immigration petitions in order for the veterans to be reunited with their family members.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 18 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, none.

SCRep. 1045 Intergovernmental and Military Affairs on S.C.R. No. 38

The purpose of this measure is to grant the priority issuance of visas to Filipino veterans' children with approved immigration petitions.

Your Committee received testimony in support of this measure from the United Filipino Council of Hawaii, Asian American Network for Cancer Awareness Research and Training – Hawaii, Philippine Nurses Association - Hawaii, Nursing Advocates and Mentors, Inc., Oahu Filipino Community Council, Congress of Visayan Organizations, Filipino Coalition for Solidarity, and the National Federation of Filipino American Associations, Region 12. Oral testimony was given by World War II Filipino-American Veterans Association - Hawaii.

Your Committee finds that members of the Philippine Commonwealth Armed Forces and the Special Philippine Scouts were drafted into the United States Armed Forces by the Military Order of July 26, 1941, and from 1941-1946, tens of thousands of Filipino soldiers risked their lives assisting the United States Armed Forces in its campaign to liberate the Philippines.

Your Committee further finds that the Immigration Act of 1990 awarded citizenship to each veteran, but unfairly excluded the veterans' dependants by requiring each veteran to submit an immigrant petition with supporting affidavits requesting that the veterans' dependants be permitted to live with the veteran. To this end, it is the intent of your Committee to support the granting of priority issuance of visas to veterans' children with approved immigration petitions in order for the veterans to be reunited with their family members.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 38 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, none.

SCRep. 1046 Intergovernmental and Military Affairs on S.C.R. No. 47

The purpose of this measure is to request that the President of the United States and the United States Congress support the Filipino Veterans Equity Act of 2007.

Your Committee did not receive testimony regarding this measure.

Your Committee finds that the Filipino Veterans Equity Act of 2007 would consider certain service in the organized military forces of the Government of the Commonwealth of the Philippines and the Philippine Scouts to have been on active service for the purposes of benefits under programs administered by the Secretary of Veterans' Affairs. To this end, your Committee finds that qualified Filipino veterans who courageously fought along side America's Armed Forces in the Philippines during World War II should receive veterans' benefits and, therefore, urges the President of the United States and the United States Congress to support the passage of the Filipino Veterans Act of 2007.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 47 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, none.

SCRep. 1047 Intergovernmental and Military Affairs on H.B. No. 831

The purpose of this measure is to fund transportation costs associated with transporting the body of a World War II New Filipino Scout to the Philippines who is not eligible for interment in state or federal veterans cemeteries by authorizing the Office of Veterans' Services, at the request of a deceased World War II New Filipino Scout's survivor or an interested party, to receive, review, and, as appropriate, approve requests for payments for:

- (1) Providing funeral and burial services for a New Filipino Scout who died after June 30, 1994; and
- (2) Transporting the remains of a New Filipino Scout to the Philippines.

Your Committee received testimony in support of this measure from the Office of Veterans Services, Philippine Nurses Association – Hawaii, Filipino Coalition for Solidarity, Congress of Visayan Organizations, Hawaii Asian American Network for Cancer Awareness Research and Training, Oahu Filipino Community Council, Nursing Advocates and Mentors, Inc., World War II Filipino-American Veterans - Hawaii, and one individual.

Your Committee finds that there are tremendous costs associated with the funeral, burial, and transportation services for Filipino veterans, and that many families and friends of Filipino veterans cannot afford to pay for these activities in advance. Your Committee also finds that, under existing law, although the survivor or interested party responsible for the funeral and transportation costs of a qualified Filipino veteran would be eligible to receive a burial grant from the Office of Veterans' Services to defray such costs, the responsible person must produce an itemized, paid invoice of the services rendered in order to receive reimbursement. Because of these financial constraints, the bodies of some deceased veterans

cannot be properly buried until the deceased veteran's survivor or interested parties raise the necessary funds to pay the mortuary for funeral and other related services.

Your Committee amended this measure by expanding the application of the measure to all World War II Filipino veterans who are not eligible for interment in a state or federal veterans cemetery so that they may receive a burial grant from the Office of Veterans' Services.

It is the intent of your Committee to require the Office of Veterans' Services, at the request of a survivor or interested party of a deceased World War II Filipino veteran, to make payments directly to a mortuary or crematory for funeral and burial services, and to transport the remains to the Philippines upon submission of an itemized unpaid invoice.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 831, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 831, 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, none.

SCRep. 1048 Intergovernmental and Military Affairs on H.B. No. 613

The purpose of this measure is to change and clarify the composition of the Policy Advisory Board on Veterans' Services in order to reflect the changing regional demography of veterans in the State, particularly the increase of veterans residing in West Hawaii.

Specifically, this measure:

- (1) Increases the membership of the Board from seven to nine members;
- (2) Requires that, of the members:
 - (A) At least one member each shall reside in the county of Maui, county of Kauai, East Hawaii, and West Hawaii; and
 - (B) Four members shall reside in the City and County of Honolulu; and
- (3) Designates the Director for the Office of Veterans' Services as an ex-officio voting member of the Board.

Your Committee received testimony in support of this measure from the Director of the Office of Veterans' Services.

Your Committee finds that the number of veterans in the district of West Hawaii is increasing every year and in order to provide fair and necessary representation for these veterans, representation on the State Advisory Board on Veterans' Services should reflect this distinction. To this end, it is the intent of your Committee to ensure proper representation for all veterans that reside in the State by requiring a representative from West Hawaii to serve on the Advisory Board on Veterans' Services.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 613, 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, none. Excused, none.

SCRep. 1049 Intergovernmental and Military Affairs on S.C.R. No. 41

The purpose of this measure is to condemn the proposed fee increase by the United States Citizenship and Immigration Services and request a halt on the fee increase for all naturalization applications.

Your Committee did not receive testimony regarding this measure.

Your Committee finds that our Nation's and State's newcomers are making valuable contributions to the social, cultural, and economic life of the United States of America and the State of Hawaii.

Your Committee further finds that the United States Citizenship and Immigration Services proposed a sixty-seven per cent fee increase to begin the naturalization process, raising the fee from \$400 to \$675. This proposed fee increase would place a nearly insurmountable barrier in the path of many legal permanent residents who seek to naturalize.

Your Committee further finds that the United States Citizenship and Immigration Services' proposed fee increase is contrary to the spirit of our Nation's and State's tradition of welcoming and integrating immigrants, and sends legal permanent residents the wrong message at a time when they are seeking to embrace U.S. citizenship. To this end, it is the intent of your Committee to:

- (1) Condemn the proposed fee increase;
- (2) Request a halt on the fee increase for all naturalization applications;
- (3) Request that the United States Citizenship and Immigration Services to provide President George W. Bush and the United States Congress with accurate information in order to ascertain the amount of federal appropriations needed for the United States Citizenship and Immigration Services to modernize its operations and enhance its naturalization services, without raising the naturalization fee; and
- (4) Request that President George W. Bush and the United States Congress provide appropriations to supplement fee revenues to cover costs of major United States Citizenship and Immigration Services' expenses.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 41 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, none.

SCRep. 1050 Intergovernmental and Military Affairs on S.C.R. No. 40

The purpose of this measure is to provide funding for planning, design, and construction of a new State Emergency Operating Center.

Your Committee received testimony in support of this measure from the Director of Civil Defense, State Department of Defense.

Your Committee finds that emergency management is one of the most important and critical functions of state government.

Your Committee further finds that it is the intent of the Legislature to expand and improve Hawaii's emergency management operations by supporting the construction of a new State Emergency Operating Center.

Your Committee further finds that the State Civil Defense received federal funding in the amount of \$1.5 million to plan and design the State Emergency Operating Center. As such, your Committee amended this measure and its title by removing the references to the planning and design of the State Emergency Operating Center. It is the intent of your Committee to support the approval of funding for the construction of the State Emergency Operating Center in order to enhance Hawaii's emergency management capabilities.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 40, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 40, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, none.

SCRep. 1051 (Majority) Intergovernmental and Military Affairs on H.B. No. 149

The purpose of this measure is to provide relief to victims of the October 15, 2006, earthquake by establishing a one-time, non-refundable earthquake tax credit.

Your Committee received testimony in support of this measure from the Director of Civil Defense, State Department of Defense. Your Committee received comments regarding this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that many of the victims of the October 15, 2006, earthquake did not have earthquake insurance and the earthquake assistance provided to victims by the Federal Emergency Management Agency was not a sufficient amount to offset the repair and replacement costs of damaged property, causing many victims to pay for repair and replacement costs out of their own pockets. Therefore, it is the intent of your Committee to provide a one-time, non-refundable tax credit to victims who have unreimbursed losses as a result of the October 15, 2006, earthquake.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 149, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, 1 (Hemmings). Excused, none.

SCRep. 1052 Intergovernmental and Military Affairs on H.B. No. 1414

The purpose of this measure is to make an emergency appropriation to the Department of Taxation to address unbudgeted expenses incurred by the Department in implementing the administration of the county surcharge on State General Excise Tax.

Specifically, this measure appropriates \$5,000,000 for fiscal year 2006-2007, to the Department of Taxation to address these expenses.

Your Committee received testimony in support of this measure from the Department of Taxation and the City and County of Honolulu.

Your Committee finds that pursuant to the requirements set forth in Article VII, Section 9, of the Constitution of the State of Hawaii, the Governor, in Governor's Message No. 240 to the Legislature, requested immediate consideration and passage of this measure by the Legislature, citing an existing critical funding shortage.

Your Committee further finds that this measure provides funding in order to:

- (1) Assure that the City and County of Honolulu's county surcharge on State General Excise Tax is not adversely impacted; and
- (2) Ensure the ability to obtain federal funding of the City and County of Honolulu's mass transit project.

The intent of your Committee is to reimburse the Department of Taxation for unbudgeted and unfunded costs incurred in implementing and administering the City and County of Honolulu surcharge on State General Excise Tax.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1414, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, none.

SCRep. 1053 Intergovernmental and Military Affairs on H.B. No. 421

The purpose of this measure is to allow the counties to invest moneys in certain short-term investment instruments such as commercial paper and bankers' acceptances.

Your Committee received testimony in support of this measure from the Mayor of the County of Maui, Maui County Council, County of Kauai Department of Finance, County of Maui Department of Finance, County of Hawaii Department of Finance, and Central Pacific Bank.

Your Committee finds that this measure expands the short-term investment options for county moneys to include A-1/P-1 rated commercial paper and bankers' acceptances, which will provide the counties with the option to choose the most advantageous method to invest their moneys while ensuring safety of principal. To this end, it is the intent of your Committee to provide the counties with more flexibility regarding management of their short-term investment portfolio in order to maximize investment returns.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 421, 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, none.

SCRep. 1054 Intergovernmental and Military Affairs on H.B. No. 625

The purpose of this measure is to increase the State's preparedness for emergencies.

Specifically, this measure appropriates funds for the 2007-2008 fiscal year to the Department of Labor and Industrial Relations for a feasibility study for a Hawaii state emergency response training facility.

Testimony in support of this measure was submitted by the State Fire Council and the Honolulu Fire Department. Testimony in support of the intent of this measure was submitted by the state Department of Defense.

Your Committee finds that it is imperative that Hawaii's first responders, including the firefighters, law enforcement officers, conservation and resources enforcement officers, and others, are adequately trained and prepared to respond to natural and manmade disasters. Your Committee further finds that in order to be adequately prepared, Hawaii's emergency response agencies need a training center in the State to conduct trainings for a wide range of situations and safety related tasks.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 625, 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, none.

SCRep. 1055 Intergovernmental and Military Affairs on S.R. No. 20

The purpose of this measure is to provide funding for planning, design, and construction of a new State Emergency Operating Center.

Your Committee received testimony in support of this measure from the Director of Civil Defense, State Department of Defense.

Your Committee finds that emergency management is one of the most important and critical functions of state government.

Your Committee further finds that it is the intent of the Legislature to expand and improve Hawaii's emergency management operations by supporting the construction of a new State Emergency Operating Center.

Your Committee further finds that the State Civil Defense received federal funding in the amount of \$1.5 million to plan and design the State Emergency Operating Center. As such, your Committee amended this measure and its title by removing the references to the planning and design of the State Emergency Operating Center. It is the intent of your Committee to support the approval of funding for the construction of the State Emergency Operating Center in order to enhance Hawaii's emergency management capabilities.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs 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, 3. Noes, none. Excused, none.

SCRep. 1056 Tourism and Government Operations on H.B. No. 570

The purpose of this measure is to exempt from the general excise tax amounts received by the operator of the Hawaii Convention Center for reimbursement of costs or advances made pursuant to a contract with the Hawaii Tourism Authority.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority; Department of Business, Economic Development, and Tourism; Department of Taxation, and The Chamber of Commerce of Hawaii. Comments were received from the Tax Foundation of Hawaii.

Existing law requires that the general excise tax be imposed upon amounts received from any source, unless exempted by statute. Thus, the operator of the Hawaii Convention Center, a private entity on contract with the Hawaii Tourism Authority, must pay the general excise tax for revenue it receives as part of its contract. The moneys are paid out of the Convention Center Enterprise Special Fund. Your Committee finds that the moneys paid in general excise taxes by the private contractor could otherwise be applied to the operation and marketing of the Hawaii Convention Center. The amount of general excise taxes paid in 2006 was \$700,000, according to testimony. This is a substantial sum of money that, in effect, amounts to taking money from one government source and putting it in another of the same kind.

The intent of this measure is to relieve the inequity of what amounts to the State taxing itself for its own operations. The situation is distinguishable from the situation wherein a private entity is contracted by the State for services that are not provided by the State.

Your Committee has amended this measure by:

- (1) Placing the tax exemption in section 237-24.75, Hawaii Revised Statutes, rather than in section 237-24.7, Hawaii Revised Statutes, as your Committee believes that the exemption is more appropriately situated there;
- (2) Changing the effective date from July 1, 2025, to upon approval; and
- (3) Making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 570, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 570, H.D. 1, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Tsutsui).

SCRep. 1057 Tourism and Government Operations on H.B. No. 1277

The purpose of this measure is to repeal the attractions and educational facilities tax credit for the Ko Olina Resort and Marina and the Makaha Resort.

Testimony in opposition was received from the Department of Business, Economic Development, and Tourism; Department of Taxation; and Office of Planning. Comments were received from the Tax Foundation of Hawaii.

According to a *Honolulu Advertiser* article of January 18, 2007, the developer of the Ko Olina Resort and Marina revealed plans to cancel the building of an aquarium financed by tax credits, as enacted by Act 100, Session Laws of Hawaii 2003, codified as section 235-110.46, Hawaii Revised Statutes. Consequently, this measure would repeal the tax credit.

Your Committee finds that the Leeward Coast of Oahu has levels of poverty in excess of twenty per cent in each of the census tracts comprising this region. This condition has existed for over forty years despite the efforts of federal, state, and county programs to alleviate the suffering or reduce the numbers of individuals and families impacted.

Your Committee further finds that the development of Ko Olina and the continued strength of the State's visitor industry has expanded the need for affordable workforce housing and training to prepare for the State's future economic growth. Because of the success of Ko Olina, your Committee believes that the tax credits could be redesignated and used to serve and revive the Leeward Coast through affordable rental housing and visitor industry education and training opportunities within the region.

Accordingly, your Committee has amended this measure to add a Leeward Coast revitalization tax credit for affordable rental housing and educational and training facilities.

The intent of this measure, as amended, is to provide an economic stimulus to the development of the Leeward Coast, similar to the intent of Act 100, Session Laws of Hawaii 2003, which provided the Ko Olina Resort and Marina and Makaha Resort tax credit. Your Committee believes that, since the Ko Olina development has been established and plans for the aquarium have been abandoned, the revitalization of the Leeward Coast needs to be focused on affordable rental housing and educational and training projects, both of which would serve to revitalize the region and provide greater employment opportunities and a higher standard of living.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1277, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1277, H.D. 2, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Ayes with Reservations, 1 (Trimble). Noes, none. Excused, 1 (Tsutsui).

SCRep. 1058 Judiciary and Labor on Gov. Msg. No. 405

Recommending that the Senate consent to the nomination of the following:

INTERMEDIATE COURT OF APPEALS

G.M. No. 405 MARK E. RECKTENWALD, for a term of ten years

Your Committee finds that the nominee received an AB degree, magna cum laude with the highest honors in anthropology from Harvard University and a JD degree from the University of Chicago Law School. He was admitted to the Hawaii Bar in 1986 and clerked for the Chief United States District Judge Harold M. Fong for one year. In 1988-1991, the nominee worked at the law firm of Goodwill Anderson Quinn and Stifel as a litigation associate. The nominee then went to work at the United States Attorney's Office in Honolulu as a prosecutor in the criminal division from 1991-1997. In 1997, the nominee became a partner in the law firm of Marr Hipp Jones and Wang and specialized in labor and employment litigation. In 1999, the nominee went back to the United States Attorney's Office in Honolulu as an Assistant U.S. Attorney and served in both the civil and criminal divisions of that office until 2003. The nominee prosecuted wildlife crimes, fraud on financial institutions, tax fraud, investment scams, and other fraud cases. In the civil division, the nominee handled cases in which the government sought and negotiated settlements a number of health care fraud cases. The nominee became the Director of the Department of Commerce and Consumer Affairs in 2003 and is currently in that position.

Your Committee inquired of the Office of Disciplinary Counsel as to whether there were any grievances or complaints filed against the nominee and finds that there were no grievances or complaints filed with that office.

Your Committee finds that the Board of Directors of the Hawaii State Bar Association found the nominee to be highly qualified for the position of Chief Judge of the Intermediate Court of Appeals.

Your Committee received testimony in support, upon a request from your Committee for information on the nominee, from the Chief United States District Court Judge and three other United States District Court judges from the Hawaii District. Your Committee also received testimony in support of the nominee from the United States Attorney, the Attorney General, State of Hawaii Organization of Police Officers, the Hawaii Government Employees Association, Hawaii Medical Association, Hawaii Building and Construction Trades Council, Hawaii Financial Services Association, Kaunakapili Church, Big Island Toyota, First Hawaiian Bank, Hidano Construction, Laborers' Union Local 368, Hawaii State Teachers Association, Hawaiian Electric Company, Building Industry Association-Hawaii, Retail Merchants of Hawaii, Government Employees Insurance Company, Chamber of Commerce of Hawaii, 31 attorneys, and numerous citizens.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, 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, 5. Noes, none. Excused, none.

SCRep. 1059 (Majority) Judiciary and Labor on Gov. Msg. No. 404

Recommending that the Senate not consent to the nomination of the following:

CIRCUIT COURT OF THE FIRST CIRCUIT

G.M. No. 404 GLENN J. KIM, for a term of ten years

Your Committee finds that Glenn J. Kim received a B.A. and J.D. from the University of Hawaii, and an A.M. and Ph.D from Harvard University. He has been a Deputy Prosecuting Attorney for the City and County of Honolulu since 1993, and currently serves as a felony trial

attorney in Career Criminal and Domestic Violence Units, and Supervisor of the Domestic Violence Misdemeanor and Felony Units. He previously served as Law Clerk to Hawaii Supreme Court Chief Justice Ronald T.Y. Moon, Defender Intern at the Office of the Public Defender, State of Hawaii, Judicial Extern for Judge Alan C. Kay, U.S. District Court of the District of Hawaii, an Assistant Professor of English at the University of Hawaii and a Lecturer on History and Literature at Harvard University. During service with the U.S. Army in Vietnam, he was awarded the Bronze Star Medal. He has received numerous academic awards and honors, including the Carl K. Mirikitani Valedictory Prize for graduating first in his law school class.

The nominee is a member of the Hawaii State Bar Association (HSBA).

Your Committee received testimony in support of the nominee from the Attorney General, the Office of the Prosecuting Attorney, as well as other attorneys and individuals. Your Committee received testimony in opposition to the nominee. Your Committee also received oral testimony in opposition to the nominee from a former prosecutor subpoenaed to appear and testify under oath. The HSBA also submitted comments.

The Board of Directors of the HSBA found the nominee to be "qualified" for the position of Judge, Circuit Court of the First Circuit. The nominee was asked to submit a resume, respond to a questionnaire, and appear before the HSBA Board to answer questions. The criteria for judicial qualification ratings include integrity and diligence, legal knowledge and ability, professional experience, judicial temperament, financial responsibility, public service, and health. The HSBA President declined to describe how the HSBA Board found the nominee "qualified" rather than "highly qualified."

Testimony in support of the nominee described him as a top-notch courtroom litigator, who is intelligent, insightful, dedicated, compassionate, and committed to public service. Testimony in opposition to the nominee reflected a perception that the nominee was undermining, disrespectful, condescending and abusive in dealings with others, particularly subordinates who were women.

Your Committee finds that the people of Hawaii must have the utmost faith in the judicial system. In reaching this very difficult decision to reject the nomination, your Committee focused on the issue of judicial temperament. Among other character traits and according to HSBA guidelines, "judicial temperament" includes common sense, compassion, humility, temperance, open-mindedness, impartiality, patience, tact, understanding, freedom from bias, and commitment to equal justice under the law. In testimony before your Committee, the nominee "categorically denied" conduct alleged by his detractors, and insisted he had "never" engaged in the behavior they described. Your Committee is very concerned about the nominee's capacity to acknowledge and consider the views that differed from his own. Your Committee finds this to be most troubling. Moreover, your Committee was also very concerned about the zeal with which some of the nominee's supporters sought to discredit the voices of dissent.

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, recommends that the Senate not consent to the nomination.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 2 (Inouye, Gabbard). Excused, none.

SCRep. 1060 Commerce, Consumer Protection and Affordable Housing on H.B. No. 92

The purpose of this measure is to promote the fair application of the general excise tax by allowing securities professionals to pay the general excise tax only on their respective share of commissions divided among a number of persons.

Your Committee received testimony in support of this measure from Brookstreet Securities Corporation; Linsco/Private Ledger Corp.; SunAmerica Securities, Inc.; the National Association of Insurance and Financial Advisors; and two individuals. The Department of Taxation and the Hawaii Tax Foundation submitted comments on this measure.

The Department of Taxation submitted testimony that the fiscal impact of this measure, if implemented immediately, would be a revenue loss of \$1,400,000 annually. The Department of Taxation did not provide the method in which it calculated the fiscal impact of this measure.

Testimony submitted by the National Association of Insurance and Financial Advisors testified that the fiscal impact of this measure would be a revenue loss of between \$400,000 and \$1,000,000 annually. The National Association of Insurance and Financial Advisors did not provide the method in which it calculated the fiscal impact of this measure.

Your Committee finds that where two or more securities professionals share compensation, each should only be required to pay taxes on their respective portions, rather than on the entire compensation.

The intent of this measure is to add securities professionals, such as brokers, dealers, salespersons, and investment advisors, to the list of persons in section 237-18, Hawaii Revised Statutes, who are only required to pay general excise tax on the portion of compensation they retain individually, rather than on the whole compensation received.

Your Committee has amended this measure to change the effective date to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 92, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 92, H.D. 1, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Ihara).

SCRep. 1061 (Majority) Commerce, Consumer Protection and Affordable Housing on H.B. No. 252

The purpose of this measure is to curb speculative residential homes sales by increasing the conveyance tax rates for sales of condominiums or single family residences where the purchaser is ineligible for a county homeowner's property tax exemption.

Your Committee received testimony in support of this measure from the Nature Conservancy of Hawaii, the Trust for Public Land, and the Sierra Club-Hawaii. Testimony in opposition to this measure was submitted by the Department of Taxation; the Hawaii Association of Realtors; the National Federation of Independent Business; Wyndham Vacation Ownership, Inc.; and one individual. The Hawaii Tax Foundation submitted comments.

The Department of Taxation testified that this measure would result in a revenue gain to the general fund of less than \$565,620. The Department of Taxation did not provide testimony as to the method used in determining the fiscal impact of this measure.

Your Committee finds that certain percentages of the conveyance tax are paid to the Land Conservation Fund, the Natural Area Reserve Fund, and the Rental Housing Trust Fund. This measure will increase the conveyance tax rate and create more revenue to support these recipients. In addition, since the conveyance tax increase would only apply to dwelling sales for which the purchaser is ineligible for a county homeowner's property tax exemption, the tax increase would help curb speculative investment in residential property, thereby potentially resulting in more stable and affordable dwelling prices.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 252, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Ayes with Reservations, 1 (Espero). Noes, 1 (Slom). Excused, 2 (Ige, Ihara).

SCRep. 1062 (Majority) Commerce, Consumer Protection and Affordable Housing on H.B. No. 1002

The purpose of this measure is to reduce speculative investment in real property and increase affordable housing by establishing an anti-speculation capital gains tax, which is to be deposited into the Rental Housing Trust Fund.

Subject to certain exceptions, this measure creates a tax of sixty per cent of the capital gains tax owed if the real property is held by the seller for less than six months, thirty per cent of the capital gains tax owed if the real property is held by the seller for more than six months but less than twelve months, and fifteen per cent of the capital gains tax owed if the real property is held for more than twelve months and less than twenty-four months.

Your Committee received testimony in support of this measure from the Hawaii County Planning Department. The Department of Taxation, the Hawaii Association of Realtors, the National Federation of Independent Businesses, and two individuals submitted testimony in opposition. The Tax Foundation of Hawaii submitted comments.

The Department of Taxation did not provide testimony as to the fiscal impact of this measure.

Your Committee finds that the intent of this measure is to deter real estate speculation by creating an anti-speculation capital gains tax, which will be deposited into the Rental Housing Trust Fund to assist with increasing the inventory affordable rental housing in the State.

Your Committee has amended this measure by:

- (1) Changing the basis of the percentages of taxes owed from capital gains tax owed to a percentage of the actual capital gain;
- (2) Removing the inclusion of unimproved land from the types of properties subject to the anti-speculation capital gains tax;
- (3) Exempting the sale of residential property in which the owner has made a substantial investment in physical improvements and infrastructure;
- (4) Adding an exemption for residential property acquired from a decedent, as provided in section 1014(b) of the Internal Revenue Code;
- (5) Adding an exemption for the sale of unimproved land;
- (6) Changing the effective date to promote further discussion; and
- (7) Making technical, nonsubstantive changes for the purposes of clarity and to comply with preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1002, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1002, H.D. 2, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Ayes with Reservations, 1 (Espero). Noes, 1 (Slom). Excused, 2 (Ige, Ihara).

SCRep. 1063 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1096

The purpose of this measure is to assist low- and moderate-income taxpayers with purchasing a principal residence in sustainable affordable housing developments by providing qualified buyers with an income tax credit in an amount up to twenty per cent of the buyer's annual mortgage interest payment.

Your Committee received testimony in support of this measure from the Hawaii Association of Realtors and UniDev Hawaii, L.L.C. The Department of Taxation submitted testimony in opposition to this measure. The Tax Foundation of Hawaii submitted comments.

The Department of Taxation submitted testimony that the implementation of this measure would result in a revenue loss of approximately \$800,000. The Department of Taxation did not provide the method used to calculate the fiscal impact of this measure.

Your Committee recognizes that the State is undergoing a housing crisis and finds that the intent of this measure is to provide home ownership opportunities for low- and moderate-income taxpayers by establishing an income tax credit to lessen the financial burden of a mortgage.

Your Committee notes that UniDev Hawaii, L.L.C. has provided proposed amendments to this measure and on passing this measure out, your Committee asks that the Committee on Economic Development and Taxation consider the amendments proposed by UniDev Hawaii, L.L.C.

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 Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1096, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1096, H.D. 1, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Ige, Ihara).

SCRep. 1064 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 902

The purpose of this measure is to achieve long-term agricultural viability and use of important agricultural lands by creating an incentive for farmers to designate their lands as important agricultural lands.

Specifically, this measure:

- (1) Creates a nonrefundable tax credit that grants a one hundred per cent credit for qualified agricultural costs incurred in Hawaii during the taxable year;
- (2) Reduces the tax credit by the amount of funds received by an agricultural business during the taxable year from the Irrigation Repair and Maintenance Special Fund under section 167-24, Hawaii Revised Statutes;
- (3) Appropriates an unspecified amount to the Department of Taxation for the costs to administer the Important Agricultural Land Agricultural Business Tax Credit; and
- (4) Appropriates an unspecified amount to the Department of Agriculture for the costs to administer the Important Agricultural Land Agricultural Business Tax Credit.

Testimony in support of this measure was submitted by the Department of Agriculture; the Agribusiness Development Corporation; Alexander and Baldwin, Inc.; the Hawaiian Commercial and Sugar Company; the Kauai Coffee Company, Inc.; the Hawaii Farm Bureau Federation; the Maui County Farm Bureau; the Hawaiian Electric Company; the Maui Electric Company, Ltd.; the Hawaii Electric Light Company, Inc.; the Hawaii Agriculture Research Center; the Hawaii Crop Improvement Association; and the Land Use Research Foundation of Hawaii. Testimony in opposition to this measure was submitted by one individual. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

In 2005, the Legislature enacted Act 183, Session Laws of Hawaii 2005, to preserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency, and assure the availability of agriculturally suitable lands. Furthermore, the Legislature acknowledged that agricultural viability is a vital component of a diversified agricultural industry, and established a process to identify incentives to encourage farmers and landowners to designate their lands as important agricultural lands. Your Committee finds that establishing a tax credit incentive program for agricultural businesses on important agricultural lands will assist in enhancing the agricultural viability on important agricultural lands.

Of particular note, your Committee received a fiscal impact statement from the Department of Taxation that this measure, if passed, would result in a revenue loss to the State of approximately \$27,800,000. However, the fiscal impact statement submitted did not specify the methodology by which the fiscal impact was calculated or whether the stated amount was calculated as a one-time loss or on an annual basis.

The Department of Taxation indicated to your Committee that the tax credit should only be limited to costs associated with important agricultural lands. The only connection between the tax credit and important agricultural land is that more than fifty per cent of the land the agricultural business owns, leases, or uses is important agricultural land. Thus, a qualified taxpayer could claim a tax credit for costs associated with land that is not important agricultural land as long as more than fifty per cent of the agricultural business' land is important agricultural land. Your Committee believes this concern merits further discussion by the Committee on Economic Development and Taxation and the Committee on Ways and Means.

Accordingly, your Committee has amended this measure by:

- (1) Adopting similar language in S.B. No. 1221, S.D. 1, that also establishes an Important Agricultural Land Agricultural Business Tax Credit;
- (2) Adopting the suggestion made by Alexander and Baldwin, Inc. by deleting any references in this measure that may infer that the tax credit establishes sufficient incentives and protections to authorize the Land Use Commission to start designating lands as important agricultural lands pursuant to section 9, Act 183, Session Laws of Hawaii 2005;
- (3) Adopting the suggestions made by the Agribusiness Development Corporation by:
 - (A) Transferring the administrative responsibilities from the Agribusiness Development Corporation to the Department of Agriculture as the Development Corporation believes that the Department is better staffed and experienced to handle these tasks;
 - (B) Clarifying that the written statement that a taxpayer claiming the tax credit is required to submit to the Department of Agriculture will be certified by the Department; and
 - (C) Clarifying that agricultural processing facilities include facilities that treat, wash, handle, or package agricultural products;
- (4) Changing the effective date of this measure from July 1, 2020, to taxable years beginning after December 31, 2006, for the tax credit and July 1, 2007, for the appropriations to the Department of Taxation and the Department of Agriculture; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to achieve the long-term agricultural viability and use of important agricultural lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 902, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 902, H.D. 2, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hee).

SCRep. 1065 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Transportation and International Affairs on H.B. No. 250

The purpose of this measure is to meet the critical demand for state harbor infrastructure projects, expansion, and upgrades by establishing a formal partnership between the Aloha Tower Development Corporation and the Department of Transportation that will allow the Aloha Tower Development Corporation to assist in selected harbor projects throughout the State.

Specifically, this measure amends chapter 206J, Hawaii Revised Statutes, by adding a new section that:

- (1) Allows the Aloha Tower Development Corporation to undertake projects for commercial harbors under the jurisdiction of the Department of Transportation;
- (2) Requires that any payments made by the Department of Transportation to the Aloha Tower Development Corporation for the Development Corporation's administrative and operational expenses are deposited into the Aloha Tower Fund, under a designated sub-account for the particular harbor project;
- (3) Subjects the Aloha Tower Development Corporation to legislative approval on a project-by-project basis for the funding of and participation in harbor projects; and
- (4) Requires the Aloha Tower Development Corporation to apply any revenues derived from commercial development projects in the area seaward of Nimitz Highway between Pier 4 and the Honolulu International Airport, subject to existing contractual and statutory commitments to the Department of Transportation, to defray the cost of harbor infrastructure improvements incurred within the State.

Testimony in support of this measure was submitted by the Department of Transportation; the Aloha Tower Development Corporation; Alexander and Baldwin, Inc.; Matson Navigation Company; the Hawaii Harbor Users Group; the Maritime Consultants of the Pacific; and the Chamber of Commerce of Hawaii.

The State imports approximately eighty per cent of all of its goods, and of that percentage, ninety-eight per cent of these goods arrive into Hawaii through the State's commercial harbor system. If the capacity of the state harbors is constrained, adverse statewide economic effects will be experienced, including a shortage of essential goods, delays in the delivery of goods, and an increase in costs.

Although the Department of Transportation and harbor users anticipated an increase in the overall volume of cargo processed through Hawaii's commercial harbor system, the actual growth in activity has occurred at a faster rate than projected, thus, requiring the State to accelerate its efforts in implementing projects to redevelop existing harbor facilities and provide expansion for harbor use. The Department of Transportation is unable to effectively meet this increased demand because its Harbors Division is focused primarily on the essential daily management and operations of the commercial harbor system rather than on development, and there is a lack in funding to support these costly improvement projects.

Your Committees find that a failure to resolve issues relating to the expansion of state commercial harbors will eventually limit the growth in the State's economy. Thus, permitting the Department of Transportation to establish a partnership with the Aloha Tower Development Corporation will enable the Department to more quickly expand the use of the State's commercial harbors and improve the infrastructure of the harbors.

Your Committees were concerned with the broad scope of this measure applying to all state harbors. Although your Committees recognize that the harbors on the neighbor islands are also in need of expansion and improvement, your Committees believe that it is a misnomer for the Aloha Tower Development Corporation to assist in projects other than projects for Honolulu Harbor.

Instead, your Committees request that the Department of Transportation develop an alternative recommendation for the necessary assistance in projects for other harbor facilities. Furthermore, your Committees request that the Department submit a report to the Legislature with a prioritized list of harbor facilities that are in most dire need of expansion or improvement, and provide the scope of the improvements envisioned with the estimated costs of these improvements.

Accordingly, your Committees have amended this measure by adopting similar language from S.B. No. 1361, S.D. 1, that:

- (1) Deletes section 1 of this measure and adds language from section 1 of S.B. No. 1361, S.D. 1;
- (2) Narrows the scope of the measure from including all commercial harbors to only Honolulu Harbor;
- (3) Clarifies that the authorization for funding and participation of the Aloha Tower Development Corporation in Honolulu Harbor projects are subject to legislative approval, subject to any terms, conditions, or limitations enacted by the Legislature; provided that the projects only apply to Honolulu Harbor;
- (4) Deletes references made to revenues derived from commercial development projects in the area seaward of Nimitz Highway between Pier 4 and the Honolulu International Airport to be used to defray improvement costs, and adds a reference to revenues derived from commercial development projects in the Aloha Tower project area;
- (5) Deletes the effective date of July 1, 2020, and adds language that makes this measure effective upon approval; and
- (6) Makes technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committees believe that this measure, as amended, fulfills the intent of this measure, which is to meet the critical demand for state harbors use and expansion.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 250, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 250, 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 (Hee, Hooser, Taniguchi, Tsutsui).

The purpose of this measure is to provide support to the Department of Education's Food Distribution Program through the establishment of a revolving fund, which would be sustained through revenues generated from administrative fees for services rendered by state contracted warehouses for the distribution of federal commodity foods to recipient agencies.

Testimony in support 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.

Your Committee finds that commodity foods are provided by the Department of Education to agencies, including public schools, private schools, and other state institutions, that participate in the National School Lunch Program. These commodity foods are stored in warehouses within the State. Currently, the Department of Education is prohibited from using federal funds for fees associated with state contracted warehouses for the storage of commodity foods. Your Committee determines that the costs associated with the warehouse charges are becoming increasingly large, thereby necessitating a means by which they can be paid separate from passing along the cost to the recipient agencies.

This measure establishes a revolving fund into which fees collected for, interest earned on, and other moneys associated with the Department of Education's Food Distribution Program may be deposited and utilized to allow the program to become self-sustaining. The Senate previously heard a Senate measure, Senate Bill No. 94, S.D. 1, similar to this measure and believes that its provisions are appropriate for achieving the intent of this measure.

Accordingly, your Committee has amended this measure by including the provisions of Senate Bill No. 94, S.D. 1, which make the following changes to this measure:

- (1) Appropriates the specific sum of \$2,000,000 for each fiscal year of the 2007-2009 biennium from the Food Distribution Program Revolving Fund;
- (2) Changes the effective date of the Act from July 1, 2020, to July 1, 2007; and
- (3) Makes technical, nonsubstantive amendments for 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. 13, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 13, 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 (Hee, Nishihara).

SCRep. 1067 Education on H.B. No. 18

The purpose of this measure is to authorize the Hawaii Teacher Standards Board to suspend its rules when extenuating circumstances require and to amend licensing-related fees and set or amend other charges related to the performance of its duties.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii, the Hawaii State Teachers Association, and the Hawaii Teacher Standards Board.

Your Committee finds that the Legislature, pursuant to Act 312, Session Laws of Hawaii 2001, authorized the Hawaii Teacher Standards Board, among other things, to issue, renew, revoke, suspend, and reinstate teacher licenses in Hawaii. Your Committee further finds that the Hawaii Teacher Standards Board has represented that it has encountered great difficulty with respect to situations that arise that require the suspension of its rules in the interest of expeditious and effective operations. However, the law does not currently provide the Hawaii Teacher Standards Board with the authority to suspend its rules at any time, even if to do so would assist the Hawaii Teacher Standards Board in its ability to perform its duties.

This measure authorizes the Hawaii Teacher Standards Board greater authority over its operations by allowing it to suspend its rules and set and amend fees and charges related to its duties and functions. Your Committee believes that this measure will assist the Hawaii Teacher Standards Board in effectively and efficiently executing its duties and functions. Your Committee previously heard a Senate measure, Senate Bill No. 100, S.D. 1, which is similar to this measure and which addresses concerns raised by the Hawaii Teacher Standards Board regarding the applicability of chapter 92, Hawaii Revised Statutes.

Accordingly, your Committee has amended this measure by inserting the provisions of Senate Bill No. 100, S.D. 1, which change this measure as follows:

- (1) Allows the Hawaii Teacher Standards Board, in accordance with chapter 92, Hawaii Revised Statutes to:
 - (A) Temporarily suspend its rules; and
 - (B) Amend licensing related fees and set or amend other charges related to the performance of its duties; and
- (2) Changes the effective date to July 1, 2050, with a repeal date of July 1, 2009, to facilitate further discussion on the 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. 18, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 18, 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 (Chun Oakland, Hee, Nishihara).

SCRep. 1068 Economic Development and Taxation on H.B. No. 1411

The purpose of this measure is to amend Hawaii's income tax law to conform with changes to the Internal Revenue Code.

Testimony in support of this measure was received from the Department of Taxation (Department). The Tax Foundation of Hawaii submitted comments.

Your Committee received a fiscal impact statement from the Department that the measure will reduce income tax revenues at an annual rate of about \$1,500,000 in fiscal year 2008.

Your Committee notes the Tax Foundation's comments regarding the effective date of this measure, which is upon approval, but does not specify the applicable taxable year. Tax changes for Hawaii are usually adopted for a tax year to ensure compliance and simplicity. This year, however, there were five congressional income tax enactments, four of which contained a number of amendments and many retroactive and prospective effective dates.

In addition, your Committee recognizes that section 235-2.5(a)(3), Hawaii Revised Statutes, addresses retroactive provisions in federal public laws, recognizing that the retroactive dates in the federal Internal Revenue Code shall be operative. However, changes in federal laws in 2006 contained so many and varied effective dates that your Committee has ensured their adoption by placing language in the effective date to state clearly that those retroactive and prospective dates are operative for Hawaii. In addition, your Committee has made technical, nonsubstantive amendments to conform the measure to preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1411, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1411, 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. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (English).

SCRep. 1069 (Majority) Economic Development and Taxation on H.B. No. 1414

The purpose of this measure is to authorize an emergency appropriation for the costs incurred in administering the county surcharge on state general excise tax.

Testimony in support of this measure was submitted by the Department of Taxation (Department) and the City and County of Honolulu Department of Budget and Fiscal Services.

Your Committee previously heard S.B. No. 1500, which is a companion to this measure.

Your Committee has heard the concerns of the Department regarding additional anticipated expenditures, which would raise the emergency appropriation from the original request of \$4,500,000 to \$5,000,000. However, the Department has not submitted any information detailing these costs. Until that information is received, your Committee has amended this measure by:

- (1) Reducing the appropriation from \$5,000,000 to \$4,500,000; and
- (2) Changing the expenditure ceiling percentage from 0.093 to 0.084 to reflect the change.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1414, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.B. No. 1414, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, 1 (Slom). Excused, none.

SCRep. 1070 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Intergovernmental and Military Affairs on H.B. No. 38

The purpose of this measure is to ensure the continued public safety at state and county recreational areas by repealing certain sunset dates of laws that provide the state and county governments with liability protection for public use of certain state and county recreational areas.

Specifically, this measure:

- (1) Repeals the sunset date of Act 190, Session Laws of Hawaii 1996; and
- (2) Repeals the sunset date of Act 170, Session Laws of Hawaii 2002.

Testimony in support of this measure was submitted by the Department of the Attorney General; the Department of Land and Natural Resources; the Mayor, County of Hawaii; the Mayor, County of Maui; the Department of the Corporation Counsel, City and County of Honolulu; the Department of the Corporation Counsel, County of Maui; the Honolulu Emergency Services Department, City and County of Honolulu; the Department of Parks and Recreation, County of Hawaii; the Hawaii Fire Department, County of Hawaii; the Kauai Fire Department, County of Kauai; the Hawaii State Association of Counties; the State Fire Council; the Honolulu Fire Department; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the Hawaiian Lifeguard Association; and one individual. Testimony in opposition to this measure was submitted by the Consumer Lawyers of Hawaii.

Millions of residents and visitors use Hawaii's public beaches and parks for recreational purposes on a yearly basis. Unfortunately, drownings and other serious injuries have occurred due to these recreational activities, which leave the counties and State with the task of dealing with any liability that may arise from the injuries and any resulting lawsuits.

In response to this problem, the Legislature enacted Act 190, Session Laws of Hawaii 1996, to establish a process by which a legally adequate warning system could be developed at public beach parks. As a result of Act 190, public warning signs were designed and made more uniform throughout the State. Furthermore, Act 190 also provided the State and counties with protection from potentially unlimited liability for incidents occurring in the ocean. In 2002, the Legislature enacted Act 170, Session Laws of Hawaii 2002, to provide liability protection for lifeguard services on the beach and in the ocean, except for gross negligence, wanton acts, or omissions. Act 170 created a climate in which lifeguard services could be provided by the counties with less fear of unlimited liability, thus, further ensuring public safety.

Your Committees find that liability protections can reduce the exposure of the state and county governments to substantial damages, and, as a result, can enable the state and county governments to keep recreational areas with potentially dangerous conditions open to the public. Furthermore, an effective warning sign system can promote public safety by informing users of the recreational areas of potentially dangerous conditions.

It was indicated to your Committees that Act 82, Session Laws of Hawaii 2003, was deleted from this measure. Act 82 established a risk assessment group to review the design and placement of warning signs to provide the State and counties protection from liability arising out of recreational activities on public lands. The sunset date of Act 82 is June 30, 2008.

Your Committees recognize, however, that the repeal dates under Act 190, Session Laws of Hawaii 1996, and Act 170, Session Laws of Hawaii 2003, have been extended under previous legislation. The Consumer Lawyers of Hawaii indicated to your Committees that sunset dates were written into all three Acts to allow for the opportunity to collect sufficient data to be presented to the Legislature so that its members could make a reasonable and informed decision as to whether these laws work and continue to work in the way that was intended by the Legislature. The Consumer Lawyers of Hawaii indicated that there is currently a lack of sufficient data that indicates the effectiveness and adequacy of these laws. Furthermore, with respect to the warning signs for public recreational areas, the warning signs have not been finalized and approved by the Board of Land and Natural Resources. Thus, your Committees further find that more time is needed to assess the adequacy and effectiveness of Act 190, Session Laws of Hawaii 1996; Act 170, Session Laws of Hawaii 2002; and Act 82, Session Laws of Hawaii 2003, before these laws become permanent.

Accordingly, your Committees have amended this measure by adopting language similar to the language in S.B. No. 1603, S.D. 1, to:

- (1) Add Act 83, Session Laws of Hawaii 2003, and extend its sunset date to June 30, 2010;
- (2) Extend the sunset date of Act 190, Session Laws of Hawaii 1996, to June 30, 2010;
- (3) Extend the sunset date of Act 170, Session Laws of Hawaii 2002, to June 30, 2010;
- (4) Create a task force to:
 - (A) Collect data on and examine the effectiveness of providing lifeguards conditional liability protection for lifeguard services at state beach parks;
 - (B) Collect data on and examine the effectiveness and adequacy of warning signs at public beach parks, and protecting the State and counties from unlimited liability with regard to activities in the ocean and at public beaches;
 - (C) Collect data on and examine the effectiveness and adequacy of warning signs at public recreational lands, and protecting the State and counties from unlimited liability arising out of recreational activities on public lands; and
 - (D) Submit a written report of its findings and recommendations, including any proposed legislation, to the Legislature prior to the 2008 Regular Session; and
- (5) Insert June 29, 2007, as the effective date of this measure; and
- (6) Make technical, nonsubstantive amendments for the purposes of consistency and style.

Your Committees believe this measure, as amended, fulfills the intent of this measure, which is to ensure the continued safety at state and county beaches and recreational areas.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 38, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 38, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

SCRep. 1071 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 400

The purpose of this measure is to assist in the planning and implementing of a long range plan that will help Hawaii's agricultural industry achieve self-sufficiency during times of drought.

The measure accomplishes this purpose by appropriating funds for each county to adequately implement drought mitigation strategies and plans.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources; the Department of Agriculture; two Council Members, County of Maui; the Department of Water, County of Kauai; the Hawaii Farm Bureau Federation; the Maui County Farm Bureau; the Hawaii Agricultural Research Center; and the Hawaii Crop Improvement Association.

The effects of droughts can be devastating for Hawaii agricultural producers. Droughts can last for years and during that time, crop yields can fall dramatically and farms can close. In addition to agriculture and livestock industries, droughts affect water supply, commerce, the environment, and public health.

The Hawaii Drought Plan and the County Drought Mitigation Strategies identify and recommend the implementation of drought mitigation actions, subject to available funding. These drought mitigation strategies were developed in consultation with key stakeholders who participated as representative members on each respective local county drought committees. The county committees identified and prioritized projects to help reduce the impact of droughts in their communities. Your Committee finds that an appropriation of funds will signal the importance of these projects and assist in the implementation of the drought strategies and plans in each county.

Your Committee has amended this measure by:

- (1) Adding a new part to this measure and adopting the language in S.B. No. 1941, S.D. 1, that appropriates \$11,000,000 in general obligation bonds to be deposited into the Irrigation Repair and Maintenance Special Fund for repair and maintenance of irrigation systems in East Kaua'i, Waimanalo, Moloka'i, Upcountry Maui, Ka'u, Honomalino, Wahiawa, and other privately-owned irrigation systems on former sugarcane and pineapple plantation lands that have been converted to diversified agriculture;
- (2) Changing the effective date of this measure from July 1, 2020, to effective upon approval; and
- (3) Making technical, nonsubstantive changes for the purposes of style and consistency.

Your Committee believes that this measure, as amended, fulfills the purpose of this measure, which is to assist in the planning and implementing of a long range plan that will help Hawaii's agricultural industry.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 400, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 400, 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, 1 (Hee).

SCRep. 1072 Energy and Environment on H.B. No. 506

The purpose of this measure is to minimize Hawaii's dependence on fossil fuels. This measure accomplishes this goal by extending the existing ethanol production facilities tax credit an additional five years to allow more market participants to construct qualifying facilities.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Alexander & Baldwin, Inc. The Department of Taxation and the Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that Hawaii's future depends on energy independence. This measure is a step in that direction, protecting consumers from artificially high fuel prices and promoting alternative energy production.

Your Committee amended this measure by changing the effective date from July 1, 2020, to July 1, 2050, to encourage further discussion.

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. 506, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 506, H.D. 1, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Ayes with Reservations, 1 (Trimble). Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 1073 Energy and Environment on H.B. No. 871

The purpose of this measure is to encourage the use of renewable energy to reduce Hawaii's dependence on fossil fuels.

The measure accomplishes this purpose by enabling Seawater Air Conditioning District Cooling Systems businesses to qualify under the State's enterprise zone program.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; the Department of Taxation; Honolulu Seawater Air Conditioning, LLC; the Hawaii Energy Policy Forum; the Hawaii Science and Technology Council; the Hawaii Renewable Energy Alliance; and the Environmental Center of the University of Hawaii at Manoa. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that by enabling businesses that produce air conditioning from a seawater air conditioning district cooling system to be eligible for the enterprise zone program will further the State's goal of reducing the use of fossil fuels and dependence on foreign oil. The enterprise zone program attracts businesses such as this by providing tax incentives and bonds for relocation to the specified zone.

Your Committee amended this measure by changing the effective date from July 1, 2020, to July 1, 2025, to encourage further discussion.

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. 871, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 871, H.D. 1, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 1074 Energy and Environment on H.B. No. 1289

The purpose of this measure is to ensure that the tax incentive created to promote the installation of renewable energy technology systems in Hawaii serves the intended goal of reducing Hawaii's dependence on fossil fuels.

This measure attempts to accomplish this goal by requiring that the renewable energy technology systems tax credit may only be claimed for systems that are installed in Hawaii.

Your Committee received testimony in support of this measure from Hawaii Renewable Energy Alliance and the Hawaii Energy Policy Forum. The Department of Taxation submitted testimony in support of the intent of this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that the original intent and purpose of the renewable energy technology systems tax credit was to protect Hawaii's environmental resources and to foster the State's independence from fossil fuels.

Your Committee amended this measure by adopting the Department of Taxation's recommendation to include the amendments made in S.B. No. 1222, S.D. 3, for clarification and which accomplishes the same goal as this measure.

Your Committee amended this measure by making technical, non-substantive changes for the purposes of consistency 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 H.B. No. 1289, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1289, H.D. 2, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 1075 (Joint) Economic Development and Taxation and Intergovernmental and Military Affairs on H.B. No. 1256

The purpose of this measure is to clarify that an appeal to the Tax Appeal Court from a Board of Review decision, or the decision of an equivalent county administrative body, must be served on the Director of Taxation or the county administrator of real property tax assessments within thirty days of the date of the final assessment to properly confer jurisdiction over the appeal.

Testimony in support of this measure was received from the Department of the Attorney General, Department of Taxation, and City and County of Honolulu Department of Budget and Fiscal Services.

Your Committees find that this measure is a companion to S.B. No. 1342, S.D. 2, heard previously by your Committees.

Your Committees have incorporated the recommendations made by the three departments in their testimonies and have amended this measure accordingly, by:

- (1) Changing all references to the “county administrator of real property tax assessments” to the “real property assessment division of the county involved”;
- (2) Adding a reference to the Director of Taxation in section 232-17, Hawaii Revised Statutes; and
- (3) Making a technical amendment to conform the measure to preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1256, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1256, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 2 (English, Hemmings).

SCRep. 1076 Economic Development and Taxation on H.B. No. 567

The purpose of this measure is to require the Department of Accounting and General Services to conduct a study to determine the cost of developing an all-purpose motor sports facility on Oahu, including acquisition of land, construction, and costs of start-up, maintenance, and operation.

Testimony in support of the intent of this measure was received from the Department of Accounting and General Services (Department) and the Waikiki Neighborhood Board No. 9.

Your Committee has heard the Department’s concern that a study alone is likely to delay any solution to the increase in street racing incidents since the closure of Oahu’s previous racing facility.

Your Committee is in agreement with this, and the Department’s recommendation to consider a temporary facility, and has amended this measure accordingly, by:

- (1) Authorizing the Department to consider the temporary acquisition of adequate land for a short-term motor sports facility, which may be used until a permanent facility is completed; and
- (2) Adding an unspecified appropriation for this purpose.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 567, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 567, 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. 1077 Economic Development and Taxation on H.B. No. 1630

The purpose of this measure is to appropriate funds into the Hawaii 3Ts School Technology Laboratories Fund to maintain the Project EAST program in existing schools and to expand the program to schools statewide.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Economic Development Alliance of Hawaii; Maui Economic Development Board; Hawaii State Teachers Association, and Ho’ike Technology.

Your Committee previously heard and approved S.B. No. 897, which is a comparable measure.

Your Committee has heard that Project EAST students from Hawaii schools have just returned from a national competition, where they received numerous awards in a wide range of projects. Your Committee commends these students and remains strongly supportive of this measure and the educational and workforce development opportunities it provides for Hawaii’s public school students.

Your Committee has amended the appropriation language by:

- (1) Adding a section to appropriate funds out of the Hawaii 3Ts School Technology Laboratories Fund; and
- (2) Clarifying that the Economic Development Alliance of Hawaii is the expending agency, in accordance with section 302A-1314, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1630, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1630, 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. 1078 (Joint) Human Services and Public Housing and Health on H.B. No. 208

The purpose of this measure is to appropriate the funds necessary, in addition to the Department of Health’s biennium budget request, for the continued maintenance and operation of developmental disabilities domiciliary homes and developmental disabilities apartment complexes.

The Department of Health, the State Council on Developmental Disabilities, the Disability and Communication Access Board, the Arc in Hawaii, and Responsive Caregivers of Hawaii submitted testimony in support of this measure.

Your Committees find that developmental disabilities residential services providers perform a vital service to the State. Current reimbursement rates for residential services have not kept pace with the cost of providing quality services and operating in a fiscally efficient manner. Numerous

developmental disabilities domiciliary homes have closed over the past several years as a result of operational deficits. The developmental disabilities population is in great need as they cannot live independently and need the services that an assisted living environment provides. In addition, many of the residents of developmental disabilities domiciliary homes and developmental disabilities apartment complexes are aging and require more costly care and services. Additional funding will maintain their community-based placement and avoid premature institutionalization.

Your Committees have amended this measure by changing the appropriation amount from an unspecified sum to \$1. Your Committees received a fiscal impact statement from the State Council on Developmental Disabilities that this measure, if passed, would cost the State approximately \$600,000 for fiscal year 2007-2008, and \$600,000 for fiscal year 2008-2009, in addition to the amount requested in the Department of Health's biennium budget, for the continued maintenance and operation of developmental disabilities domiciliary homes and developmental disabilities apartment complexes.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 208, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 208, 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, 1 (Menor).

SCRep. 1079 (Joint) Human Services and Public Housing and Health on H.B. No. 55

The purpose of this measure is to establish a statewide Youth Suicide Early Intervention and Prevention Program, and to appropriate funds to the Department of Health to implement the program.

The Department of Education; the Hawai'i Psychological Association; Hawai'i Suicide Prevention, Education, Awareness, Research; and the Hawai'i Suicide Prevention Steering Committee and Task Force submitted testimony in support of this measure. The Department of Health submitted testimony in support of the intent of this measure.

Your Committees find that more children and young adults die from suicide each year than from cancer, heart disease, AIDS, birth defects, stroke, and chronic lung disease combined. In Hawaii, suicide is the second leading cause of death among persons who are age fifteen to twenty-four years old. Rates of youth suicide have been on the rise in the last decade among both females and males and among all ethnic groups. Early intervention and prevention strategies have been listed as a national health priority in dealing with rising rates of youth suicide. This measure will establish a Youth Suicide Early Intervention and Prevention Program for Hawaii.

Your Committees have amended this measure by:

- (1) Changing the appropriation amount from an unspecified sum to \$1; and
- (2) Making technical, nonsubstantive changes 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 Public Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 55, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 55, 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, 1 (Menor).

SCRep. 1080 (Joint) Human Services and Public Housing and Health on H.B. No. 71

The purpose of this measure is to establish certification procedures for nurse aides employed in state-licensed or state-certified health care settings and Medicare or Medicaid facilities.

The Policy Advisory Board for Elder Affairs, the Hawaii Coalition of Care Home Administrators, the Hawaii Long Term Care Association, and the Healthcare Association of Hawaii submitted testimony in support of this measure. The Department of Health and the Department of Human Services submitted testimony in support of the intent of this measure. The Department of Commerce and Consumer Affairs submitted comments.

Your Committees find that certifying nurse aides who work in nursing facilities participating in Medicare and Medicaid programs and in other state-licensed and state-certified health care settings will enable the Department of Commerce and Consumer Affairs, the Department of Human Services, and the Department of Health to monitor and evaluate the quality and competency of the nurse aides practicing in the State.

According to the testimony, the Department of Commerce and Consumer Affairs, the Department of Health, the Department of Human Services, the Hawaii Coalition of Care Home Administrators, the Healthcare Association of Hawaii, and the Hawaii Long Term Care Association met with the Office of the Attorney General and the consensus of the parties is to focus on the substance of S.B. No. 713, S.D. 2, and incorporate some additional amendments thereto.

Upon further consideration, your Committees have amended this measure by:

- (1) Replacing all of its provisions with the provisions of S.B. No. 713, S.D. 2;
- (2) Changing the term "recertification examination" to "recertification process";
- (3) Including an annual performance review as a maintenance requirement;
- (4) Changing the phrase "state-licensed or state-certified facilities" to "state-licensed or state-certified health care settings";
- (5) Clarifying that the Director's role is with regard to the disciplining of certified nurse aides under section 457A-3(b), Hawaii Revised Statutes;
- (6) Changing the effective date from July 1, 2050, to upon approval; 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 Human Services and Public Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 71, H.D. 2, as amended herein, and recommend that it pass

Second Reading in the form attached hereto as H.B. No. 71, H.D. 2, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chairs on behalf of the Committees. Ayes, 9. Noes, none. Excused, 1 (Menor).

SCRep. 1081 (Joint) Human Services and Public Housing and Health on H.B. No. 325

The purpose of this measure is to expand coverage under Medicaid and QUEST to include comprehensive dental care coverage for eligible persons twenty-one years of age or older, appropriate funds to provide the additional coverage, and appropriate funds for hospital dentistry for the developmentally disabled in the County of Hawaii.

The State Council on Developmental Disabilities, the Disability and Communication Access Board, the Hawaii Psychiatric Medical Association, Kokua Council, the Hawai'i Primary Care Association, Ho'ōla Lāhui Hawai'i, the Arc in Hawaii, Full Life, Mobile Care Health Project, the Hawaii Island Dental Task Force, and three individuals submitted testimony in support of this measure. The Department of Health, the Department of Human Services, and the Hawaii Medical Service Association submitted testimony in support of the intent of this measure.

Your Committees find that current dental coverage for eligible recipients age twenty-one years and older does not include coverage for endodontic, root canals, crowns, elective procedures, or periodontal surgery. Since the adults in question are indigent, they cannot pay for any services that they may need if they are not covered benefits. Dentists, therefore, may not even start services if they cannot deliver full treatment for the patient or if they will not be paid for the care. An expansion of services would defray the greater costs that would otherwise likely occur from poor dental care.

Your Committees received testimony from the Department of Human Services that this measure, if passed, would cost the State approximately \$12,257,437 to provide comprehensive dental care coverage.

It is the Committees' intent to improve access to dental care for this population of Medicaid and QUEST recipients. Your Committees have amended this measure by:

- (1) Establishing a task force to assist in developing ways to recruit and retain dental care practitioners, licensed under chapters 447 and 448, Hawaii Revised Statutes, to support the provision of the expanded coverage;
- (2) Making the appropriations for fiscal year 2008-2009;
- (3) Changing the effective date from July 1, 2020, to July 1, 2008; provided that the section of the measure regarding the establishment of the aforementioned task force shall take effect upon its approval; and
- (4) Making technical, nonsubstantive changes 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 Public Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 325, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 325, 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, 9. Noes, none. Excused, 1 (Menor).

SCRep. 1082 Tourism and Government Operations on H.B. No. 1287

The purpose of this measure is to repeal the law on escheat process.

Your Committee received testimony in support of this measure from the Department of Budget and Finance.

Act 214, Session Laws of Hawaii 1996, enacted the escheat process law, codified as section 523A-3.5, Hawaii Revised Statutes, which is repealed by this measure. According to the Department of Budget and Finance, this section has never been implemented.

Your Committee finds that escheat is contradictory to the State's unclaimed property program which reunites owners of property with their unclaimed property. Your Committee further finds that the public is not harmed by this measure inasmuch as there would no longer be a time limit for filing claims.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.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, none.

SCRep. 1083 Tourism and Government Operations on H.B. No. 1352

The purpose of this measure is to establish a Fiftieth Anniversary of Statehood Commission (Commission).

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism (DBEDT). Comments were received from one individual.

The intent of this measure is to plan and coordinate the celebration of the fiftieth anniversary of Hawaii's admission to statehood in August 1959. Your Committee finds that Hawaii has benefited greatly from statehood, particularly the rights, privileges, and protections that statehood and citizenship under the United States provide.

Your Committee has amended this measure by:

- (1) Decreasing the Commission membership to twenty-three persons, to be selected without regard to Senate confirmation;
- (2) Changing the selection of nominees by the President of the Senate, Speaker of the House of Representatives, and the Governor, to provide as follows:
 - (A) Six members to be selected by the President of the Senate, to represent various sectors including Hawaii's youth, academic community, labor, business, and cultural groups;

- (B) Six members to be selected by the Speaker of the House of Representatives, to represent various sectors including labor, business, cultural groups, faith-based organizations, and youth;
- (C) Five members to be selected by the Governor, including persons knowledgeable in the history of Hawaii and Hawaiian culture, event planning, and developing community partnerships;
- (3) Providing for a quorum of fifteen members, and a required vote of thirteen members to make decisions; and
- (4) Clarifying that a vacancy is to be filled by the same selection authority as appointed the vacating member;
- (5) Changing the effective date to upon its approval; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1352, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1352, 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. Ayes with Reservations, 1 (Trimble). Noes, none. Excused, none.

SCRep. 1084 (Majority) Tourism and Government Operations on H.B. No. 1659

The purpose of this measure is to require that moneys received by a government body pursuant to a solicitation of funds by the body to cover costs and expenses of state-sponsored trips and other state-sponsored endeavors to generate business opportunities and goodwill, are required to be deposited into the general fund and disbursed by legislative appropriation.

Your Committee received testimony in opposition to this measure from the Department of Business, Economic Development, and Tourism (DBEDT); High Technology Development Corporation; and High Technology Innovation Corporation.

Your Committee finds that this measure is in response to “trade missions” and other promotional activities of the State that are financed mostly by private entities. Your Committee believes that such moneys should become a realization of the general fund, inasmuch as a state-sponsored activity was involved. In turn, these moneys should be expended pursuant to normal channels such as the legislative appropriation of public funds for justified purposes.

The intent of this measure is to allow more openness in the transaction of government business that involves private funding. This measure would remove the aura of suspicion associated with private entities using private moneys to finance what is essentially a governmental function. At the least, a private entity may reap the benefit in terms of future business opportunities as a result of the government-sponsored event. This arrangement raises the issue of ethical impropriety, however well-intended the donations or actions may have been, because potentially, only participating businesses would seem to gain benefits by the exposure as a member of a trade mission, for example.

Furthermore, your Committee was not informed in testimony as to what path the money takes from the private donors to the private organizers of the trade show. If it passes through DBEDT, your Committee believes that a specific accounting of the moneys should be made. Your Committee also believes that the State actually acts in a fiduciary capacity in these solicitations, which could impose liability on the State for a mishandling of moneys.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1659, 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 (Trimble). Excused, none.

SCRep. 1085 (Majority) Tourism and Government Operations on H.B. No. 1767

The purpose of this measure is to establish a consultants’ competitive negotiation process for design-build contracts under the Hawaii Public Procurement Code.

Your Committee received testimony in support of this measure from the Hawaii Building and Construction Trades Council, AFL-CIO; International Union of Elevator Constructors; Plumbers and Pipefitters Local 675; and The Building Trades Council. Testimony in opposition was received from the Department of Accounting and General Services (DAGS); State Procurement Office (SPO); and Coalition of Hawaii Engineering and Architectural Professionals. Comments were received from AIA Hawaii State Council.

Your Committee believes that more study is necessary to determine whether this measure is necessary. Testimony of DAGS and SPO indicates that design-build solicitations can be made within the confines of existing law, though there is no specific provision. However, your Committee notes the persuasive testimony of supporters of this measure to the effect that greater efficiencies, economies, and value would be realized with design-build. Therefore, your Committee urges DAGS and SPO to adopt an administrative rule to provide for a design-build or best value procurement process, in order to clarify the current ambiguity and to increase awareness of design-build procurement among purchasing agencies.

Accordingly, your Committee has amended this measure by deleting its contents and inserting provisions from S.B. No. 1371, to exempt from the State’s Procurement Code Special Purpose Revenue Bonds (SPRBs) issued for not-for-profit private organizations in the development of low- and moderate-income housing, and for agricultural enterprises serving important agricultural lands. Your Committee finds that, with regard to the development of low- and moderate-income housing and the issuance of SPRBs for agricultural enterprises serving important agricultural lands, sometimes cumbersome restrictions of the Public Procurement Code may serve to thwart the intended purposes of those laws. In addition, since such transactions to not involve the expenditure of public funds, your Committee believes that subjecting these transactions to the Public Procurement Code is unnecessary, SPRBs are not well-suited for public procurement inasmuch as bond financing is not within the realm of a public procurement.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1767, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1767, 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, none.

SCRep. 1086 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 260

The purpose of this measure is to provide an appraisal procedure for land acquired by the State that is determined to have value as a resource to the State.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Nature Conservancy, the Hawaii Agricultural Research Center, and the Trust for Public Land.

Your Committee finds that this measure extends to the Board of Land and Natural Resources the right to accept appraisals of land prepared for nonprofit organizations under certain conditions. It further allows the Board of Land and Natural Resources to contract with independent appraisers to set the purchase price of land to be acquired as land having value as a resource to the State. Further, it allows the Board of Land and Natural Resources to acquire the land at a price higher than the appraised price if the Attorney General determines the higher price is justified and within the range of market value.

It was indicated in submitted testimony that it is not part of the normal practice to purchase land above the appraised or market value, except under unusual circumstances, such as condemnation. The Department of Land and Natural Resources testified that federal programs and many nonprofit groups that the Department partners with do not allow purchases above market value on a normal basis.

Accordingly, your Committee has amended this measure by:

- (1) Deleting section 1 of this measure and replacing it with the substantially similar language in section 1 of S.B. No. 933, S.D. 1;
- (2) Prohibiting, rather than allowing, land to be purchased for a sum greater than the appraised value if the Attorney General determines that the higher value is justified and within the range of market value; provided that the prohibition does not apply to condemnation proceedings; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to provide an appraisal procedure for land acquired by the State that is determined to have value as a resource to the State.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 260, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 260, 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 (Hee).

SCRep. 1087 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 402

The purpose of this measure is to authorize the use of the Land Conservation Fund for the acquisition of agricultural easements and for the payment of debt service on bonds issued for acquisitions using the fund.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Department of Agriculture, the Hawaii Agriculture Research Center, and the Trust for Public Land.

Your Committee finds that this measure broadens the public purposes for which the Land Conservation Fund can be used and includes agricultural easements as an appropriate means to acquire interests in or rights to agricultural land. Allowing the purchase of agricultural conservation easements is a tool that may encourage more landowners to consider this program and keep important agricultural lands in production, rather than allowing them to be converted to suburban or high density areas.

Your Committee has amended this measure by:

- (1) Deleting the language under section 1 of this measure and adopting language under section 1 of S.B. No. 1094 that further clarifies that the fund shall be used for the acquisition of interests or rights in land having value as a resource to the State through the establishment of agricultural easements; 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 Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 402, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 402, 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, 1 (Hee).

SCRep. 1088 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 692

The purpose of this measure is to support a diversified agricultural industry in Hawaii by extending the lapse date from June 30, 2007, to June 30, 2010, for special purpose revenue bonds authorized under Act 131, Session Laws of Hawaii 2004, to assist Aloun Farms in building an agricultural processing plant.

Testimony in support of this measure was submitted by the Hawaii Farm Bureau Federation, the Hawaii Agricultural Research Center, and Aloun Farms.

Aloun Farms is a family farm operation that consists of over a thousand acres of farmland in central Oahu, which was once used for sugar production. Your Committee finds that Aloun Farms is laying the foundation of diversifying Hawaii's agricultural industry by using the special purpose revenue bonds to build an agricultural processing facility and, upon completion of the facility, establish an educational farm tour program.

Your Committee has amended this measure by changing the effective date of this measure from June 29, 2007, to June 29, 2050, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 692, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 692, 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 (Fukunaga, Hee).

SCRep. 1089 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1639

The purpose of this measure is to achieve the long-term agricultural viability and use of important agricultural lands by creating an incentive for farmers to designate their lands as important agricultural lands.

Specifically, this measure:

- (1) Excludes rental income derived from qualifying agricultural leases on lands identified and designated as important agricultural lands from gross income, adjusted gross income, and taxable income;
- (2) Exempts rental income derived from qualifying agricultural leases on lands identified and designated as important agricultural lands from the general excise tax; and
- (3) Appropriates an unspecified amount for the Department of Agriculture to assess the impact the income tax exclusion of rental income derived from important agricultural lands provided for in this measure, and requires the Department to submit an annual report regarding the assessment.

Testimony in support of this measure was submitted by the Department of Agriculture. Testimony in opposition to this measure was submitted by one individual. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

In 2005, the Legislature enacted Act 183, Session Laws of Hawaii 2005, to preserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency, and assure the availability of agriculturally suitable lands. Furthermore, the Legislature acknowledged that agricultural viability is a vital component of a diversified agricultural industry, and established a process to identify incentives to encourage farmers and landowners to designate their lands as important agricultural lands. Your Committee finds that establishing a tax incentive program relating to important agricultural lands will assist in enhancing the agricultural viability on important agricultural lands.

Of particular note, your Committee received a fiscal impact statement from the Department of Taxation that this measure, if enacted, would result in an annual revenue loss to the State of \$376,000. However, the fiscal impact statement submitted did not specify the methodology by which the fiscal impact was calculated.

Your Committee has amended this measure by:

- (1) Deleting the amendment to section 237-24, Hawaii Revised Statutes, and adding language that amends section 237-24.75, Hawaii Revised Statutes, by including rental income derived from agricultural leases on important agricultural lands as an exemption from the general excise tax;
- (2) Adding language that makes:
 - (A) Section 1 of this measure applicable to taxable years beginning after December 31, 2008; and
 - (B) Section 2 of this measure effective on July 1, 2009, and applicable to gross income or gross proceeds received after June 30, 2009; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to achieve the long-term agricultural viability and use of important agricultural lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1639, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1639, H.D. 2, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hee).

SCRep. 1090 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 718

The purpose of this measure is to require the Hawaii Community Development Authority to set aside the old ice chute and fuel dock operations building site at the Kewalo Basin Cove for use by the Kewalo Keiki Fishing Conservancy.

Specifically, this measure:

- (1) Requires the Hawaii Community Development Authority to set aside a portion of tax map key (first division) 2-1-058:41 and tax map key 2-1-058:116 for continued use by the Kewalo Keiki Fishing Conservancy; and
- (2) Requires the Hawaii Community Development Authority to proceed with any necessary environmental remediation at the site, using their existing funds that have been set aside for remediation purposes.

Testimony in support of this measure was submitted by the Kewalo Keiki Fishing Conservancy, the Kaka'ako Shoreline Park Plan, the Hawaii Near Shore Fishermen, and one hundred sixty-three individuals. Testimony in opposition to this measure was submitted by the Department of the Attorney General and the Hawaii Community Development Authority.

Your Committee finds that the Kewalo Keiki Fishing Conservancy is a unique fishing school at Kewalo Basin and was established due to an observation that many of Hawaii's children were disconnected from the marine environment and activities. The Conservancy focuses on reconnecting children with the land they live on and the water that surrounds their home. Since 2004, over five hundred children have visited the Conservancy and participated in its programs. The Conservancy advocates a tag and release fishery at the Kewalo Basin Cove, which consists of

bait fish, squid, herbivore fish, and predatory fish. The tag and release program provides children an opportunity to learn about fishing and marine life and to participate in sustainable practices. From 2004 to 2006, the Conservancy has tagged over seventeen thousand five hundred fish.

It was indicated to your Committee that the Hawaii Community Development Authority has health and safety concerns regarding setting aside tax map keys (first division) 2-1-058:41 and 2-1-058:116. The Development Authority has suggested an alternative site for the Kewalo Keiki Fishing Conservancy to use at the Kewalo Basin Net Shed area, which the Development Authority feels would allow better access and accommodations for the Conservancy. The Development Authority is concerned that the Conservancy's present location does not provide adequate facilities or infrastructure and is concerned that the site may have environmental ground contamination. Your Committee notes that the Department of Health did not submit testimony regarding this measure, and encourages the Department of Health to provide input relating to whether any health risks exist at the Conservancy site.

Furthermore, the Hawaii Community Development Authority indicated to your Committee that it presently does not have any funds set aside for any necessary environmental remediation work. Thus, your Committee further finds that the Development Authority will need funds to accomplish the requirements of this measure, if passed.

Accordingly, your Committee has amended this measure by:

- (1) Adding an appropriation section with an unspecified amount to the Hawaii Community Development Authority for any necessary remediation at tax map keys (first division) 2-1-058:41 and 2-1-058:116 for continued use by the Kewalo Keiki Fishing Conservancy;
- (2) Adding an effective date of July 1, 2050, to promote further discussion on this matter; 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 Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 718, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 718, 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 (Hee).

SCRep. 1091 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 507

The purpose of this measure is to effectively manage small boat harbors and consistently enforce state boating laws and regulations by prohibiting the Department of Land and Natural Resources from transferring the authority over the small boat harbors to the counties, unless expressly provided by statute.

Testimony in support of this measure was submitted by a Council Member, County of Maui; the Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO; the Ocean Tourism Coalition; the Hawaii Boaters Political Action Association; and two individuals. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Your Committee finds that article V, section 6, of the State Constitution mandates that functions of the state government shall be allocated by law among its principal departments. Currently, the Department of Land and Natural Resources is responsible for the operation, administration, and maintenance of the small boat harbors. This authority was expressly provided by statute under section 200-3, Hawaii Revised Statutes. Although the Department of Land and Natural Resources may be contemplating transferring the small boat harbors to the counties, your Committee further finds that the Department may not do so without action by the Legislature, pursuant to article V, section 6, Hawaii State Constitution.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 507, 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, 1 (Hee).

SCRep. 1092 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Transportation and International Affairs on H.B. No. 714

The purpose of this measure is to increase effective enforcement of the laws and rules that protect and conserve the State's natural resources by designating Division of Conservation and Resources Enforcement vehicles as authorized emergency vehicles.

Specifically, this measure:

- (1) Amends section 291-31.5, Hawaii Revised Statutes, to allow Division of Conservation and Resources Enforcement vehicles to operate, affix, display, or possess a lamp, reflector, or illumination device that appears to be the color blue and red; and
- (2) Amends section 291C-1, Hawaii Revised Statutes, to include vehicles authorized pursuant to section 291-31.5, Hawaii Revised Statutes, under the definition for "authorized emergency vehicle".

Testimony in support of this measure was submitted by the Department of Land and Natural Resources; the Honolulu Police Department, City and County of Honolulu; the Office of Hawaiian Affairs; the Nature Conservancy; and four individuals.

The Department of Land and Natural Resources Division of Conservation and Resources Enforcement officers need the proper equipment to allow them to more effectively enforce the laws and rules that protect and conserve the State's natural resources. Testimony submitted to your Committees indicated that there have been numerous situations where Division Enforcement officers have been involved in risky or dangerous circumstances while investigating possible violations of or enforcing conservation laws and rules.

Your Committees find that blue and red lights affixed to Division of Conservation and Resources Enforcement vehicles act as a deterrent when used during conspicuous patrols in state parks, hunting areas, forests, harbors, coastal areas, and other public recreational areas. Blue and red lights are immediately identifiable as a color of authority, particularly during the night or during adverse weather conditions, and can enhance the Division's ability to respond to natural or manmade disasters, search and rescue, and wild land fires.

Your Committees have amended this measure by:

- (1) Adopting language similar to the language in S.B. No. 768, S.D. 1, by deleting the language under section 1 and replacing it with language that creates a new section under chapter 291, Hawaii Revised Statutes, which allows only the Division of Conservation and Resources Enforcement to affix and display a lamp, reflector, or illumination device that appears to be the colors blue and red;
- (2) Deleting the reference to section 291-31.5, Hawaii Revised Statutes, under the definition for “authorized emergency vehicle” contained in section 291C-1, Hawaii Revised Statutes, and replacing it with a reference to the new section under chapter 291, Hawaii Revised Statutes, in section 1 of this measure; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committees believe that this measure, as amended, fulfills the intent of this measure, which is to increase effective enforcement of the laws and rules that protect and conserve the State’s natural resources.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 714, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 714, H.D. 2, 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 (Hee, Hooser, Taniguchi, Tsutsui).

SCRep. 1093 Transportation and International Affairs on H.B. No. 375

The purpose of this measure is to provide stricter penalties for violation of the law on pedestrians’ right of way in crosswalks, and the law on crossing at places other than a crosswalk.

Your Committee received testimony in support of this measure from the Governor, Department of Transportation, Honolulu Police Department, and AARP Hawaii. Comments were received from the Judiciary.

Act 73, Session Laws of Hawaii 2005, clarified the law on pedestrians’ right of way in crosswalks by requiring the driver of a vehicle to stop and yield the right of way to a pedestrian crossing the roadway on the same half of the road as the vehicle is traveling, or when the pedestrian is approaching so closely from the opposite half of the road so as to be in danger. However, your Committee finds that despite this amendment, pedestrian accidents continue to rise on Oahu. Ten pedestrians have been killed on Oahu roads in the first ten weeks of 2007, according to a *Honolulu Advertiser* article of March 11, 2007.

Your Committee further finds that additional statutory amendments are warranted to provide stricter penalties for drivers and pedestrians alike who violate the law. Other measures include public education, walk signal light timing, and traffic calming devices, which your Committee encourages the Department of Transportation to undertake administratively.

The intent of this measure is to reduce pedestrian accidents by providing a measure of deterrence in the form of stricter penalties. Although your Committee realizes that even deterrence is no substitute for safe driving and pedestrian vigilance, this measure is nonetheless necessary to protect the public safety and health.

Your Committee has amended this measure by:

- (1) Providing specific monetary penalties for the driver, as follows:
 - (A) For a first infraction, a fine of \$150;
 - (B) For a second infraction, a fine of \$300, and revocation of license and privilege to operate a vehicle for a period of ninety days; and
 - (C) For a third and subsequent infraction committed within two years of the date of a second infraction, a fine of \$1,000, and revocation of license and privilege to operate a vehicle for a period of one hundred eighty days; and
- (2) Providing a flat penalty of a \$100 fine for each violation by a pedestrian;
- (3) Decriminalizing the proposed language by inserting the term “infraction” for the term “conviction” and making similar amendments; and
- (4) Changing the effective date from January 1, 2112, to upon approval.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 375, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 375, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Taniguchi).

SCRep. 1094 Transportation and International Affairs on H.B. No. 1159

The purpose of this measure is to establish an affirmative defense to driving without a driver’s license, that the driver was licensed in another jurisdiction.

Your Committee received testimony in support of this measure from the Honolulu Prosecuting Attorney; Honolulu Police Department; and Honolulu Department of Customer Services. Comments were received from the Judiciary.

In *State v. Matautia*, 81 Haw. 76 (1996), the Intermediate Court of Appeals ruled that in a case involving driving without a license, the State must prove that the defendant was unlicensed. As a practical matter, the decision required the State to prove, among other issues, that the defendant did not possess a valid driver’s license from another accepted jurisdiction. However, retrieving this information is very difficult because there is no available network that links the driver’s license databases for all accepted jurisdictions, including the United States or the provinces or states of Canada or Mexico. Thus, inquiries to all of the individual states or provinces must be conducted separately, and there is insufficient time and resources to send inquiries to all of these jurisdictions in each and every case involving driving without a license.

The inability of the State to prove that a motorist is not validly licensed in other jurisdictions has markedly raised the number of motorists found not guilty of driving without a license and adversely affects the State’s efforts to promote traffic safety on Hawaii’s roadways.

Your Committee has amended this measure on the recommendation of the Honolulu Prosecuting Attorney to add a statutory amendment that eliminates the reference to section 286-105, Hawaii Revised Statutes, relating to what persons are exempt from obtaining a Hawaii's drivers license, from the list of those persons who may operate a motor vehicle in the State without a Hawaii's drivers license to further facilitate the prosecution of these cases, and to clarify an effect of a reenactment of that statutory amendment from an earlier law. Your Committee has also made technical amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1159, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1159, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Taniguchi).

SCRep. 1095 Transportation and International Affairs on H.B. No. 1608

The purpose of this measure is to create an emergency power for the Governor and the Director of Transportation to exercise upon a determination that a substantial endangerment to public health and safety is or will be caused by the temporary closure of, or the lack of access to, an area by a state highway, which requires immediate action.

Your Committee received testimony in support of this measure from the Department of Transportation; Lahaina Bypass.com; Maui Land & Pineapple Company, Inc.; and one individual. Comments were received from the State Procurement Office and the Consumer Lawyers of Hawaii.

Your Committee finds that severe incidents on the highways caused by traffic accidents and natural disasters have had a major impact on the provision of access for motorists to communities. The emergency power would allow the Governor or the Director of Transportation to designate the area to be a traffic emergency zone and allow the taking of any action that may be necessary, without public hearing in the interests of expediency, until access to the designated area has been established.

Your Committee has amended this measure by:

- (1) Providing the county mayors and county directors of transportation with the same emergency powers with regard to county highways and streets;
- (2) Adding a qualified immunity for a claim for negligence in the design, construction, repair, and correction of work performed; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1608, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1608, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Taniguchi).

SCRep. 1096 Transportation and International Affairs on H.B. No. 1757

The purpose of this measure is to repeal the progressive fine and penalty structure for violation of commercial vehicle length and weight restrictions.

This measure also requires, rather than authorizes, the Department of Transportation to establish a system to allow violators of this law to mail in uncontested fine payments.

Your Committee received testimony in support of this measure from the Hawaii Transportation Association and U. Okada & Co., Ltd. Testimony in opposition was received from the Department of Transportation.

Your Committee finds that commercial drivers are burdened by repeated court appearances when in violation of the commercial vehicle weight restriction law. Time in court is time off the road. Time off the road is a delay in deliveries. Court appearances are necessary since the citing officer has no knowledge of whether a violation is the first, second, or third violation. Eliminating the graduated fine scale would facilitate the mail in system of paying the fines, as embodied in this law.

Your Committee notes that the current fines were enacted into law by Act 57, Session Laws of Hawaii 1989. Your Committee also notes that, although it is sensitive to the fact that commercial drivers are adversely impacted when spending time in court, your Committee believes that carrying overweight loads should not be occurring in the first place. Such actions place the driver as well as the public in danger and accelerates road quality deterioration.

Accordingly, to serve as a more meaningful deterrent to such violations, your Committee has amended this measure by doubling the amount of the existing fines, and changing the effective date from January 1, 2112, to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1757, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1757, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Taniguchi).

SCRep. 1097 Transportation and International Affairs on H.B. No. 1609

The purpose of this measure is to exclude from the repair or maintenance of existing state roads and highways, to the extent the repair and maintenance is necessary to preserve or regain the integrity of the road or highway from damage caused by environmental impacts upon or beneath the road or highway, from the definition of "development" under the State's coastal zone management law.

Your Committee received testimony in support of this measure from the Department of Transportation, West Maui Taxpayers Association, General Contractors Association of Hawaii, and Lahaina Bypass Now. Testimony in opposition was received from Hawaii's Thousand Friends.

Your Committee finds that this measure would assist in expediting the State's ability to address urgent road work repair by protecting the road's integrity from the elements. The recent earthquake that damaged many roads on the island of Hawaii points out the susceptibility of roads to damage by natural forces, which need urgent and immediate repair. These repairs are to existing roads and highways, which should cause minimal harm to the environment. In most cases in special management areas, the original construction would have required a special management area permit. Your Committee believes that this measure will help expedite the necessary repair and maintenance of the State's existing roads and highways while minimizing any adverse impacts that the repair or maintenance action may cause.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1609, H.D. 1, and recommends that it pass Second Reading and be referred to the Committees on Intergovernmental and Military Affairs and Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Taniguchi).

SCRep. 1098 Transportation and International Affairs on H.B. No. 1605

The purpose of this measure is to appropriate funds for the development and implementation of an intelligent transportation system architectural plan for Maui, which includes a Maui traffic control center.

Your Committee received testimony in support of this measure from the Department of Transportation; two Maui County Council Members; Lahaina Bypass.com; Maui Communicators; Sands of Kahana; West Maui Taxpayers Association; Ma'alaia Community Association; and two individuals.

Your Committee finds that an intelligent transportation system applies communications and information technology to provide solutions to congestion and traffic control issues. Such a system could use a variety of field devices, including traffic cameras, in partnership with a traffic control center via a single mode fiber-optic network to effectively alleviate traffic congestion in a geographic area.

Testimony from Maui indicates that traffic delays continue to intensify. Access to and from West Maui is disrupted every time there is a traffic accident on the Honoapiilani Highway between Pali and Puamana. Your Committee further finds that traffic should be rerouted to the former cane haul road in these instances, which would provide an open corridor for emergency vehicles and limit the disruption of traffic on the highway. Currently, access to West Maui is completely cut off when there is a fire or an accident. Your Committee believes that providing funds to develop and implement an intelligent transportation architectural plan and a traffic control center for Maui will help eliminate such future occurrences.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1605, 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 (Hooser, Inouye, Taniguchi).

SCRep. 1099 (Joint) Tourism and Government Operations and Intergovernmental and Military Affairs on H.B. No. 1018

The purpose of this measure is to create a new category of liquor license for condominium hotels.

Your Committees received testimony in support of this measure from the Hawaii County Department of Liquor Control; Hawai'i Hotel & Lodging Association, and Outrigger Enterprises, Inc.

Your Committees find that the advent of the condominium hotel ownership and operating structure is a relatively new concept that has recently been gaining in popularity in the State. While many former hotel operations have converted to a condominium hotel ownership and operating structure, this new structure has created an interpretation and application problem with respect to liquor licensing laws. Specifically, the restrictive nature of the definition of "premises" contained in the existing Class 12 hotel liquor licensing requirements would require that a licensed liquor establishment be situated and operated on the hotel portion, not the condominium portion, of the condominium hotel. Such a restrictive interpretation could lead to the inconsistent application and enforcement of liquor licensing laws when trying to fit condominium hotels into the existing liquor licensing framework for hotels.

Your Committees believe that creating a new liquor licensing category to specifically address the unique ownership and operational structure of condominium hotels would promote the consistent interpretation and application of liquor licensing laws. Your Committees also believe that the establishment of a separate category for condominium hotel liquor licenses is necessary to provide adequate guidance to county liquor commissioners to ensure that the liquor licensing laws that govern the sale of liquor on such premises are uniformly interpreted and applied throughout a respective county's jurisdiction.

Your Committees have amended this measure on recommendation of the four county liquor commissions and the hotel stakeholders, as presented in testimony by Outrigger Enterprises, Inc., that:

- (1) Clarifies the liquor license application process;
- (2) Clarifies the definition of "condominium hotel" by replacing the term "apartment" with "unit" and by stating that condominium hotels are hotels that may be a part of a condominium property regime established under chapter 514B, Hawaii Revised Statutes, that does not have guest rooms that are separate units, as defined in section 514B-3, Hawaii Revised Statutes;
- (3) Establishes a definition of "condominium hotel operator" as a person who operates a condominium hotel and is registered as such under section 467-30(b), Hawaii Revised Statutes;
- (4) Requires a condominium hotel operator to submit quarterly lists to the respective liquor commission on the units being utilized as part of the condominium hotel operation, maintain a current list of such units at the condominium hotel for inspection by liquor commission employees, and provide flexibility to the condominium hotel operator to substitute units within the condominium hotel for transient accommodation uses;
- (5) Adds a section to the measure that if a hotel liquor license holder applies to a liquor commission to change their license to a condominium hotel liquor license, the requested change shall require a public hearing; and
- (6) Makes technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Tourism and Government Operations and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1018, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1018, H.D. 2, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Ayes with Reservations, 1 (Trimble). Noes, none. Excused, 1 (Hemmings).

SCRep. 1100 (Joint) Tourism and Government Operations and Intergovernmental and Military Affairs on H.B. No. 575

The purpose of this measure is to establish procedures for the Governor to declare a tourism emergency and to establish a Tourism Emergency Trust Fund.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; and Hawaii Tourism Authority (HTA). Comments were received from the Tax Foundation of Hawaii.

Your Committees find that a real threat exists to Hawaii's tourism industry. These threats are different in many ways from a civil defense emergency. World conflict, terrorism, natural disaster, or an outbreak of disease can pose a real and substantial detrimental economic impact on the overall financial well-being of Hawaii's tourism industry, thereby causing an adverse ripple effect across the State's entire economy.

Under this measure, the initial determination of whether a tourism emergency exists would be made by the Board of Directors of the Hawaii Tourism Authority. Upon making a determination that an emergency exists, the board would then submit a request to the Governor to declare a tourism emergency.

The Tourism Emergency Trust Fund would be used exclusively to provide for the development and implementation of emergency measures to respond and mitigate to any adverse effects on the tourism industry resulting from world conflict, terrorism, natural disaster, or an outbreak of a disease that may result in a substantial interruption of commerce and adversely affect the welfare of the people of Hawaii. The fund would hold moneys derived from unused residual revenues after the required statutory percentage allocations into the Tourism Special Fund's subaccount for a safety and security budget are made.

The intent of this measure is to be proactive and prepared to protect Hawaii's vital economic engine--tourism. As such, this measure is a wise and prudent step toward meeting the challenges of any catastrophe that has the potential to devastate the State's tourist industry and derail the State's economy. However, it is not the intent of your Committees that this measure affect organized labor.

Your Committees have amended this measure by inserting an amended version of S.B. No. 679, S.D. 2, a substantially similar measure that:

- (1) Adds assistance to tourists during the emergency;
- (2) Adds that the tourism emergency response must not adversely affect organized labor;
- (3) Changes "statewide emergency" to "tourism emergency," on recommendation in testimony of the HTA to allow it to more easily respond to an emergency;
- (4) Clarifies that the HTA is required to develop and implement measures upon declaration of an emergency;
- (5) Changes the effective date to July 1, 2050; and
- (6) Makes technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Tourism and Government Operations and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 575, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 575, 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, 5. Noes, none. Excused, 1 (Hemmings).

SCRep. 1101 Judiciary and Labor on H.B. No. 379

The purpose of this measure is to increase witness' daily fees from \$20 to \$55 and the per diem paid to witnesses who travel from out of state, and who travel inter-island and stay overnight, from \$110 to \$160 per day to attend court proceedings.

Your Committee received testimony from the Department of the Prosecuting Attorney and the Office of the Public Defender in support of this bill. The Department of Budget and Finance provided comments.

Your Committee amended the bill to change the effective date from January 1, 2050 to "upon approval".

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 379, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 379, 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, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1102 Judiciary and Labor on H.B. No. 453

The purpose of this measure is to ensure equality for women and girls in the state by appropriating funds to the Hawaii State Commission on the Status of Women for programming, travel and office expenses.

Your Committee received testimony in support of this measure from the Sex Abuse Treatment Center, the Kokua Council, the Commission on the Status of Women, VOICES, Community Alliance on Prisons, and the University of Hawai'i Women's Center.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 453, 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 (Inouye, Kokubun).

SCRep. 1103 Judiciary and Labor on H.B. No. 1211

The purpose of this measure is to increase fees for court-appointed counsel and guardian ad litem in Family Court civil cases.

The bill provides that fees for legal services be increased to \$90 an hour and for non-legal services to \$60 an hour.

Your Committee received testimony in support of the bill from the Judiciary. There was no opposition to the bill.

Your Committee amended the bill to make it effective upon approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1211, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1211, 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 (Inouye, Kokubun).

SCRep. 1104 Judiciary and Labor on H.B. No. 1493

The purpose of this measure is to exempt existing and new employees of the Criminal Injuries Compensation Commission from civil service laws as established in Chapter 76 and to provide the new staff members the right to bargain collectively as established in Chapter 89.

Your Committee finds that this bill does not affect present Commission employees. The duties and responsibilities of the Commission are unique because of their dealings with crime victims. This bill will recognize the unique duties and responsibilities. Commission does not receive any general funds and is funded through special funds and a matching federal grant from the Victims of Crime Act Fund. In 1998, the Legislature established a crime victim compensation fee to provide a funding base for the Commission to become fiscally self sufficient. This bill will ensure that the Commission is adequately staffed.

Your Committee received testimony in support of the bill from the Crime Victim Compensation Commission and did not receive any opposition to the bill.

Your Committee amended the bill by making it effective upon approval instead of July 1, 2112.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1493, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1493, 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. 1105 Education on H.B. No. 14

The purpose of this measure is to repeal the transfer of duties and functions from the Department of Budget and Finance to the Department of Education pursuant to Act 51, Session Laws of Hawaii 2004, as amended (Act 51, as amended).

Testimony in support of this measure was submitted by the Department of Education and the Department of Budget and Finance.

Your Committee finds that pursuant to the Reinventing Education Act of 2004, Act 51, as amended, the Department of Education was established as a separate jurisdiction of the State. Therefore, the transfer of certain duties and functions from different departments to the Department of Education became necessary. Act 51, as amended, also established the Interagency Working Group, which was tasked with the responsibility of overseeing the transfers to the Department of Education. In its recent report to the Legislature, the Interagency Working Group recommended that the transfer of functions from the Department of Budget and Finance to the Department of Education be repealed.

Additionally, your Committee further finds that the Departments of Education and Budget and Finance have entered into a Memorandum of Understanding, which sets forth new procedures or requesting allotments for capital improvement projects, requirements for other fiscal matters including debt service calculations, employee benefit calculations, collective bargaining appropriation bills, and increasing the expenditure ceiling for federal funds for the Department of Education. Your Committee determines that given the current situation, the repeal of the transfer of duties and functions from the Department of Budget and Finance is appropriate.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and to reflect preferred drafting 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. 14, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 14, 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 (Hee, Nishihara).

SCRep. 1106 Education on H.B. No. 110

The purpose of this measure is to increase available student housing on or near University of Hawaii campuses by appropriating funds for the development thereof.

Testimony in support of this measure was submitted by the University of Hawaii.

Your Committee finds that University of Hawaii students encounter great difficulty when attempting to obtain on-campus or other university student housing. The lack of adequate student housing causes students to seek housing in the residential rental market, which is already in short supply. Many students may be forced to travel great distances to university campuses in order to maintain affordable housing. Your Committee further finds that the lack of adequate student housing for the University of Hawaii campuses not only adversely impacts the students, but also the community at large through increased traffic congestion and increased housing demands.

This measure appropriates funds to the University of Hawaii for the development of student housing through numerous means, which your Committee believes will positively affect the students, the University of Hawaii campuses, and the surrounding communities.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and to reflect preferred drafting 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. 110, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 110, 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 (Hee, Nishihara, Taniguchi).

SCRep. 1107 Education on H.B. No. 1529

The purpose of this measure is to establish scholarship programs in honor of Senator Hiram L. Fong and Senator Oren E. Long for University of Hawaii students and appropriate funds therefor.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii, and two individuals.

Your Committee finds that Senator Hiram L. Fong was a champion of civil rights, labor rights, and immigration reform. He was a respected legislator whose achievements are great in number and who espoused timeless philosophies. Your Committee further finds that Senator Oren E. Long was also a distinguished leader who devoted over forty years of his life to public service and worked successfully in collaboration with Senator Fong on many initiatives, including the establishment of the East-West Center.

Based upon recommendations from the Hiram L. Fong Commission, established under Act 117, Session Laws of Hawaii 2005, this measure establishes the Senator Hiram L. Fong Scholarship Program and the Senator Oren E. Long Scholarship Program at the University of Hawaii. Your Committee believes that the establishment of these scholarship programs are fitting tributes to these great leaders. Your Committee further determines that appropriations for each program should be in the amount of \$10,000, which will allow a scholarship to be awarded to each recipient in the amount of \$5,000 for each program.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to facilitate further discussion on the matter.

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. 1529, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1529, 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 (Hee, Nishihara, Taniguchi).

SCRep. 1108 Transportation and International Affairs on H.B. No. 356

The purpose of this measure is to create the offense of leaving a child unsupervised in a motor vehicle.

Your Committee received testimony in support of this measure from the Department of Human Services, Honolulu Prosecuting Attorney, Honolulu Police Department, and Kids In Cars.

This measure would apply to children under the age of nine who are left alone in a motor vehicle or with a minor under the age of fifteen.

Your Committee finds that leaving a child alone in a motor vehicle poses substantial risk of injury or death from suffocation in a hot parked vehicle and of unintentional kidnapping in the course of motor vehicle theft. Although parents mean well, the seemingly innocuous practice of leaving a child in a motor vehicle, even momentarily, to buy groceries or do banking can have disastrous consequences. While the car is parked and left unattended, thieves have been known to steal motor vehicles with the child still in the car. Incidences have also occurred where a parent forgets the child in the car, parks the car with the windows rolled up, and proceeds to work, leaving the child for the whole day.

As recently as March 17, 2007, a three-year-old child died after being left alone in a car for more than one and one-half hours while her father visited friends. Your Committee further finds that this tragedy should never have occurred.

Under existing law in section 709-904(2), Hawaii Revised Statutes, a person may be subject to prosecution for the misdemeanor offense of endangering the welfare of a minor in the second degree only if the person knowingly endangered the minor's physical or mental welfare by leaving the minor in the vehicle, thereby violating the legal duty of care or protection owed to the minor. The requirement for a knowing state of mind is difficult for the prosecution to prove a case against the driver. This measure would facilitate the prosecution of these types of cases.

This measure is intended to bring attention to parents and other persons charged with the care and responsibility of minors to never leave the child unattended in the car. The intent of this measure is not to criminalize the behavior, notwithstanding the usage of the terms "offense" and "conviction". Violation of this measure is intended to be a traffic violation subject to fine.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 356, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Taniguchi).

SCRep. 1109 Transportation and International Affairs on H.B. No. 362

The purpose of this measure is to require the driver of a motor vehicle involved in an accident that results only in damage to the vehicle, to move the vehicle to a safe location off the roadway, including a shoulder lane or median, as close to the accident scene as possible.

This measure also clarifies that a driver is not liable or at fault for the accident for having removed the vehicle by sole reason of moving the vehicle.

Your Committee received testimony in support of this measure from the Honolulu Police Department.

Your Committee finds that motor vehicle accidents that do not result in bodily injuries could pose significant traffic hazards when vehicles are left on the roadway to await the arrival of police. The intent of this measure is to minimize that risk by requiring the drivers to remove their vehicles from the road but near enough to the accident scene.

Your Committee further finds that existing law is silent about the duties of a driver to move the vehicle to a safe location at the scene of an accident. According to the testimony of the Honolulu Police Department, drivers continue to feel compelled to refuse to move the vehicle even if it causes a traffic backup. This measure would clarify that the vehicle should be moved, and would serve as a device to educate the public on what to do with the vehicle at the scene of the accident.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 362, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Taniguchi).

SCRep. 1110 Transportation and International Affairs on H.B. No. 1547

The purpose of this measure is to expand Hawaii's presence in the international arena.

Specifically, the measure:

- (1) Establishes a legislative protocol fund for international affairs;
- (2) Adds duties to the Office of International Affairs (Office) to facilitate international educational program links and to expand the scope of its functions to foster Hawaii's worldwide presence;
- (3) Appropriates funds for the Office to hire an executive director and administrative assistant, and for program operation and expenses; and
- (4) Appropriates funds to the University of Hawaii at Manoa to bring the Second International Symposium on Freeway and Tollway Operations to Hawaii in 2009, and to begin preliminary planning for the 2009 conference.

Your Committee received testimony in support of this measure from the Governor; Department of Business, Economic Development, and Tourism; Consulate General of Japan in Honolulu; Department of Education; University of Hawaii System; East-West Center; Center for Chinese Studies; Hawaii English Language Program at the University of Hawaii at Manoa; Center for Chinese Studies, University of Hawaii at Manoa; Hawaii Automobile Dealers Association; Honolulu Japanese Chamber of Commerce; Global Brain, Inc.; United Nations Association of the United States of America Hawaii Division; Hawaii Highway Users Alliance; Charley's Taxi; Economic Development Alliance; and eleven individuals.

Your Committee finds that realization of Hawaii's longstanding desire for economic diversification and sustainability turns on applying the State's high skilled resources to the creation and adoption of innovation across the economy.

Your Committee further finds that in order to advance Hawaii's global competitiveness through education, there needs to be coordination between the State, counties, and educational institutions, as well as private agencies engaged in international affairs. This measure would designate the Office of International Affairs as the central point for accountability serving as a portal of information and to leverage resources.

Your Committee has amended this measure by:

- (1) Deleting the appropriation for the Second International Symposium on Freeway and Tollway Operations;
- (2) Inserting an appropriation of \$60,000 for each year of the fiscal biennium for the Office operations;
- (3) Adding promotion of international sport events that benefit the State to the duties of the Office; and
- (4) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1547, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1547, 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, 5. Noes, none. Excused, 2 (Hooser, Taniguchi).

SCRep. 1111 Transportation and International Affairs on H.B. No. 497

The purpose of this measure is to require the expenditure of at least two per cent of eligible federal moneys in the State Highway Fund to establish bike paths and bike lanes in the State's Master Bicycling Plan.

This measure also requires the Department of Transportation (DOT) to include the bicycling community in a public involvement process to plan bikeways, and requires an allocation of highway maintenance funds to ensure the safety of bikeways.

Your Committee received testimony in support of this measure from the Department of Transportation, Hawaii Bicycling League, Kauai PATH Committee, Sierra Club, Hawai'i Chapter, Democratic Party of Hawaii, and ten individuals. Testimony in opposition was received from the Department of Transportation.

Your Committee finds that bikeways are urgently needed to encourage commuters, particularly on Oahu, to take advantage of the opportunities Hawaii's ideal weather and gentle terrain provide for comfortable and healthy traveling via bicycle between home and workplace.

The intent of this measure is to increase the number of bike paths and bike lanes by ensuring a minimum allocation of funds for bicycling projects, as well as to increase the safety of bicyclers by including them in the planning stages of bikeways and increasing the maintenance of bikeways.

Your Committee has amended this measure by replacing its contents with S.B. No. 152, S.D. 2, a similar measure, with the addition of clarifying amendments made on mutual recommendation of the DOT and the Hawaii Bicycling League to:

- (1) Expend the funds to establish multi-use paths, bicycle paths, and bicycle lanes;
- (2) Install signage and safety devices along bikeways;
- (3) Require the DOT to include the public in determining the location of multi-use paths, bicycle paths, and bicycle lanes, and the installation of signage and safety devices along bikeways; and
- (4) Insert a definition for bicycle paths, bicycle lanes, and bikeways, which are as defined in section 291C-1, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 497, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 497, 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 (Hooser, Inouye, Taniguchi).

SCRep. 1112 Transportation and International Affairs on H.B. No. 806

The purpose of this measure is to require the Department of Transportation to conduct a pilot study to identify intersections where the time to cross the intersection is insufficient for elderly pedestrians, and to appropriate funds for the implementation of the pilot study.

Your Committee received testimony in support of this measure from the Governor; Department of Health; Department of Transportation (DOT); Maui County Office on Aging; Downtown Neighborhood Board No. 13; Kokua Council; Hawaii Bicycling League; AARP Hawaii; and three individuals.

Your Committee finds that Hawaii's elderly pedestrians should not have to rush to cross the street. Adequate time should be provided for elderly pedestrians to cross the street safely. A 2004 Elderly Pedestrian Integration Report prepared by SMS Research & Marketing Services, Inc. for the DOT indicated that there are approximately five hundred sixty pedestrian injuries in Hawaii each year, and that an average of twenty-eight pedestrians die each year after being struck by a car. Elderly pedestrians, age sixty-five and older, constituted the highest number of pedestrian fatalities when compared to all other age groups in Hawaii.

The intent of this measure is to protect pedestrians of all ages while they are in a crosswalk. Adjusting the timing of crosswalk signal indicators is the first step in this direction.

Your Committee amended this measure by replacing its contents with the provisions of S.B. No. 1191, S.D. 2. As amended, this measure, among other things, would:

- (1) Allow the DOT, in conjunction with nonprofit organizations and the counties, to:
 - (A) Take immediate action to make crosswalks and roadways safe; and
 - (B) Conduct a statewide study to identify intersections where the time to cross the intersection is insufficient for elderly pedestrians as well as other persons who may require additional time, and to develop additional plans to make crosswalks and roadways safe;
- (2) Provide an appropriation of \$1,000,000 in each year of the 2007-2009 fiscal biennium for traffic countdown timers, a public awareness campaign, and pilot safety measures such as pedestrian activated signals, the painting of advanced crosswalk markings, hand-carried signs and flags, enforcement of crosswalk laws for drivers and pedestrians, and to provide grants-in-aid to the counties for traffic countdown timers. The grants-in-aid are to be supported by a dollar-for-dollar match from the counties;
- (3) Provide an appropriation of \$1,000,000, for fiscal year 2007-2008 and the sum of \$2,000,000, for fiscal year 2008-2009, for the DOT to conduct a pilot study to identify state and county intersections where the time to cross the intersection is insufficient for elderly pedestrians, and clarify that the department may consult with the counties and nonprofit organizations as appropriate for purposes of the pilot study; and
- (4) Change the effective date from July 1, 2020, to July 1, 2007.

The intent of this amended measure is for the Department of Transportation to work in collaboration with the AARP and the counties for the purposes of fulfilling this Act.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 806, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 806, 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 (Hooser, Inouye, Taniguchi).

SCRep. 1113 Transportation and International Affairs on H.B. No. 1549

The purpose of this measure is to require the police department of each county to establish a multidisciplinary accident investigation team for the purpose of investigating major accidents on roadways in the county in a manner that limits the length of time road closures are necessary for the data collection phase of the investigation, and to make an appropriation therefor to each county.

Your Committee received testimony in support of this measure from the Department of Transportation; The International Christian Church and Bible School, Inc.; Charley's Taxi; PHT, Inc. dba Polynesian Hospitality; Hawaii Highway Users Alliance; one State Representative; and two individuals. Testimony in opposition was received from the Honolulu Police Department.

Your Committee finds that traffic accident management is of utmost public importance, especially when a fatality occurs. Although the evidence collected at traffic accident scenes may be crucial to determining the cause of the accident, these accident investigations proceed at a slower rate in Hawaii than in comparable metropolitan areas in the United States.

Prolonged closures of traffic lanes adversely affect the public and our economy because students cannot reach school and school activities or return home afterwards; employees cannot reach their place of work or attend meetings at remote locations; and businesses cannot receive or deliver products necessary to do business. These traffic jams also bode ill for the economy because tourists cannot expeditiously reach their

destinations and may leave Hawaii without feeling that they have been on vacation at all. Moreover, these prolonged investigative delays may result in secondary accidents that cause further delays.

The California Highway Patrol, the Oregon State Police, the Washington State Patrol, the Utah Highway Patrol, and the Arizona Department of Public Safety use what is known as a multidisciplinary accident investigation team system that employs digital photography and other equipment that has reduced the duration of lane and road closures. Multidisciplinary accident investigation teams use total station survey systems that employ laser technology to record specific reference points that are recorded in an on-board data collector. Total station survey systems significantly accelerate data collection, thereby minimizing the time the roadway is closed and reducing the exposure of officers and civilian personnel to the inherent hazards of traffic congestion caused by roadway closures. The data can then be downloaded into a computer-aided drawing program and printed in a large format.

Your Committee has amended this measure by changing the effective date to July 1, 2050, and making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1549, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1549, 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 (Hooser, Taniguchi).

SCRep. 1114 Education on H.B. No. 428

The purpose of this measure is to increase the educational capital of the State and improve its capacity to meet the challenges of providing support services to the elderly, the poor, and the homeless through the appropriation of funds to support the operations of the Center on the Family at the University of Hawaii.

This measure also requires the University of Hawaii to report to the Legislature prior to the 2008 Regular Session on actions taken pursuant to this measure.

Testimony in support of this measure was submitted by the Office of Youth Services, the University of Hawaii, Read To Me International, Aloha United Way, Ka Hale Pomaika'i, Hawaii Women Work!, the Institute for Human Services, Inc., Project Dana, Healthy Mothers, Healthy Babies Coalition of Hawaii, Windward Homeless Coalition, Volunteer Resource Center of Hawaii, Save the FoodBasket, Inc., and ten individuals.

Your Committee finds that the Center on the Family at the University of Hawaii conducts research and activities that focus on the economic strain on families; family resilience; the healthy development of children; the consequences for children of parental childrearing beliefs and practices; and monitoring the well-being of families, children, and the aging in Hawaii. The Center's mission is to enhance interdisciplinary research, service, and education that supports and strengthens families. Your Committee further finds that the Center provides valuable data on the State's families, children, and elderly that assists government departments and agencies as well as nonprofit organizations in serving disadvantaged groups within the State.

Furthermore, your Committee believes that an appropriation of \$150,000 in each year of the 2007-2009 fiscal biennium would be appropriate to assist the Center in its operations, which will in turn assist service agencies and organizations in better serving the people of Hawaii.

Accordingly, your Committee has amended this measure by:

- (1) Extending the appropriation for the Center on the Family for both years of the 2007-2009 fiscal biennium; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 428, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 428, 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 (Hee, Nishihara, Taniguchi).

SCRep. 1115 Education on H.B. No. 767

The purpose of this measure is to increase the financial support provided to families of underrepresented college student populations by the Running Start Program and ensure participating students earn credit toward their high school and college degrees upon successful completion of qualifying University of Hawaii courses.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii, the Hawaii State Teachers Association, and GEAR UP Hawaii.

Your Committee finds that the Running Start Program is a joint program of the University of Hawaii and the Department of Education. The program helps to prepare high school students of underrepresented populations for college entry by allowing eligible high school students to enroll in qualified university courses and earn credits for high school graduation and college simultaneously. Your Committee further finds that the Running Start program provides many students with the motivation, preparation, and opportunity to explore and pursue post-secondary education, which would otherwise be unavailable or unaffordable.

Since its establishment in 2002, the Running Start Program has provided scholarships totaling \$260,000 to eight hundred fifty low-income students in Hawaii and anticipates providing approximately 140 new scholarships each year. Your Committee believes that additional funding in the amount of \$50,000 each year is necessary to allow the Running Start Program to keep pace with increased participation in the program and interest in college entry.

Accordingly, your Committee has amended the measure by:

- (1) Clarifying that the appropriation of funds is intended to increase support for the families of low-income and underrepresented students;
- (2) Clarifying that the Department of Education shall provide guidance and credit toward high school graduation for the successful completion of one-hundred level University of Hawaii courses; and

- (3) Making technical, nonsubstantive changes for 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. 767, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 767, 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 (Hee, Nishihara, Taniguchi).

SCRep. 1116 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1201

The purpose of this measure is to streamline the process for preparing the Office of Hawaiian Affairs's budget.

Specifically, this measure amends section 10-14.5, Hawaii Revised Statutes (HRS), by:

- (1) Allowing the Board of Trustees of the Office of Hawaiian Affairs to choose the best method of providing beneficiaries in each county with opportunities to participate in the preparation of each of its biennial and supplemental budgets; and
- (2) Clarifying the inference that face-to-face meetings do not need to be held in every county.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs and the State Council of Hawaiian Homestead Associations.

Under section 10-14.5, HRS, the Office of Hawaiian Affairs is required to provide opportunities for beneficiaries in every county to participate in the preparation of each biennium and supplemental budget of the Office of Hawaiian Affairs. The Office of Hawaiian Affairs indicated to your Committee that the existing language under section 10-14.5, HRS, creates an inference that face-to-face meetings are required to provide beneficiaries the opportunity to review the budget. Furthermore, it was indicated that these meetings can pose a time constraint on the Board of Trustees who must set-up and meet with interested beneficiaries from each county within a relatively short period of time before the budget is due to the Legislature. Your Committee finds that streamlining the process of the Office of Hawaiian Affairs to prepare its budget will assist in more efficiently accomplishing its beneficiary consultation within a short time frame.

However, your Committee expresses concerns about the current beneficiary consultation and participation process in the preparation of the Office of Hawaiian Affairs budget. Furthermore, your Committee expresses concerns that the alternative methods may discourage or may make it unfeasible for beneficiaries to participate in the preparation of the budget. Thus, your Committee has requested that the Office of Hawaiian Affairs provide further information about beneficiary participation and its efforts in gathering beneficiary input.

Accordingly, your Committee has amended this measure by:

- (1) Changing the effective date of this measure to July 1, 2020, to further discussion; 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 Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1201, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1201, 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, 1 (Hee).

SCRep. 1117 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1353

The purpose of this measure is to improve opportunities for Native Hawaiian homestead beneficiaries and increase engagement in the development of their Hawaiian homestead community by amending the Hawaiian Homes Commission Act of 1920, as amended, by authorizing moneys from the Hawaiian Home Receipts Fund to be transferred and deposited into the Native Hawaiian Rehabilitation Fund.

Testimony in support of this measure was submitted by the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, the State Council of Hawaiian Homestead Associations, and one individual.

The Hawaiian Home Receipts Fund is a holding fund into which interest moneys from loans or investments received by the Department of Hawaiian Home Lands are deposited. The Native Hawaiian Rehabilitation Fund, on the other hand, receives thirty per cent of the state receipts derived from cultivated sugar lands and from water licenses. These funds are used for the rehabilitation of Native Hawaiians and their families and the Hawaiian homestead communities, including educational, economic, political, social, and cultural processes by which the general welfare and conditions of Native Hawaiians are improved and perpetuated. Furthermore, the Native Hawaiian Rehabilitation Fund is used to fund grants, scholarships, and other activities that benefit Native Hawaiians and Native Hawaiian community organizations.

Your Committee finds that with the reduction in sugar cultivation in the recent years, proceeds into this fund have been decreasing, and allowing moneys from the Hawaiian Home Receipts Fund to be transferred into the Native Hawaiian Rehabilitation Fund will provide an additional source of revenue that can be used to carry out the purposes of this fund.

Your Committee further finds that more needs to be done to encourage Native Hawaiian homestead beneficiaries to participate and engage in the development of their Hawaiian homestead community. Thus, your Committee believes that adding the contents of S.B. No. 938, S.D. 1; S.B. No. 939, S.D. 1; and S.B. No. 940, S.D. 1, would encourage Native Hawaiian homestead beneficiary participation.

Accordingly, your Committee has amended this measure by further amending the Hawaiian Homes Commission Act of 1920, as amended, by:

- (1) Designating the substantive provisions of the measure as received by your Committee as Part I;
- (2) Adding language from S.B. No. 938, S.D. 1, that requires the Department of Hawaiian Home Lands to consult with trust beneficiaries prior to implementing any project that includes commercial development on Hawaiian Home Lands Trust properties as Part II of this measure;

- (3) Adding language from S.B. No. 939, S.D. 1, that establishes a Hawaiian Home Lands Community Development Fund with revenue-sharing from commercial development projects to be used for community and cultural programming in Hawaiian homestead communities as Part III of this measure;
- (4) Adding language from S.B. No. 940, S.D. 1, that requires the Department of Hawaiian Home Lands to consult the trust beneficiaries prior to implementing any policies and agreements that will lower the allowable loan limits for mortgage products designed for Hawaiian Home Lands Trust properties as Part IV of this measure; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to improve opportunities for Native Hawaiian homestead beneficiaries and increase engagement in the development of their Hawaiian homestead community.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1353, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1353, 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, 1 (Hee).

SCRep. 1118 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 119

The purpose of this measure is to support and encourage a diversified agricultural industry in Hawaii by allowing the Agribusiness Development Corporation to acquire agricultural water systems that provide water for the irrigation of agricultural lands.

Specifically, this measure:

- (1) Adds a new section to chapter 163D, Hawaii Revised Statutes, that allows the Agribusiness Development Corporation to acquire by grant, purchase, or gift an agricultural water system that provides water for the irrigation of agricultural lands, and exempts the conveyance of the water system from county subdivision requirements;
- (2) Amends section 163D-4, Hawaii Revised Statutes, to allow the Agribusiness Development Corporation to acquire property by gift; and
- (3) Amends section 484-3, Hawaii Revised Statutes, to exempt the Agribusiness Development Corporation from the registration and procedural requirements for subdivided lands under chapter 484, Hawaii Revised Statutes, when the Development Corporation acquires an agricultural water system.

Testimony in support of this measure was submitted by the Agribusiness Development Corporation, the Hawaii Agriculture Research Center, Kamehameha Schools, and Dole Food Company Hawai'i. Testimony in opposition to this measure was submitted by the Department of Planning and Permitting, City and County of Honolulu.

The purpose of the Agribusiness Development Corporation is to coordinate and administer programs to assist agricultural enterprises to facilitate the transition of agricultural infrastructure from plantation operations into other agricultural enterprises, and to provide the leadership for the development and financing of agricultural enterprises. The Agribusiness Development Corporation acquired the Waiahole Water System on Oahu from a former sugar company, and the ditch system continues to be a stable source of irrigation water to over five thousand acres of agricultural land to support diversified agriculture. Your Committee finds that further enabling the Agribusiness Development Corporation to acquire agricultural water systems will enable agricultural producers to continue their agricultural operations.

It was indicated in submitted testimony that the Agribusiness Development Corporation is currently taking Lake Wilson and the Wahiawa Dam on Oahu under consideration for ownership and management. Your Committee is concerned, however, that more discussion, planning, coordination, and involvement from the Department of Agriculture and the Department of Land and Natural Resources are needed before the Agribusiness Development Corporation can acquire this agricultural water system or other proposed systems. Furthermore, your Committee is concerned about any liability issues that may arise by the Agribusiness Development Corporation acquiring an agricultural water system by gift.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the new section added to chapter 163D, Hawaii Revised Statutes, that allows the Agribusiness Development Corporation to acquire by grant, purchase, or gift an agricultural water system that provides water for the irrigation of agricultural lands, and exempts the conveyance of the water system from county subdivision requirements;
- (2) Deleting the amendment to section 163D-4, Hawaii Revised Statutes, that allows the Agribusiness Development Corporation to acquire property by gift;
- (3) Adding an effective date of July 1, 2050, to promote further discussion on this matter; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committee believes that this measure, as amended, fulfills the purpose of this measure, which is to support and encourage a diversified agricultural industry in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 119, 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 (Hee).

SCRep. 1119 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 399

The purpose of this measure is to assist in the development of conservation plans by appropriating funds to the Hawaii Association of Conservation Districts for its operating expenses for all of its soil and water conservation districts.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Department of Agriculture, the Hawaii Agriculture Research Center, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau Federation, the Hawaii Association of

Conservation Districts, the Maui County Farm Bureau, the Kona Soil and Water Conservation District, the Mauna Kea Soil and Water Conservation District, the Hamakua Soil and Water Conservation District, the Windward Soil and Water Conservation District, and one individual.

The purpose of the Soil and Water Conservation District program is to educate, construct, maintain, and assist in the development of conservation plans to protect soil and water resources. Your Committee finds that the Hawaii Association of Conservation Districts is under funded to carryout the tremendous and important functions all sixteen of the Soil and Water Conservation Districts serve to the agricultural industry in Hawaii. An increase in funding will enable the Soil and Water Conservation Districts to each cover their existing operating expenses and additional costs associated with increased liability and regulatory requirements.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the blank appropriation amount and adding an appropriation amount of \$500,000; and
- (2) Changing the effective date of this measure from July 1, 2020, to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 399, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 399, 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, 1 (Hee).

SCRep. 1120 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 337

The purpose of this measure is to promote Hawaii's diversified agricultural industry and protect its agricultural lands for long term agricultural activities by authorizing the Agribusiness Development Corporation to purchase and lease privately owned agricultural lands in Kunia and Ewa.

Specifically, this measure:

- (1) Authorizes the Agribusiness Development Corporation to issue revenue bonds to purchase privately owned agricultural lands in Kunia and Ewa;
- (2) Appropriates funds to the Agribusiness Development Corporation for the purchase of agricultural lands in Kunia and Ewa that are owned by private entities;
- (3) Enables the Agribusiness Development Corporation to contract with banks for lease management services; and
- (4) Allows the Agribusiness Development Corporation to lease the Kunia and Ewa agricultural lands under its control for up to fifty-five years.

Testimony in support of this measure was submitted by the College of Tropical Agriculture and Human Resources, University of Hawaii; the Agribusiness Development Corporation; the Department of Planning and Permitting, City and County of Honolulu; the Hawaii Farm Bureau Federation; the Hawaii Agriculture Research Center; and the Hawaii Crop Improvement Association.

Protecting agricultural lands is fundamental to Hawaii's future agricultural industry and sustainable food supply. Growing food locally improves Hawaii's food security, and conserves and protects green, open spaces. The agricultural lands in Kunia and Ewa are some of the best and most productive agricultural lands in the State, but it is also located in an area that has a great demand for residential and urban development.

Your Committee finds that enabling the Agribusiness Development Corporation to purchase agricultural lands in Kunia and Ewa, and then lease those lands for up to fifty-five years will ensure that these lands will remain for agricultural production. Your Committee believes that the purchase of strategic parcels of agricultural lands, such as the parcels in Kunia and Ewa, will ensure that these lands will remain in agriculture in perpetuity.

Your Committee has amended this measure by:

- (1) Adopting the suggestion made by the Hawaii Agriculture Research Center by adding the agricultural area north of Wahiawa and Schofield to the scope of this measure;
- (2) Changing the effective date of this measure from July 1, 2020, to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to ensure that the agricultural lands in Central Oahu will remain for agricultural activities, and promote a viable and diversified agricultural industry in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 337, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 337, 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, 1 (Hee).

SCRep. 1121 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 401

The purpose of this measure is to establish incentives and protections for important agricultural lands pursuant to chapter 205, part III, Hawaii Revised Statutes, by authorizing the Chairperson of the Board of Agriculture to guaranty loans relating to agricultural projects on important agricultural lands.

Specifically, this measure:

- (1) Allows the Chairperson of the Board of Agriculture to approve guaranty loans relating to agricultural projects on important agricultural lands;

- (2) Limits the guaranty loan to a maximum of ten years for operating costs and a maximum of twenty years for capital improvement costs, and limits the guaranty loan to be up to eighty-five per cent of the principal amount of the loan;
- (3) Authorizes the Chairperson of the Board of Agriculture to guaranty a qualified agriculture loan with a principal amount of up to \$2,500,000 with an aggregate liability cap for the State of \$40,000,000;
- (4) Requires the Director of Finance to maintain the responsibility for the reserve and funding of any defaults; and
- (5) Appropriates an unspecified amount for the Director of Finance to establish a loan guaranty reserve fund for the guaranty loan program.

Testimony in support of this measure was submitted by the Department of Agriculture; the Hawaii Farm Bureau Federation; the Maui County Farm Bureau; the Hawaiian Electric Company, Inc.; the Maui Electric Company, Ltd.; the Hawaii Electric Light Company, Inc.; the Hawaii Agriculture Research Center; Alexander and Baldwin, Inc.; the Hawaiian Commercial and Sugar Company; the Kauai Coffee Company, Inc.; the Hawaii Crop Improvement Association; and the Land Use Research Foundation. The Department of Budget and Finance submitted comments.

The Legislature enacted Act 183, Session Laws of Hawaii 2005, to establish standards, criteria, and mechanisms to identify important agricultural lands and implement the intent and purpose of Article XI, section 3, of the Hawaii State Constitution.

Financing is a critical component of the long-term viability of farmers to sustain their agricultural businesses. Your Committee finds that establishing a guaranty loan program for agricultural projects on designated important agricultural lands will provide better security for agricultural producers to meet their financial requirements and sustain their businesses. Although agriculture loans are often viewed as high risk ventures, your Committee believes that authorizing the Chairperson of the Board of Agriculture to guaranty agriculture loans for projects on designated important agricultural lands will provide commercial lenders the assurance that their loans will be backed by the State.

The Department of Agriculture and the Department of Budget and Finance indicated to your Committee that since the agricultural loan guaranty program is to be administered by the Department of Agriculture, the responsibility for the reserve and funding for the program should also be placed under the Department of Agriculture instead of the Department of Budget and Finance. Thus, the Department of Agriculture suggested amendments be made under the appropriation section of this measure to cite the Department of Agriculture as the expending agency and allow it to establish a sub-account within the Agricultural Revolving Fund to maintain a reserve fund for the agricultural guaranty loan program. Your Committee believes that this is an issue that merits further discussion by the Committee on Ways and Means.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the suggestion made by Alexander and Baldwin, Inc. by deleting any references in this measure that may infer that the agricultural loan guaranty program establishes sufficient incentives and protections to authorize the Land Use Commission to start designating lands as important agricultural lands pursuant to section 9, Act 183, Session Laws of Hawaii 2005;
- (2) Changing the effective date of the measure from July 1, 2007, to July 1, 2050, to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee believes that this measure, as amended, fulfills the purpose of this measure, which is to establish incentives and protections for important agricultural lands pursuant to chapter 205, part III, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, 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. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 401, 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 (Fukunaga, Hee).

SCRep. 1122 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 404

The purpose of this measure is to promote and sustain agricultural endeavors in the State.

Specifically, this measure appropriates funds to the Hawaii Farm Bureau Federation to conduct agricultural research and development.

Testimony in support of this measure was submitted by the Department of Agriculture; the College of Tropical Agriculture and Human Resources, University of Hawaii; the Hawaii Farm Bureau Federation; the Maui County Farm Bureau; the Hawaii Agriculture Research Center; the Hawaii Aquaculture Association; Alexander and Baldwin, Inc.; the Hawaiian Commercial and Sugar Company; the Kauai Coffee Company, Inc.; and the Hawaii Crop Improvement Association.

Agriculture research is essential to the success of diversified agriculture in Hawaii. The knowledge gained through research efforts helps producers boost their yields through informed choices about which crops and varieties to plant, when and where to plant them, how to protect them from pests, and how to optimize post-harvest quality. Agricultural research assists in increasing local food production, improving the State's food security, and assists Hawaii's producers to compete in local and export markets.

The Hawaii Farm Bureau Federation is a nonprofit organization that works to resolve the problems that many farmers, ranchers, and other agricultural producers face in Hawaii. The Bureau represents, protects, and advances the social, economic, and educational interests of Hawaii's agricultural sector. Your Committee finds that appropriating funds to the Hawaii Farm Bureau Federation will facilitate research that will support the continued expansion of diversified agriculture and help create new local, national, and international marketing opportunities for Hawaii agricultural goods.

It was indicated to your Committee in submitted testimony that Hawaii's agricultural research programs recently lost federal earmarks during the fiscal year 2006-2007, and an appropriation of \$2,000,000 to the Hawaii Farm Bureau Federation will increase the availability funds for which research programs can continue to compete for national grants until federal funding is restored. Your Committee believes that the appropriation amount should be increased to \$2,000,000, but emphasizes that the appropriation should only be for fiscal year 2007-2008, until federal earmarks are restored.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the blank appropriation amount for fiscal year 2007-2008, and adding the amount of \$2,000,000;

- (2) Deleting the blank appropriation amount for fiscal year 2008-2009;
- (3) Changing the effective date of this measure from July 1, 2020, to July 1, 2007; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to promote and sustain agricultural endeavors in the State.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 404, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 404, 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 (Fukunaga, Hee).

SCRep. 1123 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1864

The purpose of this measure is to aid in the eradication of invasive species in Hawaii by providing government agencies and private entities limited liability immunity for injuries sustained by volunteers who are engaged in coqui frog eradication efforts.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources; the Department of Agriculture; the Mayor, County of Maui; and two individual.

The introduction of the coqui frog in Hawaii has resulted in a serious problem for residents and tourists. The infestation of coqui frogs has forced government agencies to enlist the help of volunteers to aid in the eradication efforts. During coqui frog eradication projects, volunteers are required to move through forested areas or areas dense in vegetation, which may create hazardous conditions for or has the potential of causing injury to these volunteers. Your Committee finds that providing government agencies and private entities with limited liability immunity from injuries sustained by volunteers who are engaged in coqui frog eradication efforts fulfills the intent of this measure, which is to further aid in the eradication of invasive species in Hawaii.

Your Committee has amended this measure by changing the effective date of this measure from January 1, 2112, to effective upon approval.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1864, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1864, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 1124 Education on Gov. Msg. Nos. 426 and 427

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII MEDICAL EDUCATION COUNCIL

G.M. No. 426 JAMES E. HASTINGS, MD, FACP, for a term to expire 6-30-2011; and

G.M. No. 427 ARTHUR A. USHIJIMA, for a term to expire 6-30-2011

Your Committee reviewed the personal histories and statements submitted by the nominees, and finds James E. Hastings MD, FACP, and Arthur A. Ushijima to have the necessary qualifications to be nominated to the Hawaii Medical Education Council.

Your Committee received testimony in support of James E. Hastings from the Healthcare Association of Hawaii and one individual.

Mr. Hastings served as the commander of three major U.S. Army medical centers during his career as a Brigadier General: Walter Reed Army Medical Center, Dwight David Eisenhower Army Medical Center, and Tripler Army Medical Center. He is also the former Associate Dean of the Uniformed Services University of the Health Sciences and Chair of the Department of Medicine of the John A. Burns School of Medicine from 1995 to 2002. He currently serves as the Director of the Spark M. Matsunaga Department of Veterans' Affairs Medical Center where he oversees healthcare provisions to federal beneficiaries. Mr. Hastings' appointment to the Hawaii Medical Education Council will allow him to utilize his considerable medical knowledge and administrative experience in order to make significant contributions to Hawaii's multifaceted health care system.

Your Committee received testimony in support of Arthur A. Ushijima from the Healthcare Association of Hawaii; Watanabe Ing & Komeiji, LLP; and one individual.

Mr. Ushijima has a longstanding career in the medical field, serving as a hospital administrator for thirty-three years and has actively worked to support both undergraduate and graduate medical education for over twenty-five years. He is currently the Chief Executive Officer of the Queen's Medical Center and has also worked as a hospital administrator in four different hospitals on the mainland in a variety of organizational settings. Mr. Ushijima's vast knowledge and experience in the medical field provide him with a heightened understanding of the complex health care issues in Hawaii, making him a valuable asset to Hawaii Medical Education 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, 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 (Chun Oakland, Hee, Nishihara).

SCRep. 1125 Education on Gov. Msg. Nos. 437, 438 and 439

Recommending that the Senate advise and consent to the nominations of the following:

CENTER FOR NURSING ADVISORY BOARD

G.M. No. 437 KEVIN MULLIGAN, for a term to expire 6-30-2011;

G.M. No. 438 PENNYLYNN A. ONTAI, for a term to expire 6-30-2011; and

G.M. No. 439 VICKY K. POLAND, for a term to expire 6-30-2011

Upon review of background information submitted by the nominee, your Committee finds that Kevin Mulligan holds a Bachelor of Arts degree from Pitzer College, in Claremont, California, and a Master of Social Work degree and a Master of Education degree from the University of Hawaii at Manoa. He currently serves as a Union Agent for the Hawaii Government Employees Association and is being nominated for reappointment to the Center for Nursing Advisory Board for a second term as a representative of labor organizations. Mr. Mulligan's prior work experience includes service as a Personnel Officer, a Personnel Management Specialist, an Associate Consultant, a Legislative Aide, a Contract Specialist, and an Assistant Analyst.

Testimony in support of the Mr. Mulligan's nomination was submitted by the Hawaii Government Employees Association, the ILWU Local 142, and the Hawaii State Center for Nursing.

Upon review of background information submitted by the nominee, your Committee finds that Pennylynn A. Ontai holds an Associate of Science degree from Monterey Community College, in Monterey, California, and a Bachelor of Science degree in Nursing from California State University at Fresno. She currently serves as a Pediatric Homecare Registered Nurse (R.N.) with the Homecare Department of Castle Medical Center and is being nominated for reappointment to the Center for Nursing Advisory Board for a second term as a representative of community agencies or consumer groups with an interest in healthcare. Ms. Ontai's prior work experience includes service as an Adult Homecare R.N./Middle Manager, a Labor and Delivery Nursery R.N., a Medical/Surgical R.N., a Clinic R.N., and an Endoscopy R.N. She is actively involved in the community through her service as the President of the Mililani Basketball Association and the Parent Football Booster Association and as a member of the Central Oahu Lions Club, St. John Apostle and Evangelist Catholic Church Parish Council, the PTSA/PSA, and the National Association of Nurse Practitioners.

Testimony in support of Ms. Ontai's nomination was submitted by the Hawaii State Center for Nursing.

Upon review of background information submitted by the nominee, your Committee finds that Vicky Poland currently serves as a Critical Care R.N. in the Coronary Care Unit at Kuakini Medical Center and is being nominated for reappointment to the Center for Nursing Advisory Board for a second term as a representative of the Hawaii Nurses' Association, professional component. She was educated in New Zealand and passed the U.S. Board of Registered Nursing examinations for R.N.s in 1990. Ms. Poland's prior work experience includes service in hospitals in the Intensive Care Unit, Labor and Delivery, Orthopedics, Burns, Pediatric Plastic Surgery, Spinal Unit, and Medical Respiratory Ward. She is actively involved in the community through her membership on the Hawaii Nurses' Association Board of Directors and the Traffic Calming Project for the Newtown Estates Community Association, as a volunteer for the Hawaii Iron Man and Honolulu Marathon, and as a mentor for student nurses in programs throughout the State.

Testimony in support of Ms. Poland's nomination was submitted by the Hawaii State Center for Nursing and the Hawaii Nurses' Association.

Your Committee questioned the nominees regarding each nominee's desire to serve, perception of the role and responsibilities of membership, qualifications for membership, and goals for the nominee's term of service on the Center for Nursing Advisory Board. Your Committee believes that the nominees adequately responded to the Committee's inquiries and demonstrated adequate knowledge of and a commitment to work towards the goals of the Board, including addressing the current nursing shortage in Hawaii.

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, 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 (Chun Oakland, Hee, Nishihara).

SCRep. 1126 Judiciary and Labor on H.B. No. 1108

The purpose of this measure is to amend various provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii pursuant to chapter 23G, Hawaii Revised Statutes, to correct errors, update references, clarify language, and delete obsolete or unnecessary language.

Your Committee finds that all of the statutory amendments proposed by the measure are of a purely technical nature and either contain no substantive changes to the law or, if they have any substantive effect, are done simply to correct the types of errors noted in the title of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1108, 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, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1127 Judiciary and Labor on H.B. No. 1393

The purpose of this measure is protect privacy by authorizing agencies to withhold from public disclosure individuals' home addresses in government records concerning contract hires and consultants and in certified payroll records on public works contracts.

Your Committee received testimony in support of this measure from the Office of Information Practices.

Your Committee finds that although home addresses are generally not required to be disclosed under the personal privacy exception of the chapter 92F, Hawaii Revised Statutes, the Uniform Information Practices Act (Modified), that exception is not available for certain categories of government documents. This measure extends to home addresses the same protection currently provided to individuals' social security numbers in payroll records on public works contracts and other government records concerning public hires and consultants.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1393, 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, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1128 Judiciary and Labor on H.B. No. 1158

The purpose of this measure is to clarify that arson property damage over ten thousand square feet qualifies for special sentencing.

In addition, the measure amends the misdemeanor offense of arson in the fourth degree to include recklessness to the state of mind requirement in the commission of arson.

Your Committee finds that the current law regarding arson states that the damage to the property must be exactly ten thousand square feet to qualify for special sentencing considerations. This bill provides that for special sentencing, the damage be ten thousand square feet or more.

Your Committee heard testimony in support of and against the bill, respectively, from the Honolulu Prosecuting Attorney's Office and the Public Defender's Office.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1158, 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, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1129 Transportation and International Affairs on H.B. No. 1427

The purpose of this measure is to change the minimum headlamp height requirement from twenty-four to twenty-two inches, and to delete the requirement that a license plate be attached no lower than twelve inches above the ground.

Your Committee received testimony in support of this measure from the Department of Transportation.

Your Committee finds that some new vehicles are manufactured with headlamps that are less than twenty-four inches but not less than twenty-two inches above the road surface. Lowering the height requirement will legalize the operation of these new vehicles without compromising the required visibility at night. The twenty-two inch requirement is congruent with Federal Motor Vehicle Safety Standard 108, which supercedes state law.

Your Committee further finds that the height requirement for license plates is not necessary as long as the plates are clearly visible and reasonably clean as required by current law.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.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, 5. Noes, none. Excused, 2 (Hooser, Taniguchi).

SCRep. 1130 Transportation and International Affairs on H.B. No. 158

The purpose of this measure is to repeal the requirement that motor carrier vehicles that include the trailers and pole trailers be inspected and certified once in twelve months and during the month in which the vehicle's certificate of registration is issued.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT); Honolulu Department of Customer Services; Alexander & Baldwin, Inc.; Matson Navigation Company; and Hawaii Transportation Association.

Act 3, Session Laws of Hawaii 2005, enacted the provision that this measure would repeal. The justification for requiring a safety inspection during the month in which the vehicle's certificate of motor vehicle registration is issued, was to spread out DOT's tremendous workload to inspect some 100,000 vehicles in the month of June, when the annual safety inspections expire on motor carrier vehicles. (Senate Standing Committee Report No. 54, on SB No. 73, 2005) Testimony now indicates that the existing law that requires motor carrier companies such as Matson Navigation and Horizon Lines to have their trailers and pole trailers inspected and certified once a year and in the same month in which the vehicle's certificate of registration is issued, has proven to be a logistical burden for the vehicle owners.

Your Committee has amended this measure by changing the effective date to upon approval, and making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 158, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 158, 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, Taniguchi).

SCRep. 1131 Judiciary and Labor on H.B. No. 1253

The purpose of this measure is to make benevolent gestures inadmissible as evidence of an admission of liability in medical malpractice claims.

Your Committee received testimony in support of this measure from the Hawaii Medical Association, the Healthcare Association of Hawaii and Kaiser Permanente. The Attorney General opposed the bill in its present form. The Judiciary's Standing Committee on the Rules of Evidence and Consumer Lawyers of Hawaii provided comments.

Your Committee finds it appropriate to allow individuals and entities to express sympathy and condolence without the expression being used against the individual or entity to establish civil liability, even if the individual or entity is not a health care provider. Your Committee notes that a separate measure dealing with apologies by medical care providers, S.B. No. 813, S.D. 1, Relating to Medical Liability, is moving through the legislative process.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the provisions that confine the bill to civil actions against health care providers, and benevolent gestures made to a patient or patient's family; and

- (2) Inserting text from S.B. No. 1339, S.D. 1, to render evidence of statements or gestures that express sympathy, commiseration, or condolence regarding the consequences of an event in which a declarant participated inadmissible to prove liability for a claim growing out of the event, without requiring exclusion of apologies that acknowledge or imply fault.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor 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, 1 (Inouye).

SCRep. 1132 Judiciary and Labor on H.B. No. 389

The purpose of this measure is to prohibit a candidate for public office from appearing in public service announcements paid for with state or public funds from the time of filing nomination papers until the time the person is no longer a candidate, unless the appearance is in response to an emergency or is part of the candidate's official duties.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii. The Campaign Spending Commission commented on this measure.

Your Committee finds that this measure will promote fairness in the election process.

Your Committee has amended this measure by:

- (1) Changing the phrase "paid for with state or public funds" to "paid for with state, county or federal funds";
- (2) Expanding the exception for public service announcements "in response to" disasters or emergencies to include announcements "in anticipation of" those events;
- (3) Expanding the exception for appearances in broadcasts of "official state or county proceedings" to include official federal proceedings; and
- (4) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 389, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 389, 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, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1133 Judiciary and Labor on H.B. No. 1513

The purpose of this measure is to increase the range of fines for election fraud.

Currently, fines may be imposed in an amount "not less than \$100 nor more than \$1,000." This measure increases the range of fines to "not less than \$1,000 nor more than \$5,000."

Your Committee received testimony in support of this measure from the League of Women Voters and a concerned individual.

Your Committee finds increased fines appropriate for the conduct deemed election fraud under section 19-3, Hawaii Revised Statutes (HRS), such as threatening to inflict or inflicting injury, damage, or loss to induce or compel a person to vote or refrain from voting or to vote or refrain from voting for any particular person or party (section 19-3(4), HRS), or voting or attempting to vote in the name of another person, living or dead, or in a fictitious name (section 19-3(5), HRS).

Your Committee has amended this measure by:

- (1) Deleting obsolete words "in hard labor" from the phrase "imprisoned at hard labor not more than two years."; and
- (2) Changing the effective date from January 1, 2050, to upon approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1513, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1513, 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, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1134 Transportation and International Affairs on H.B. No. 1423

The purpose of this measure is to authorize the Director of Transportation to determine the minimum passenger requirements to use high occupancy vehicle lanes.

The measure also requires the Director of Transportation to indicate such minimum passenger requirements on official signs or other traffic-control devices.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT).

Your Committee finds that under existing law, the DOT is unable to meet the changing needs of the motoring public in the operation of high occupancy vehicle lanes, and the changing traffic demands and traffic volumes. Your Committee believes that the DOT should have the flexibility to change occupancy requirements of high occupancy vehicle lanes to meet changing traffic conditions.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of style and conforming the measure to preferred drafting conventions.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1423, 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 (Hooser, Taniguchi).

SCRep. 1135 Judiciary and Labor on H.B. No. 758

The purpose of this measure requires employers with fifty or more individuals to allow rest or meal periods for employees that work more than five consecutive hours, with certain exceptions. Repeals the exclusion of persons whose employment is governed by the federal Fair Labor Standards Act from the definition of "employee" under the State's wage and hour law.

Testimony in support of this measure was received from Local 5 Hawaii, Hawaii State AFL-CIO, O'ahu County Committee of the Democratic Party of Hawai'i, Hawaii Teamsters and Allied Workers, Local 996, ILWU Local 142, Covanta Energy Corporation thru Goodwill Anderson Quinn & Stifel, Hawaii State Teachers Association, Democratic Party of Hawaii, and a private citizen.

Opposing testimony was received from the Department of Labor and Industrial Relations, Hawaiian Electric Company, Society for Human Resource Management – Hawaii Chapter, National Federation of Independent Businesses in Hawaii (NFIB), Chamber of Commerce of Hawaii, Kaua'i Chamber of Commerce, Hawaii Island Chamber of Commerce and a private citizen.

The Oahu Transit Services, Inc. commented that meal breaks for their employees are negotiated through collective bargaining and therefore requested an exemption.

Your Committee has amended the measure by amending Section 387-13, Hawaii Revised Statutes, entitled "Rights of collective bargaining protected" by adding "rest or bona fide meal period under this chapter." This will expand present law that allows collective bargaining agreements to supersede the requirements under Chapter 387, Hawaii Revised Statutes. This amendment accommodates the request from the Oahu Transit Services, Inc. to allow meal breaks covered under collective bargaining agreements to supersede the requirements of Chapter 387. The amendment also applies to all employees covered by collective bargaining agreements.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 758, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 758, 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 (Inouye, Kokubun).

SCRep. 1136 Judiciary and Labor on H.B. No. 1294

The purpose of this measure is to provide an appropriate, cost-neutral adjustment of the base monthly contributions for retiree benefit plans, in the event the Employer-Union Trust Fund's (EUTF) Board of Trustees adopts a revised rate structure for its retiree benefit plans.

Testimony in support of this measure was received from the EUTF and Budget and Finance. The EUTF testified that at its recent Board meeting, the EUTF Trustees adopted a three tier (single, two-party, family) rate structure for all its active and retiree health benefit plans beginning July 1, 2007.

This measure will off lower rates for retiree health benefits plans to correspond more closely with the size of the retiree's family (e.g., retiree and spouse would have a two-part rate, instead of family rate).

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1294, 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 (Kokubun, Nishihara).

SCRep. 1137 Judiciary and Labor on H.B. No. 1567

The purpose of this measure appropriates funds for salary increases and makes other cost adjustments for state officers and employees from legislative agencies and who are excluded from collective bargaining.

Testimony in support was received from the State Ethics Commission, State Auditor, Ombudsman, American Federation of State, County and Municipal Employees, AFL-CIO (AFSCME), and Legislative Reference Bureau.

Your committee finds that this measure is necessary for these excluded employees in the event that their counterparts receive negotiated increases under collective bargaining.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1567, 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 (Inouye, Kokubun).

SCRep. 1138 Public Safety on H.B. No. 1400

The purpose of this measure is to allow State-employed adult corrections officers to purchase uniforms and uniform accessories from Correctional Industries.

Your Committee received testimony in support of this measure from the Department of Public Safety.

Your Committee finds that Correctional Industries uses inmates to assemble and manufacture adult correctional officer uniforms and that the Department of Public Safety is required to issue each newly recruited officer four sets of uniforms, and allow for the replacement of one uniform per year for each officer at the Department's expense. Your Committee further finds that it is important that adult correctional officers have more flexibility in the replacement of their uniforms. To this end, it is the intent of your Committee to allow correctional officers to purchase additional sets of approved uniforms and uniform accessories from Correctional Industries at their own expense.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1400, 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, none.

SCRep. 1139 Public Safety on H.B. No. 1403

The purpose of this measure is to improve the operations and effectiveness of the Hawaii Paroling Authority by converting the two part-time positions on the Paroling Authority's panel to full-time positions and appropriating unspecified amounts of moneys for these positions.

Your Committee received testimony in support of this measure from the Hawaii Paroling Authority and the Department of Human Resources Development.

Your Committee finds that the Hawaii Paroling Authority's workload in the past thirty-six years has increased eight-fold due to the rise in incarceration rates. Despite the increased workload, the Hawaii Paroling Authority continues to be composed of one full-time and two part-time positions, which is the same number of positions allotted when it was created in 1976.

Your Committee further finds that the Hawaii Paroling Authority is experiencing severe difficulties in carrying out its responsibilities in assuring that the terms and conditions of parole are properly enforced with its current number of positions. As such, it is the intent of your Committee to convert the two part-time panel positions of the Hawaii Paroling Authority to full-time members in order to provide the Hawaii Paroling Authority with the personnel it needs to effectively and efficiently manage its current and future workloads.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1403, 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, none.

SCRep. 1140 Public Safety on H.B. No. 1440

The purpose of this measure is to clarify the jurisdictional authority of the Office of the Ombudsman when investigating the contractual acts of any correctional facility with which the Department of Public Safety has contracted to hold individuals committed to the custody of the Director of Public Safety.

Your Committee received testimony in support of this measure from the American Civil Liberties Union, Community Alliance on Prisons, Mestizo Association, and ten individuals. Your Committee received testimony in opposition to this measure from the Department of Public Safety. Your Committee received comments on this measure from the Office of the Ombudsman.

Your Committee finds that it is vital for inmates of Hawaii currently held in mainland correctional institutions have access to an independent body in order to investigate contractual claims. Your Committee further finds that this measure serves as an important mechanism to clarify and broaden the Ombudsman's scope of authority and ensures that inmates from Hawaii are not left without essential tools to address grievances with mainland correctional institutions. Your Committee has left the appropriation amount in this measure unspecified for further discussion in the next Committee. It is the intent of your Committee to extend the scope of the Ombudsman's jurisdiction to mainland facilities in order to preserve and protect the health, safety, and the legal rights of Hawaii's inmates.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1440, H.D. 3, and recommends that it pass Second Reading and be referred to the Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 3. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, none.

SCRep. 1141 Judiciary and Labor on H.B. No. 1564

The purpose of this bill is to fund the Hawaii Employer-Union Health Benefits Trust Fund costs:

- (1) In the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (10); and
- (2) Authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

Testimony in support was received from the American Federation of State, County and Municipal Employees, AFL-CIO (AFSCME), and the Office of Collective Bargaining supported the intent 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 this collective bargaining cost item 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 Judiciary and Labor 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, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 1142 Judiciary and Labor on H.B. No. 1565

The purpose of this bill is to fund the Hawaii Employer-Union Health Benefits Trust Fund costs:

- (1) In the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (1); and
- (2) Authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees in the executive branch who are excluded from collective bargaining.

The Office of Collective Bargaining supported the intent of the 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 this collective bargaining cost item 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1565, 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, 1 (Inouye).

SCRep. 1143 Judiciary and Labor on H.B. No. 1566

The purpose of this bill is to fund the Hawaii Employer-Union Health Benefits Trust Fund costs:

- (1) In the agreement negotiated with the exclusive bargaining representatives of collective bargaining units (2),(3),(4),(6),(8),(9), and (13); and
- (2) Authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

Testimony in support was received from the American Federation of State, County and Municipal Employees, AFL-CIO (AFSCME), and the Office of Collective Bargaining supported the intent of the 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 this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representatives 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1566, 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 (Inouye).

SCRep. 1144 Judiciary and Labor on H.B. No. 1568

The purpose of this bill is to fund:

- (1) All collective bargaining salary increases and cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (5); and
- (2) 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.

The Hawaii State Teachers Association (HSTA) testified in support of this bill, and the Office of Collective Bargaining supported the intent 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, including 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1568, 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 (Inouye).

SCRep. 1145 Judiciary and Labor on H.B. No. 1569

The purpose of this bill is to fund:

- (1) All collective bargaining salary increases and cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (10); and
- (2) 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.

Testimony in support was received from the American Federation of State, County and Municipal Employees, AFL-CIO (AFSCME), and the Office of Collective Bargaining supported the intent 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, including 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1569, 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 (Inouye).

SCRep. 1146 Judiciary and Labor on H.B. No. 1570

The purpose of this bill is to fund:

- (1) All collective bargaining salary increases and cost items, including contributions to the Hawaii Employer-Union Health Benefits Trust Fund, in the agreement negotiated with the exclusive bargaining representatives of collective bargaining unit (11); and
- (2) 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.

The Hawaii Fire Fighters Association and the American Federation of State, County and Municipal Employees, AFL-CIO (AFSCME) testified in support of this bill. The Office of Collective Bargaining supported the intent 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, including salary increases and other cost adjustments, should continue to advance in the Legislature.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1570, 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 (Inouye).

SCRep. 1147 Judiciary and Labor on H.B. No. 1572

The purpose of this bill is to fund:

- (1) All collective bargaining salary increases and cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (1); and
- (2) 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.

The Judiciary testified in support of this bill, and the Office of Collective Bargaining supported the intent 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, including 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1572, 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 (Inouye).

SCRep. 1148 Judiciary and Labor on H.B. No. 1573

The purpose of this bill is to fund:

- (1) All collective bargaining salary increases and cost items in the agreement negotiated with the exclusive bargaining representatives of collective bargaining units (2),(3),(4),(6),(8),(9), and (13); and
- (2) 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.

The Hawaii Government Employees Association (HGEA) and the American Federation of State, County and Municipal Employees, AFL-CIO (AFSCME) testified in support of this bill. The Office of Collective Bargaining supported the intent 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, including salary increases and other cost adjustments, should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representatives 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1573, 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 (Inouye).

SCRep. 1149 (Joint) Education and Health on H.B. No. 16

The purpose of this measure is to repeal the transfer of School Health Aides from the Department of Health to the Department of Education.

This measure also repeals the School Health Services Program from chapter 321, Hawaii Revised Statutes, and establishes a new program under the Department of Education, chapter 302A, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Department of Education, the Department of Health, and the Department of Human Resources Management.

Your Committees find that Act 51, Session Laws of Hawaii 2004, as amended, established the Department of Education as a separate jurisdiction of the State. This new status necessitated the transfer of various functions, duties, and personnel from other departments to the Department of Education. Included within these transfers are School Health Aides and the Public Health Nurses who supervise them, effective July 1, 2007. Your Committees understand that these transfers were intended to provide a coordinated school health services program within the Department of Education; however, concerns have arisen regarding the security of existing supervising Public Health Nurse and School Health Aide positions within the Department of Education.

Your Committee on Education previously heard a similar measure, Senate Bill No. 98, S.D. 1, which also repeals the transfer of School Health Aides. The provisions of that measure require the repeal of the transfer of supervising Public Health Nurses based on the execution of a Memorandum of Understanding between the Departments of Health and Education that allows supervising Public Health Nurses to remain within the Department of Health while providing clinical supervision to the Department of Education's School Health Aides. That measure also addressed job security concerns for School Health Aides under the transfer by requiring the Department of Education to provide career pathways and development for those individuals. Your Committees believe that Senate Bill No. 98, S.D. 1, provides a more appropriate manner for utilizing the State's personnel and resources.

Accordingly, your Committees have amended this measure by inserting the provisions of Senate Bill No. 98, S.D. 1, which includes the following changes:

- (1) Requiring the Department of Education to provide career pathways development and training opportunities for School Health Aides in the School Health Services field and other fields within the Department of Education to ensure the opportunity for continued employment with the Department of Education;
- (2) Changing its effective date to June 29, 2007; and
- (3) Making technical, nonsubstantive changes for purposes of clarity and to reflect preferred drafting 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 H.B. No. 16, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 16, 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, 4 (Hee, Nishihara, Taniguchi, Whalen).

SCRep. 1150 (Joint) Education and Health on H.B. No. 136

The purpose of this measure is to appropriate funds for the Hawaii AIDS Clinical Research Program of the University of Hawaii John A. Burns Medical School.

Testimony in support of this measure was submitted by the University of Hawaii, Life Foundation, the GLEA Foundation, and twenty-two individuals.

Your Committees find that the Hawaii AIDS Clinical Research Program (HACRP) of the University of Hawaii John A. Burns School of Medicine is comprised of the Hawaii AIDS Clinical Trials Unit the NeuroAIDS Specialized Neuroscience Research Program, several specialized laboratories, a multi-specialty HIV-1 clinic, and other supporting programs. HACRP performs various functions with an emphasis on HIV- and AIDS-associated education, research, and service. Funding for the Hawaii AIDS Clinical Trials Unit, which provides basic infrastructure for the HACRP, has largely been sustained through federal funding. Recently, however, the National Institutes of Health has indicated that the HACRP will no longer be federally funded. This loss of funding will result in a potential deficit of \$21,000,000 in HIV-related grant funds.

Your Committees believe that assistance from the State is necessary to provide financial support for basic infrastructure for HACRP to ensure that it will continue to be viable and productive in advancing HIV and AIDS education and research in the State.

Your Committees have amended this measure by making technical, nonsubstantive changes 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 H.B. No. 136, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 136, 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 (Hee, Nishihara, Taniguchi, Whalen).

SCRep. 1151 Judiciary and Labor on H.B. No. 1563

The purpose of this bill is to fund the Hawaii Employer-Union Health Benefits Trust Fund costs:

- (1) In the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (5); and
- (2) Authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

The Office of Collective Bargaining and Hawaii State Teachers Association (HSTA) supported the intent 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 this collective bargaining cost item 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1563, 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 (Inouye).

SCRep. 1152 Judiciary and Labor on H.B. No. 1291

The purpose of this measure is to clarify and conform existing statutes relating to the Employees' Retirement System (ERS) to current practices. Among other things, this measure:

- (1) Requires payment of interest to noncontributory members who have deductions erroneously made from their compensation;
- (2) Eliminates the eligibility of a foster child to receive death benefits of a member if the member dies in service;
- (3) Allows the ERS Board of Trustees (Board) to set the salary of the Chief Investment Officer in the same manner used to set the salary of the Administrator;

- (4) Requires contributions exceeding 75 percent of the statutory cap established for judges, legislative officers, and elected officials to be refunded when they leave service to comply with federal income tax laws;
- (5) Provides post retirement benefits to contributory and hybrid plan beneficiaries who select a monthly annuity instead of the lump sum balance;
- (6) Requires the claims for survivor benefits to be filed no later than three years from the date of the retirant's death;
- (7) Deletes the requirement that ordinary death benefits be computed in the same manner as ordinary disability benefits for deceased members with 10 years of service who are not eligible for retirement;
- (8) Allows the Board to adopt actuarial tables, factors, or assumptions at a duly noticed meeting;
- (9) Provides criteria for the conversion of noncontributory service to hybrid service once conversion is allowed; and
- (10) Allows hybrid plan members to retire at any time once their ordinary disability applications have been approved by the Board.

The Department of Budget and Finance, Board of Trustees of the Employees' Retirement System, and the Hawaii State Teachers Association supported this bill. The Employees' Retirement System (ERS) requested amendments to the bill to clarify statutory language and proposed changes.

Your Committee has amended this measure by complying with the ERS' request by amending Section 16 by amending the title and subparagraph (a) of Section 88-93, Hawaii Revised Statutes (HRS). The measure was further amended by technical nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1291, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1291, 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, 1 (Inouye).

SCRep. 1153 Education on H.B. No. 15

The purpose of this measure is to establish a Felix Stipend Special Fund for the collection of moneys received as repayments due to the breaches of contractual agreements between the Department of Education and students who received moneys pursuant to the Felix Consent Decree Recruitment and Retention Program.

This measure also appropriates funds from the Felix Stipend Special Fund for special education teaching programs.

Testimony in support of this measure was submitted by the Department of Education and the University of Hawaii. Testimony in opposition of this measure was submitted by the Department of Budget and Finance.

Your Committee finds that a Memorandum of Agreement (MOA) was executed between the Department of Education and the University of Hawaii during the 1999-2000 academic school year as a result of the Felix Consent Decree. The MOA authorized the provision of tuition assistance or stipends to qualified students in pursuit of bachelor degrees in education or master's degrees in special education. The award of stipends were predicated on a recipient's employment with the Department of Education as a special education teacher for three years, for a bachelor's degree student, and five years, for a master's degree student. Your Committee further finds that if a recipient fails to fulfill the teaching requirement for the specified durations, the recipient must repay a prorated amount of the tuition assistance received.

This measure establishes a special fund to collect the repayment moneys and requires such funds be used for special education teaching programs. However, your Committee believes that these funds would be more appropriately used and the aforementioned purpose better served by specifying that the funds shall be used for the provision of tuition assistance to students for the Department of Education's Felix Consent Decree Recruitment and Retention Program. Your Committee further believes that an appropriation from the special fund in the amount of \$50,000 is necessary to adequately fund the Felix Consent Decree Recruitment and Retention Program.

Accordingly, your Committee has amended this measure by:

- (1) Changing the name of the special fund from the Felix Stipend Special Fund to the Felix Stipend Program Special Fund;
- (2) Specifying that moneys from the Felix Stipend Program Special Fund be used to provide tuition assistance to students for the Felix Consent Decree Recruitment and Retention program, or any successor programs, and related costs;
- (3) Changing its effective date to July 1, 2007; and
- (4) Making technical, nonsubstantive changes for 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. 15, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 15, 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 (Hee, Nishihara, Taniguchi).

SCRep. 1154 Education on H.B. No. 24

The purpose of this measure is to provide additional incentives to public school teachers who maintain their National Board Certification and work at schools that are in restructuring under the No Child Left Behind Act of 2001.

Testimony in support of this measure was submitted by the Governor's Policy Office, the Department of Education, the University of Hawaii, and the Hawaii State Teachers Association.

Your Committee finds that the No Child Left Behind Act of 2001, P.L. 107-110, requires schools to meet certain standards for accountability and provides flexibility and more choices for parents regarding their child's education. The mandates of the No Child Left Behind law require the

recruitment and retention of highly qualified teachers to meet the challenging needs of the students. Your Committee further finds that under existing law, teachers who maintain National Board for Professional Teaching Standards certification are provided with a \$5,000 bonus annually. This measure provides an additional bonus to national board certified teachers who also teach in schools that are being restructured under the No Child Left Behind law.

Upon further consideration, your Committee believes that with the shortage of qualified and licensed teachers throughout the State, further incentives should be provided to more teachers who maintain their certification and demonstrate excellence in teaching or work in other areas or schools presenting unique challenges to the Department of Education.

Accordingly, your Committee has amended this measure by increasing the number of teachers eligible for the additional bonus established by this measure by also including public school teachers who maintain their current National Board for Professional Teaching Standards certification and work at:

- (1) Schools with a high turnover rate, as determined by the Department of Education;
- (2) Schools that are not making adequate yearly progress, but are not in restructuring under the No Child Left Behind Act (Public Law 107-110); or
- (3) Hard-to-fill schools, as determined by the Department of Education;

provided that an additional bonus shall also be provided to not more than fifty additional teachers, based upon performance criteria established by the Superintendent 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 is in accord with the intent and purpose of H.B. No. 24, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 24, 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 (Hee, Nishihara).

SCRep. 1155 Education on H.B. No. 595

The purpose of this measure is to appropriate funds to the Department of Education's Office of Technology Services for the continued implementation of student information systems, student support systems, additional requirements, and infrastructure enhancements.

Testimony in support of this measure was submitted by the Department of Education.

Your Committee finds that the Department of Education needs to provide data to support students and increase accountability and transparency. Your Committee further finds that additional funding is necessary to ensure that this objective is accomplished and a comprehensive information technology system is established. Your Committee determines that funding in the amounts of \$6,328,946 for fiscal year 2007-2008 and \$5,269,974 for fiscal year 2008-2009 is necessary and proper for the provision of information technology services for public schools in the State.

Your Committee has amended this measure by clarifying that funds are being appropriated for:

- (1) An integrated comprehensive student support system, including the special education database;
- (2) Continued implementation and enhancements to the centralized student information system;
- (3) Improvements to the financial management system; and
- (4) The enhancement of the associated network support services, including the establishment of a service center to provide specialized information technology services as requested by schools on a reimbursable basis and that these funds be separately identified.

Your Committee also amended the measure by making technical, nonsubstantive amendments for the purpose of clarity.

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. 595, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 595, 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 (Hee, Nishihara, Taniguchi).

SCRep. 1156 Education on H.B. No. 777

The purpose of this measure is to recruit and retain qualified teachers for employment in hard-to fill positions in public schools through the appropriation of funds for the Hawaii Educator Loan Program.

Testimony in support of this measure was submitted by the University of Hawaii and the Hawaii State Teachers Association. Comments on the measure were also submitted by the Department of Education.

Your Committee finds that pursuant to Act 307, Session Laws of Hawaii 2001, the Legislature established the Hawaii Educator Loan Program. The program is administered by the University of Hawaii and was established as a tool for recruiting students to become educators and teach in hard-to-fill positions in public schools in the State. Your Committee further finds that the current teacher shortage problem has also highlighted the need for teachers in public schools located in rural areas throughout the State. Your Committee believes that the establishment of a similar loan forgiveness program within the Department of Education, geared towards filling positions in rural areas throughout the State, would greatly assist the Department of Education in its recruitment and retention efforts.

Additionally, your Committee recognizes that schedules for the reduction of loan repayment amounts for the Department of Education and the University of Hawaii loan forgiveness programs are also necessary to truly incentivize the programs.

Accordingly, your Committee has amended this measure by:

- (1) Including a new section that establishes the Educator Loan Forgiveness Program and Special Fund within the Department of Education for teachers who teach in the Hawaii public school system at schools located in rural areas;

- (2) Appropriating funds for the Educator Loan Forgiveness Program;
- (3) Changing the loan forgiveness schedule for the Hawaii Educator Loan Program to require twenty-five per cent of the total amount of the loan and interest to be waived every year for the sixth and seventh years of repayment that a loan recipient works in a hard-to-fill position; and
- (4) Making technical, nonsubstantive changes for 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. 777, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 777, 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 (Hee, Nishihara, Taniguchi).

SCRep. 1157 Education on H.B. No. 1530

The purpose of this measure is to recruit and retain qualified teachers and educational assistants for employment in public schools located in rural areas and hard-to-fill positions through the establishment of loan and loan forgiveness programs.

This measure also establishes special funds for the loan and loan forgiveness programs.

Testimony in support of this measure was submitted by the Department of Education and the University of Hawaii. Testimony in opposition of this measure was submitted by the Department of Budget and Finance.

Your Committee finds that qualified teacher and educational assistant recruitment and retention for our public schools are of the utmost importance in providing quality education to our children. Your Committee further finds that economics often plays a major role in the recruitment and retention of qualified teachers and educational assistants in public schools, and the high cost of living in Hawaii only exacerbates the existing educator shortage problem. Positions in public schools in geographically isolated locations or hard-to-fill positions in densely populated locations present a particular challenge for the Department of Education. Your Committee believes that alternative incentives to increased salary are necessary to allow the Department of Education to be cost-effective while still ensuring our schools are staffed by qualified educators.

Your Committee recognizes that with several measures addressing this issue circulating through the Legislature this session, it is important to focus on educational assistants who are currently without a dedicated loan program or loan forgiveness program. Your Committee has heard a related measure regarding teachers and believes that inclusion of the loan forgiveness provisions relating to teachers is more appropriately included therein. Additionally, your Committee recognizes that a schedule for the reduction of loan repayment amounts is also necessary to truly incentivize this program and believes further clarification is necessary to accomplish that purpose.

Accordingly, your Committee has amended this measure by:

- (1) Removing references to a loan program or loan forgiveness program for teachers;
- (2) Establishing a loan forgiveness schedule for the educational assistant loan programs for the Department of Education and the University of Hawaii as follows:
 - (A) Ten per cent of the total amount of the loan and interest shall be waived every year for the first five years of repayment; and
 - (B) Twenty-five per cent of the total amount of the loan and interest shall be waived every year for the sixth and seventh years of repayment; and
- (3) Making technical, nonsubstantive changes for 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. 1530, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1530, 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 (Hee, Nishihara, Taniguchi).

SCRep. 1158 Energy and Environment on H.B. No. 1278

The purpose of this measure is to enable the State to continue to offer low-cost loans to assist eligible borrowers in the cleanup of contaminated properties.

Specifically, this measure repeals the sunset date of the Hawaii Brownfields Cleanup Revolving Loan Fund (Revolving Loan Fund) that was scheduled for repeal on June 30, 2007, pursuant to Act 173, Session Laws of Hawaii 2002. The Revolving Loan Fund assists eligible borrowers with the cleaning of contaminated sites in accordance with federal environmental and hazardous substances pollution guidelines.

Your Committee received testimony in support of this measure from the Department of Health and the Department of Business, Economic Development, and Tourism.

It is the intent of your Committee to permit the State to continue to offer low-cost loans to innocent landowners and prospective purchasers of contaminated properties which serves as an important component in encouraging abandoned properties to be put back into beneficial uses such as housing, commercial buildings, and open space.

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. 1278, 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 (Ihara, Kokubun).

SCRep. 1159 Energy and Environment on H.B. No. 870

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$20,000,000 to assist Honolulu Seawater Air Conditioning, LLC, in the design and development of a seawater air conditioning project on the island of Oahu.

Your Committee received testimony in support of this measure from the Hawaii Renewable Energy Alliance, Hawaii Energy Policy Forum, Honolulu Seawater Air Conditioning, LLC, KUD International, LLC, and Hawaii Science & Technology Council in support of this measure.

Your Committee finds that the development of a deep seawater air conditioning facility and distribution system in downtown Honolulu is a major step in the development of a renewable energy system using the limitless resource of our deep state waters. Such a project could eliminate the need for up to 0.63 kilowatts of electricity generating capacity for each ton of cooling capacity. Further, this system will provide reduced and stable cooling costs and reduce the consumption of potable water and the use of toxic chemicals. Your Committee finds that this project is in the public interest and for the public health, safety, and general welfare.

Your Committee has amended this measure by:

- (1) Revising the listing of seawater air conditioning systems benefits;
- (2) Deleting reference to refunding special purpose revenue bonds for multi-purpose programs; 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 870, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 870, 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, none. Excused, 2 (Ihara, Kokubun).

SCRep. 1160 Energy and Environment on H.B. No. 334

The purpose of this measure is to authorize the issuance of \$10,000,000 in special purpose revenue bonds to assist Sopogy, Inc. with the planning, design, construction, equipping, and operation of a solar farm power plant at the Natural Energy Laboratory of Hawaii to produce electricity from solar power.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; Sopogy, Inc.; Hawaii Renewable Energy Alliance; and Hawaii Energy Policy Forum. Comments were submitted by the Natural Energy Laboratory of Hawaii Authority.

Your Committee finds that the development of clean electricity from a renewable and abundant resource, the sun, at a price lower than the market price and independent from oil price fluctuations is in the best interest of the public. Sopogy, Inc. specializes in the development, manufacture, and distribution of its proprietary concentrated solar power systems that generate electricity. The construction of a solar farm power plant would demonstrate how electricity could be produced by using solar power systems.

Your Committee further finds that Sopogy, Inc. is an industrial enterprise, meeting the qualifications for special purpose revenue bond assistance. The special purpose revenue bonds authorized under this measure will provide low interest rate bond financing for the construction of a solar farm power plant.

The intent of your Committee is to authorize the issuance of \$10,000,000 in special purpose revenue bonds to assist Sopogy, Inc. with the planning, design, construction, equipping, and operation of a solar farm power plant, limited to the site of the Natural Energy Laboratory of Hawaii or other suitable sites to produce electricity from solar power.

Your Committee has amended this measure by inserting provisions of S.B. No. 597, S.D. 2, a similar measure that does not reference refunding special purpose revenue bonds for multi-project programs.

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. 334, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 334, 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, none. Excused, 2 (Ihara, Kokubun).

SCRep. 1161 Energy and Environment on H.B. No. 1941

The purpose of this measure is to protect Hawaii's environment by appropriating funds for the inspection, quarantine, and eradication of invasive species.

Your Committee received testimony in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, County Council of the County of Maui, Hawaii Agriculture Research Center, The Nature Conservancy, The Chamber of Commerce of Hawaii, Horizon Lines, LLC, Alexander & Baldwin, Inc., and the Hawaii Forest Industry Association. Comments on this measure were submitted by the Environmental Center at the University of Hawai'i at Manoa.

Your Committee amended this measure by changing the effective date to July 1, 2025, to encourage further discussion.

It is the intent of your Committee to enable the Department of Agriculture to address the inspection, quarantine, and eradication of invasive species concerns in order to continue to safeguard Hawaii's environment.

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. 1941, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1941, 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, none. Excused, 2 (Ihara, Kokubun).

SCRep. 1162 Energy and Environment on H.B. No. 1943

The purpose of this measure is to cover unanticipated expenses of the Deposit Beverage Container Program (Program).

Your Committee received testimony in support of this measure from the Department of Health.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 241 to the Legislature, requested immediate consideration and passage of this measure by the Legislature, citing an existing critical funding shortage.

This bill appropriates \$10,000,000 for fiscal year 2006-2007 from the Deposit Beverage Container Deposit Special Fund to be used to:

- (1) Reimburse deposit beverage container refund values;
- (2) Pay handling fees to redemption centers; and
- (3) Pay for operating costs of the Program for deposit beverage container activities.

The appropriation is to be expended by the Department of Health.

Your Committee finds that the emergency appropriation is necessary due to higher than anticipated deposit beverage container sales and redemptions have increased program costs.

It is the intent of your Committee to make an emergency appropriation to provide sufficient moneys to meet the increased expenses of the deposit beverage container 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 H.B. No. 1943, 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 (Ihara, Kokubun).

SCRep. 1163 (Joint) Health and Human Services and Public Housing on H.B. No. 426

The purpose of this measure is to provide individuals receiving public assistance greater accessibility to psychotropic medications.

Specifically, this measure provides prescriptive authority under chapter 457, Hawaii Revised Statutes, to Advanced Practice Registered Nurses and repeals the sunset date to ensure continuous access to psychotropic medications for Medicaid fee-for-service and Medicaid QUEST plans.

Your Committees received testimony in support of this measure from the Department of Human Services, the Hawaii Psychiatric Medical Association, and six individuals. The Hawaii Medical Association submitted comments on this measure.

Your Committees find that Advanced Practice Registered Nurses are an integral part of the mental health care team, particularly in rural areas of the State where there is a critical shortage of psychiatrists accepting Medicaid patients. Enabling Advanced Practice Registered Nurses with prescriptive authority to prescribe psychotropic medications to Medicaid patients will help improve access to quality health care for Medicaid beneficiaries.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 426, H.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chairs on behalf of the Committees. Ayes, 9. Noes, none. Excused, 1 (Menor).

SCRep. 1164 (Joint) Health and Human Services and Public Housing on H.B. No. 1120

The purpose of this measure is to ensure quality dental health services to low-income adults and children, individuals with developmental disabilities, and the uninsured.

The measure accomplishes this purpose by appropriating funds to the Department of Health to contract with federally qualified health centers for community-based dental health clinics.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities; the Disability and Communication Access Board; the Moloka'i Community Health Center; the West Hawaii Community Health Center, Inc.; the Community Clinic of Maui; Hawaii Primary Care Association; Kalihi-Palama Health Center; Waikiki Health Center; Hamakua Health Center; the Kokua Council; the Bay Clinic, Inc.; and one individual. The Arc in Hawaii submitted testimony in support of the intent of this measure. The Department of Health submitted testimony in opposition to this measure.

Your Committees find that more accessible dental health care services need to be available on all of the islands, particularly for persons with disabilities. Your Committees believe that including Medicaid fee-for-service eligible children and adults in this measure will ensure dental health services are provided to all eligible individuals in need, not just those with developmental disabilities.

Accordingly, your Committees amended this measure to include both QUEST and Medicaid fee-for-service eligible children and adults.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1120, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1120, 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, 9. Noes, none. Excused, 1 (Menor).

SCRep. 1165 (Joint) Health and Human Services and Public Housing on H.B. No. 531

The purpose of this measure is to amend the Early Intervention Services Law to be consistent with the reauthorized Individuals with Disabilities Education Act of 2004.

The Department of Education, the Hawaii Down Syndrome Congress, the Aloha Place, and thirteen individuals submitted testimony in support of this measure. The State Council on Developmental Disabilities, Rehabilitation Services at Kapi'olani Medical Center for Women & Children,

and Good Beginnings Alliance submitted testimony in support of the intent of this measure. The Department of Health submitted testimony in opposition to this measure.

Your Committees find that early intervention services are a vital part of facilitating optimum development in children with identified delays in the area of cognitive, motor, adaptive, social-emotional, and language development. The focus of early intervention is presently directed to children from birth to three years of age. According to the testimony, the lack of comparable services for children between three to five years of age has created a break in the continuum of family-centered, developmental services. This gap in services for children between three to five years of age is due, in part, to a lack of adequate resources and funding to provide on-going early intervention services in a natural environment.

Your Committees received a statement from the Department of Health that, depending on the projection, this measure, if passed, would cost the State as much as \$17,000 per child or a total amount of approximately \$17,000,000 per year. Several stakeholders testified in support of conducting a feasibility study first to ascertain, among other things, the cost and potential impact of a change to Hawaii's Early Intervention Section.

It is the intent of your Committees to support the possible expansion of Hawaii's Early Intervention Section to continue services for children three to five years of age.

Your Committees have amended this measure by:

- (1) Deleting all of its provisions;
- (2) Establishing a task force to study the feasibility of expanding Hawaii's Early Intervention Section to continue services for children three to five years of age;
- (3) Requiring the task force to submit a report to the Legislature no later than twenty days prior to the convening of the 2008 Regular Session;
- (3) Appropriating \$120,000 for fiscal year 2007-2008 for the purposes of this measure;
- (4) Changing the effective date from July 1, 2020, to July 1, 2007; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 531, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 531, H.D. 3, 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 (Hooser, Menor, Sakamoto, Whalen).

SCRep. 1166 Health on H.B. No. 1377

The purpose of this measure is to enable the Hawaii Health Systems Corporation to provide quality health care and pay for operational costs that will exceed the current expenditure ceiling.

Specifically, this measure increases the expenditure ceiling on the Health Systems Special Fund and makes an emergency appropriation out of the special fund to the Hawaii Health Systems Corporation to pay for increased operational costs.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation.

Your Committee finds that health care costs have substantially increased beyond amounts anticipated in the Hawaii Health Systems Corporation's 2006-2007 budget. Your Committee further finds that this measure is not a request for an appropriation from the general fund. It raises the expenditure ceiling of the existing Health Systems Special Fund by \$41,000,000.

An expenditure ceiling increase of \$41,000,000 for the Health Systems Special Fund is required to pay for additional staff hired for the conversion of Kula, Hale Ho'ola Hamakua, and Samuel Mahelona Memorial Hospitals to critical access hospital status; for hospitalist programs at Hilo Medical Center, Maui Memorial Medical Center, and Kona Community Hospital; to operate the medical/surgical wing of Maui Memorial Medical Center; to staff imaging departments; to provide physicians for specialty coverage; and to help cover the increasing costs of providing quality healthcare.

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. 1377, 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 (Menor, Whalen).

SCRep. 1167 Health on H.B. No. 1495

The purpose of this measure is to improve palliative care in Hawaii by providing an appropriation as a grant under chapter 42F, Hawaii Revised Statutes, to Kokua Mau for palliative care education and services.

Your Committee received testimony in support of this measure from Kaiser Permanente, Hawaii Medical Service Association, Hospice of Hilo, Hawaii Long Term Care Association, the Hawaii Family Forum, Kokua Mau, Hospice Hawaii, and seven individuals. The Healthcare Association of Hawaii submitted testimony in support of this measure with a recommended amendment.

The total funding needed for fiscal year 2007-2008 is \$270,000 and the total funding needed for fiscal year 2008-2009 is \$192,000.

Your Committee finds that palliative care services in the State need to be improved and expanded. Your Committee recognizes that palliative care is not an age specific service and that a comprehensive program addressing the needs of the community is imperative to improving end-of-life care in Hawaii.

Your Committee adopted the recommendation of the Healthcare Association of Hawaii and amended this measure by broadening the scope of the measure to enable any other skilled nursing facilities that choose to participate in the palliative care project with Kokua Mau.

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. 1495, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1495, 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 (Menor, Whalen).

SCRep. 1168 Health on H.B. No. 1764

The purpose of this measure is to authorize the issuance of revenue bonds to assist Hawaii Health Systems Corporation (HHSC) or any of its regional subsidiary corporations.

Your Committee received testimony in support of this measure from HHSC, Healthcare Association of Hawaii, and Maui Memorial Medical Center. Comments were received from the Department of Budget and Finance.

Your Committee finds that significant public benefit will be realized through the planning, construction, improvement of, and purchase and replacement of equipment for the facilities of the HHSC or any of its regional subsidiary corporations that provide healthcare services and facilities for all residents. Your Committee finds that the issuance of revenue bonds is in the public interest and for the benefit of public health, safety, and welfare.

The proceeds of the bond sale under this measure would be applied to construction, improvement, and equipment for a new heart, brain, and spine center on Maui. Your Committee believes that the expansion of cardiology and neurology services at Maui Memorial Medical Center will have a tremendous positive impact on the health and wellness of all residents of Maui and the State, especially since there is a critical need on Maui to develop additional healthcare services, particularly cardiovascular and neurovascular services. Furthermore, the revenue generated by the proposed services would be a profitable service line so as to help defray the cost of the proposed center and other hospital services.

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. 1764, 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 (Menor, Whalen).

SCRep. 1169 Health on H.B. No. 1373

The purpose of this measure is to ensure that children from birth to age three, with or at risk for developmental delays, receive early intervention services.

Specifically, this measure makes an emergency appropriation for early intervention services as mandated by Part C of the federal Individuals with Disabilities Education Improvement Act of 2004 and the Hawaii Early Intervention State Plan.

Your Committee received testimony in support of this measure from the Department of Health, the State Council on Developmental Disabilities, Easter Seals Hawaii, Imua Family Services, and American Physical Therapy Association Hawaii Chapter.

Your Committee finds that the Department of Health is responsible for ensuring that all infants and toddlers from birth to three years of age with a developmental, biological, or environmental risk and their families receive early intervention services. Your Committee further finds that this emergency appropriation is needed to provide for the increased costs associated with early intervention services that are required to be in natural environments and community-based settings.

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. 1373, 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 (Menor, Whalen).

SCRep. 1170 Health on H.B. No. 211

The purpose of this measure is to extend the lapse date for special purpose revenue bonds issued to the Queen's Health Systems.

Your Committee received testimony in support of this measure from The Queen's Medical Center and Healthcare Association of Hawaii.

This measure extends from June 30, 2008, to June 30, 2013, the authorization to issue special purpose revenue bonds that will finance the costs of construction, improvements, and equipment of health care facilities and enhance patient care by providing high quality health care services to the people of Hawaii. The measure also extends for the same time period, the Department of Budget and Finance's authority to issue refunding special purpose revenue bonds.

Your Committee finds that section 39A-37, Hawaii Revised Statutes, prohibits authorizations of special purpose revenue bonds "for a period exceeding five years of its enactment." This measure is extending the authorization until 2013--five years after the authorization lapses in 2008.

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. 211, 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 (Menor, Whalen).

SCRep. 1171 Health on H.B. No. 1371

The purpose of this measure is to support individuals with developmental disabilities to live in the community.

Specifically, this measure makes an emergency appropriation for the Developmental Disabilities Division of the Department of Health (Division) to comply with the settlement agreement in *Hawaii Disability Rights Center v. State of Hawaii*, U.S. District Ct., Civil No. 03-00524, the Americans with Disabilities Act, and the 1999 Supreme Court decision in *Olmstead v. L.C. ex rel. Zimring*.

Your Committee received testimony in support of this measure from the Department of Health, the State Council on Developmental Disabilities, and Family Voices of Hawaii.

The additional funds are necessary to support the Division's existing clients and to reasonably admit individuals into the State's Medicaid title XIX program as required under federal law and federal court rulings.

Your Committee finds that this emergency appropriation will ensure that individuals with developmental disabilities who choose to live in the least restrictive community environment are provided home and community based services.

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. 1371, 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 (Menor, Whalen).

SCRep. 1172 Health on H.B. No. 1370

The purpose of this measure is to ensure that adult mental health consumers are provided continuous services by making an emergency appropriation to the Department of Health for its Adult Mental Health Division.

Your Committee received testimony in support of this measure from the Department of Health, the Hawaii Psychiatric Medical Association, and one individual.

Your Committee finds that the number of adult mental health consumers that are eligible to receive services through the Department of Health have significantly increased. This increase is a result of United States v. State of Hawaii, et al. Civil Number 91-00137, a federal law suit that expanded the use of available services throughout the islands. Your Committee further finds that this emergency appropriation is necessary to ensure the availability of continuous adult mental health services 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. 1370, 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 (Menor, Whalen).

SCRep. 1173 Health on H.B. No. 1372

The purpose of this measure is to ensure the rapid aeromedical evacuation of high risk patients from rural areas on Oahu to an advanced care medical center.

Specifically, this measure makes an emergency appropriation to cover costs for the fiscal year 2006-2007 costs associated with providing emergency aeromedical transportation services on Oahu.

Your Committee received testimony in support of this measure from the Department of Health, the State Department of Defense, and the Healthcare Association of Hawaii.

Your Committee finds that aeromedical services constitute a critical component of the continuum of health care. These services are currently being provided by an active-duty Army unit recently transferred to Hawaii from Alaska under an inter-agency agreement with the Hawaii Army National Guard.

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. 1372, 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 (Menor, Whalen).

SCRep. 1174 Health on H.B. No. 1368

The purpose of this measure is to allow the Office of Health Care Assurance to offset operating costs and ensure the provision of quality health care to residents.

This measure endeavors to accomplish this purpose by renaming the Hospital and Medical Facilities Special Fund to be consistent with the Office of Health Care Assurance, allowing the deposit of administrative fines into the special fund, and permitting the use of the moneys collected to offset program expenses and for educational purposes.

Your Committee received testimony in support of this measure from the Department of Health.

Your Committee finds that this measure will provide additional funding for the Office of Health Care Assurance to carry out its duties in lieu of annual budget requests. Your Committee further finds that naming the fund the "Office of Health Care Assurance Special Fund", though not necessary, will provide consistency with its purpose.

Your Committee amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, 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 H.B. No. 1368, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1368, 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 (Menor, Whalen).

SCRep. 1175 Health on H.B. No. 1785

The purpose of this measure is to ensure that Hawaii's Emergency Medical Services have safe, reliable ambulances and equipment to provide quality emergency health care services to those in need.

The measure accomplishes this purpose by making an appropriation for the City and County of Honolulu to purchase seven ambulances and fifteen defibrillators.

Your Committee received testimony in support of this measure from the Honolulu Emergency Services Department of the City and County of Honolulu, the Hawaii Paramedic Association, and two individuals.

Your Committee finds that the Honolulu Emergency Services Department is in dire need of reliable emergency vehicles that will ensure the safety of the emergency medical service employees and patients, while providing quality health care services. This will additionally enable the City and County of Honolulu to be more prepared in the event of a large scale disaster.

Your Committee amended this measure by including an appropriation amount of \$1.

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. 1785, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1785, 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, none. Excused, 2 (Menor, Whalen).

SCRep. 1176 Health on H.B. No. 1907

The purpose of this measure is to provide housing and care options to the State's aging population.

Specifically, this measure authorizes the issuance of special purpose revenue bonds for the purpose of assisting the Craigsides Retirement Residence, a Hawaii nonprofit health care facility, with the purchase of land, planning, design, and construction of a senior housing community.

Testimony in support of this measure was submitted by the Hawaii Long Term Care Association, Arcadia Retirement Residence, and Craigsides Retirement Residence.

Craigsides Retirement Residence is a health care facility, providing a full continuum of care. The development proposes to provide one hundred seventy-one apartments with independent and assisted living options. It will also have a forty-bed full service nursing facility.

Your Committee finds that it is in the public interest to encourage the development of senior housing communities in the State of Hawaii. The authorization of the issuance of special purpose revenue bonds for the Craigsides Retirement Residence will help keep project costs down and, therefore make the residence more affordable to the State's seniors living with moderate incomes. Your Committee further finds that this facility is needed to meet the demands of the State's aging 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 H.B. No. 1907, 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 (Menor, Whalen).

SCRep. 1177 Health on H.B. No. 962

The purpose of this measure is to increase the availability of kidney dialysis services in rural areas of the State.

The measure accomplishes this purpose by providing an appropriation as a chapter 42F, Hawaii Revised Statutes, grant to the St. Francis Healthcare Foundation to support the modified home care and community health demonstration project.

Your Committee received testimony in support of this measure from the National Kidney Foundation, the Office of Hawaiian Affairs, and the St. Francis Healthcare Foundation. The Department of Health submitted testimony in support of the overall concept of this measure.

Your Committee finds that the occurrence of chronic kidney disease has increased in recent years, especially in the native Hawaiian population. More than ten per cent of Hawaii residents suffer from this disease. Enabling residents of rural areas of the State to have easier access to preventative health care and dialysis treatment will greatly improve the quality of life for those suffering from chronic kidney disease.

Your Committee amended this measure by inserting an appropriation amount of \$1.

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. 962, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.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, 3. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1178 Judiciary and Labor on H.B. No. 600

The purpose of this measure is to require the Judiciary to implement a certification program for court interpreters and to appoint and use certified court interpreter in legal proceedings.

Your Committee received testimony in support of the bill from Hawaii Interpreter Action Network, Hawaii Newspaper Guild, Hawaii Interpreters of the Deaf, National Association of Judicial Interpreters and Translators, Faculty of the Ilokano and Philippine Drama and Film Program, Hispanic Center of Hawaii, Japan-American Society of Hawaii, Disability and Communication Access Board, Nursing Advocates and Mentors, Inc., Philippine Nurses Association-Hawaii, United Filipino Council of Hawaii, Filipino Coalition for Solidarity, Congress of Visayan Organizations, Asian American Network for Cancer Awareness Research and Training, Oahu Filipino Community Council, Hawaii Registry of Interpreters for the Deaf, the Public Defenders Office, and numerous individuals. The Judiciary testified against the bill. Many of the testimony in support indicated specifically that they preferred the Senate version.

Your Committee amended the bill to reflect the Senate version, which allowed the Judiciary to set up the program according to the court rules. Your Committee further amended the bill by requiring the Judiciary to set up the certification program.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 600, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 600, 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. 1179 (Joint) Transportation and International Affairs and Judiciary and Labor on H.B. No. 34

The purpose of this measure is to require the Employees' Retirement System (ERS) to:

- (1) Identify and scrutinize companies having business operations in Sudan in which the ERS has direct or indirect holdings or could possibly have such holdings in the future; and
- (2) Require the ERS to follow specified notice procedures to warn such companies of a possible divestment of stock by the ERS, and ultimately to require the divestment if companies do not take corrective action to refrain from doing business in Sudan.

Your Committees received testimony in support of this measure from the Japanese American Citizens League; Hawaii Coalition for Darfur; Hawaii Catholic Conference; The League of Women Voters of Hawaii; University of Hawaii Professional Assembly; Hawaii Family Forum; Americans for Democratic Action; Hawaii Reserves, Inc.; Juniroa Productions Inc.; and seven individuals. Testimony in opposition was received from the Employees' Retirement System.

Your Committees find that genocide is currently occurring in the Darfur Region of Sudan. The United States, along with the international community and hundreds of humanitarian and faith based organizations, have all agreed that genocide is occurring in the Darfur region of Sudan. At present, approximately 400,000 people have been killed in the region, with another 2.5 million people being displaced from their homes despite calls from the international community that the Sudanese Government put an end to these atrocities.

To date, according to a *Honolulu Advertiser* article of March 19, 2007, seven states have adopted divestment strategies toward Sudan, and it has been estimated that twenty other states are considering new laws to that effect this year. Your Committee believes that placing economic pressure on the Sudanese Government by prohibiting the ERS from investing in companies that do business with Sudan is but one step that can be taken to remedy this tragic situation. This similar action was taken against the country of South Africa during the 1980s as a means of ending the policy of apartheid.

Testimony on this measure indicated that the stock portfolio value of the Employees' Retirement System actually increased greatly following a 1983 divestment in South Africa, pursuant to a legislative concurrent resolution to that effect.

Your Committees have amended this measure to make technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 34, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 34, 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 (Hooser, Inouye, Kokubun, Taniguchi).

SCRep. 1180 (Joint) Transportation and International Affairs, Education and Energy and Environment on H.B. No. 869

The purpose of this measure is to make an appropriation for an energy efficiency transportation strategies study.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and the Hawaii Energy Policy Forum (Forum) at the University of Hawaii at Manoa.

Your Committees find transportation is responsible for an inordinate amount of fuel consumption, including fuel used in motor vehicles, busses, and jet planes. Your Committees further find that reducing the demand for fuel in transportation modalities would greatly reduce our dependence on oil.

Under this measure, the Forum, a part of the Social Sciences Public Policy Center at the University of Hawaii at Manoa, proposes to conduct a study on energy efficient transportation strategies in conjunction with the Department of Business, Economic Development, and Tourism. In 2005, the Forum adopted a comprehensive "10 Point Action Plan" which serves as a framework for meeting the State's preferred energy and vision goals. However, no current energy efficient strategy is in place for the transportation sector.

Your Committees have amended this measure by inserting provisions from S.B. No. 983, a similar measure, with the following changes:

- (1) Requiring a cost-benefit analysis of each energy efficient transportation strategy;
- (2) Appropriating an amount of \$50,000;
- (3) Inserting an effective date of July 1, 2007; and
- (4) 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 Transportation and International Affairs and Education and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 869, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 869, 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, 11. Noes, none. Excused, 5 (Chun Oakland, Hee, Ihara, Inouye, Taniguchi).

SCRep. 1181 (Joint) Transportation and International Affairs and Intergovernmental and Military Affairs on H.B. No. 155

The purpose of this measure is to lessen the amount of artificial light that contributes to the diminishing ability of the telescopes on Mauna Kea and Haleakala to conduct research.

Specifically, the measure requires the Department of Transportation, to the extent that it is practical, to comply with county ordinances and standards relating to outside lighting for all new installations at airports, harbors, and highways.

Your Committees received testimony in support of this measure from the Department of Transportation, University of Hawaii System, and two Maui Council Members.

Your Committees find that Hawaii is home to two of the world's premier astronomy observatories, Haleakala on Maui and Mauna Kea on Hawaii. Mauna Kea is considered the finest observing site in the world. One of the most critical needs for preserving the value of these sites is to reduce bright sources of light that penetrate the dark night sky. Recent nighttime images from the international space station revealed that some of the brightest sources of light on Maui and Hawaii are the airports and harbors on both islands. Astronomers on Mauna Kea are now detecting artificial light sources from urban areas that are diminishing the telescopes' ability to do research.

Your Committees note that this measure, as it was in its original form and it is currently, applies to all airports in the State and is not limited to Maui.

Your Committees have amended this measure by inserting provisions of S.B. No. 1042, S.D.1, a similar measure which deletes the requirement that airport runways be similarly lighted.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 155, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 155, 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, 6. Noes, none. Excused, 2 (Hooser, Taniguchi).

SCRep. 1182 (Joint) Transportation and International Affairs and Intergovernmental and Military Affairs on H.B. No. 357

The purpose of this measure is to establish in the City and County of Honolulu, a two-year pilot project to test crosswalk safety enhancements and programs.

Your Committees received testimony in support of this measure from the Department of Transportation (DOT) and AARP Hawaii.

The DOT submitted testimony that, during the past four years (2003-2006), there were one hundred twenty-two pedestrian fatalities statewide. Of the one hundred twenty-two fatalities, eighty-four were in Honolulu. For the first ten weeks this year alone, there were ten pedestrian fatalities on Oahu.

Your Committees believe that exploring initiatives that may enhance pedestrian safety and consequently reduce injuries and fatalities is an important first step toward a uniform and effective long term traffic safety solution.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 357, 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, 6. Noes, none. Excused, 2 (Hooser, Taniguchi).

SCRep. 1183 (Joint) Transportation and International Affairs and Intergovernmental and Military Affairs on H.B. No. 1092

The purpose of this measure is to make an appropriation for the purchase of back-up generators to ensure continuous electrical power at state airports and commercial harbors.

Your Committees received testimony in support of this measure from the Department of Transportation; State Department of Defense; Hawai'i Hotel & Lodging Association; Kobayashi Travel Service, Ltd.; Roberts Hawaii; Charley's Taxi; and one individual.

Your Committees find that emergency back-up generators are essential to ensure uninterrupted operations at state airports and commercial harbors by the provision of continuous electrical power as provided by back-up generators. These generators will enable the State to provide safe, efficient, and orderly airport and harbor services, without interruption during unforeseen power outages.

Your Committees have amended this measure by changing the means of financing from general revenues to general obligation bonds, inserting \$20,000,000 as the appropriated amount, and making the measure \$20,000,000 in general obligation bonds, effective July 1, 2007.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1092, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1092, 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, 6. Noes, none. Excused, 2 (Hooser, Taniguchi).

SCRep. 1184 (Joint) Energy and Environment and Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 899

The purpose of this measure is to establish sustainable strategies that will reduce Hawaii's dependence on fossil fuels and reduce greenhouse gas emissions.

Specifically, this measure appropriates funds for the research, development, and implementation of a pilot project to demonstrate ecologically-sustainable strategies that will amend soil fertility for the production of clean energy feedstocks and food crops.

Your Committees received testimony in support of this measure from Joule Junction, LLC and four individuals. The University of Hawaii John A. Burns School of Medicine submitted testimony supporting the intent of this measure. Your Committees received testimony in opposition to this measure from the Respiratory and Environmental Disabilities Association of Hawaii and two individuals. Comments were submitted by Life of the Land and two individuals.

Your Committees find that using sustainable agricultural practices and technologies will contribute to the reduction of greenhouse gases that have a significant impact on global climate change. Your Committees further find that Hawaii is the perfect venue for this type of research and development due to the islands' unique biological and geological features.

Your Committees have amended this measure by changing the effective date from July 1, 2020, to July 1, 2007.

Your Committees further amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 899, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 899, 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, 6. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 3 (Fukunaga, Hee, Ihara).

SCRep. 1185 (Joint) Intergovernmental and Military Affairs and Transportation and International Affairs on H.B. No. 277

The purpose of this measure is to ensure fiscal accountability in the process for issuing parking placards for persons with disabilities by requiring the counties to deposit all fees collected for the issuance of temporary or replacement placards into the state general fund.

Your Committees received testimony in support of this measure from the Disability and Communication Access Board and the Department of Customer Services of the City and County of Honolulu. Your Committees received testimony in opposition to this measure from the County Council of the County of Maui.

It is the intent of your Committees to ensure financial responsibility by requiring the counties to deposit fees for temporary and replacement disabled parking removable windshield placards into the state general fund. Currently, the state reimburses the counties at a rate of \$12 per placard. This measure classifies that the moneys collected would be returned directly to the state and eliminates the paperwork required for requesting remittance, thus allowing for smoother quarterly transactions.

Your Committees changed the effective date to July 1, 2007, and made technical, nonsubstantive amendments to this measure for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 277, H.D. 1, as amended herein, and recommend 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 Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 2 (Hooser, Taniguchi).

SCRep. 1186 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1590

The purpose of this measure is to protect the property rights of real property owners by requiring that government entities possessing the power of eminent domain offer to resell any real property taken by eminent domain to the original property owner if the property taken is not used for the purpose for which it was condemned.

Testimony in support of this measure was submitted by Kamehameha Schools and the Hawaii Association of Realtors.

There are two constitutional requirements for the exercise of eminent domain. The property taken must be for a public purpose and the property owner is entitled to receive just compensation. There are many instances where condemned property sits idle for years until plans are realized. If the purported public purpose of the condemned property is never realized, the government may sell the property to the highest bidder, which is usually not the original owner of the condemned property.

Your Committee finds that condemnation actions should occur only when necessary and when a viable plan is in place for the condemned property. Despite being entitled to just compensation, owners of condemned property still incur financial and emotional stress from losing their property rights and being forced to relocate their homes or businesses. This stress is heightened when the condemned property sits idle for years because a viable plan for the property is not available, or when the condemned property is sold to someone else who placed the highest bid. Requiring a government entity after five years to offer the right of first refusal to the owner of the condemned for resale at the current appraised value, or condemnation price plus remediation or improvement costs if the property taken is not used for the purpose for which it was condemned will prevent condemned property from sitting idle.

Your Committee has amended this measure by deleting the contents of this measure and inserting the language of S.B. No. 1279, S.D. 1, which:

- (1) Amends chapter 46, Hawaii Revised Statutes, to include a new section that requires county agencies possessing the power of eminent domain to offer to resell any real property taken by eminent domain to the original property owner if the property taken is not used for the purpose for which it was condemned;
- (2) Amends chapter 101, Hawaii Revised Statutes, to include two new sections that:
 - (A) Allow a property owner or an individual with an interest in the property to be condemned to request a declaratory ruling to determine if the condemnation action by a government entity is for public use; and
 - (B) Require state government agencies possessing the power of eminent domain to offer to resell any real property taken by eminent domain to the original property owner if the property taken is not used for the purpose for which it was condemned;
- (3) Changes the effective date of this measure from July 1, 2112, to effective upon approval; and
- (4) Makes technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee believes that the amended measure will assist in leveling the playing field for real property owners and protect their real property interests, which fulfills the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1590, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1590, H.D. 3, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 1187 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1499

The purpose of this measure is to protect near shore and reef fisheries by authorizing the Department of Land and Natural Resources to conduct administrative inspections of bags and containers used to transport aquatic life.

Specifically, this measure amends section 187A-15, Hawaii Revised Statutes, by:

- (1) Authorizing Division of Conservation and Resources Enforcement officers to conduct administrative inspections of bags or containers that could be used to transport aquatic life;
- (2) Repealing the probable cause requirement to conduct examinations or searches of bags or containers that could be used to transport aquatic life; and
- (3) Directing the Department of Land and Natural Resources to create an administrative inspection scheme to enforce its aquatic rules.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources; the Office of Hawaiian Affairs; the Mayor, County of Maui; the Nature Conservancy; Mālama Hawai'i; Earthtrust; the Sierra Club, Hawai'i Chapter; the Greenpeace Foundation; the Ocean Law and Policy Institute of the Pacific Forum CSIS; the Hawaii Audubon Society; the Conservation Council for Hawai'i; and two individuals.

Hawaiian commercial and recreational marine life stocks are depleted, over-utilized, and in danger of irretrievable exhaustion. Although management tools have been enacted, fishery assessment depends on the voluntary cooperation of those who harvest these resources. While most fishers are willingly cooperative, increasing stock scarcity has led to conspicuous instances of obstruction of the efforts by Division of Conservation and Resources Enforcement officers to inspect catch.

Your Committee finds that the existing probable cause provision under section 187A-15, Hawaii Revised Statutes, does provide a degree of constitutional protection while at the same instance, may unduly hinder enforcement officers by preventing them from inspecting containers that may be used to transport fish and other aquatic life. Thus, this greatly weakens the effect of fisheries management measures, such as bag and size limits. While your Committee recognizes the seriousness of repealing the probable cause requirement from section 187A-15, Hawaii Revised Statutes, establishing an administrative inspection scheme will enable Division of Conservation and Resources Enforcement officers to better inspect and enforce the State's fishing laws.

Accordingly, your Committee has amended this measure by:

- (1) Adopting similar language from S.B. No. 663, S.D. 1, that:
 - (A) Adds fishing registrations along with fishing licenses and permits to conform better with the new federal fisheries regulations that mandate the registration of recreational saltwater anglers; and
 - (B) Adds provisions that require owners of fishing licenses, permits, or registrations to physically possess their paperwork when engaged in fishing activities, show their paperwork and allow for an inspection when asked by a Division of Conservation and Resources Enforcement officer, and agree to comply with all terms, conditions, laws, rules, and regulations applicable to the fishing license, permit, or registration;
- (2) Changing the effective date of this measure from July 1, 2050, to effective upon approval; and
- (3) Making technical, nonsubstantive provisions for the purposes of consistency and style.

Your Committee recognizes that repealing the probable cause requirement under section 187A-15, Hawaii Revised Statutes, may pose a constitutional issue. Your Committee believes that this issue merits further discussion by the Committee on Judiciary and Labor.

Your Committee believes that this measure, as amended, will provide a valuable tool for Division of Conservation and Resources Enforcement officers who are charged with enforcing the State's natural resource laws, and fulfills the intent of this measure, which is to protect near shore and reef fisheries.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1499, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1499, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 1188 (Majority) Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1270

The purpose of this measure is to improve the government and public's abilities to make informed decisions on various public policy and operational issues relating to state planning by enhancing the ability of the Office of Planning to manage and coordinate a Statewide Geographic Information and Data Integration Program.

Specifically, this measure:

- (1) Creates a Statewide Geospatial Information and Data Integration Special Fund to assist in the operation and maintenance of the Statewide Geospatial Information and Data Integration Program;
- (2) Clarifies the role that the Office of Planning has in maintaining and coordinating a statewide enterprise geographic information system;

- (3) Appropriates an unspecified amount from the general fund to support the implementation of a geographic information system software enterprise license agreement;
- (4) Appropriates an unspecified amount from the general fund to be deposited into the Statewide Geospatial Information and Data Integration Special Fund; and
- (5) Appropriates an unspecified amount to allow the Office of Planning to expend moneys from the Statewide Geospatial Information and Data Integration Special Fund.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources; the Department of Agriculture; the Department of Health; the Office of Planning, Department of Business, Economic Development, and Tourism; the Mayor, County of Kauai; the Department of Planning and Permitting, City and County of Honolulu; and the Pacific Disaster Center.

The Office of Planning currently manages a statewide geographic information system that is used on a daily basis by a number of state agencies. The current geographic information system server provides state agencies open access to over one hundred fifty geospatial layers that are available on the State's central geographic information system database. This information is a helpful tool for state agencies to make informed decisions regarding policy making, long-term planning, operational issues, and emergency planning and response.

Your Committee finds that additional support is needed for the geographic information system to be updated and expanded so that the system can serve more agencies and the public. Providing funds to allow the Office of Planning to enter into a geographic information system software enterprise license agreement on behalf of all state agencies using geospatial technologies and data fulfills the intent of this measure, which is to improve the government and public's abilities to make informed decisions on various public policy and operational issues.

Your Committee has amended this measure by:

- (1) Adding a part II to this measure that inserts the language of S.B. No. 844, that appropriates an unspecified amount to the Office of the Auditor for the development of the Hawaii 2050 Sustainability Plan and supports the important efforts of the Hawaii 2050 Sustainability Task Force;
- (2) Changing the effective date of this measure to July 1, 2050; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to improve the government and public's abilities to make informed decisions on various public policy and operational issues relating to state planning.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1270, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1270, 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 (Slom). Excused, none.

SCRep. 1189 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1516

The purpose of this measure is to promote the maritime industry in Hawaii by appropriating funds for Honolulu Marine, Inc., to relocate the Kewalo Shipyard from Kewalo Basin to a proposed site at Keehi Lagoon.

Testimony in support of this measure was submitted by Honolulu Marine, Inc.; the Maritime Consultants of the Pacific; the Hawaii Boaters Political Action Association; and one individual. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources. The Hawaii Community Development Authority submitted comments.

The Kewalo Shipyard has been a fixture for the State's maritime industry for many years. Honolulu Marine, Inc., employs a shipyard staff of up to seventy personnel who are involved in the maintenance and repairs of various sized vessels. Due to development plans at its present location at Kewalo, the Shipyard needs to relocate its facilities. Your Committee finds that the Shipyard's proposed site at Keehi Lagoon is an unimproved and vacant lot, which will need additional funds to install port security infrastructure, grade and level the property, and construct a finger pier, sea retaining walls, and bulkheads.

Your Committee has amended this measure by replacing its contents with the provisions of S.B. No. 1242, S.D. 1, which appropriates an unspecified amount to assist Honolulu Marine, Inc. in relocating to Keehi Lagoon, including the costs to install port security infrastructure, to grade and level the property, and to construct a finger pier, sea retaining walls, and bulk heads. The appropriation will be expended by the Department of Transportation.

Although your Committee has concerns with the use of general funds to assist in the costs of the relocation of Honolulu Marine, Inc., it believes that the Committee on Ways and Means is the appropriate Committee to make a determination on whether general obligation bonds would be a more appropriate method of funding this project.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1516, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1516, 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. 1190 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1948

The purpose of this measure is to preserve and sustain Native Hawaiian indigenous resources management practices by creating an Aha Moku Council System that will provide advisory assistance to the Department of Land and Natural Resources on all matters regarding the management of the State's natural resources.

Specifically, this measure adds a new chapter to title 12, Hawaii Revised Statutes, that:

- (1) Establishes an Aha Moku Commission to assist in the formation of regional Aha Moku Councils, which will serve in an advisory capacity on all matters regarding the management of the State's natural resources; and
- (2) Requires the Department of Land and Natural Resources to seek advisory assistance from the Aha Moku Councils in developing a comprehensive set of best practices for natural resources management.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Nature Conservancy, the Association of Hawaiian Civic Clubs, the Princess Ka'iulani Hawaiian Civic Club, the Pearl Harbor Hawaiian Civic Club, the Oahu Civic Club, and four individuals. Testimony in opposition to this measure was submitted by one individual.

Today, many Hawaiian communities are becoming revitalized by using the knowledge of cultural practitioners that has been passed down through kupuna and experienced farmers and fishers. This knowledge has allowed communities to engage in and enhance sustainability and self-sufficiency. Furthermore, many Hawaiian communities are interested in and willing to advise government agencies, organizations, and other interested groups in integrating traditional knowledge and ahupua'a management practices.

At the Ho'ohanohano I Na Kupuna Puwalu Series, all thirty-seven moku came together for the first time. The puwalu resulted in a unanimous consensus that a proactive approach is necessary to protect Hawaii's natural resources and ecosystems, and to sustain the traditional Native Hawaiian practices. Your Committee finds that developing an Aha Moku Council System that incorporates and represents all thirty-seven moku statewide will enable the development of a comprehensive set of best practices for natural resources management, which will reflect and sustain traditional Native Hawaiian practices.

Your Committee had concerns that the means and structure of the Council System and its administrative Aha Moku Council Commission were too broad and cumbersome to effectively achieve its objectives and carry out its purposes. Your Committee, however, recognizes that the traditional Native Hawaiian practices relating to resources management are becoming a dying art as the number of kupuna and Native Hawaiian practitioners are dwindling. Thus, your Committee strongly believes that these traditional practices and methods need to be preserved and sustained, but recognizes that there needs to be additional time allotted to coordinate and examine the structure and selection of members to the Aha Moku Councils and Commission to ensure that the Council System, upon its establishment, will successfully achieve its goals and objectives.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the language in sections 1 and 2 of this measure and replacing it with language from sections 1 and 2 from S.B. No. 1853, S.D. 1, that creates an Aha Moku Council System Advisory Committee to:
 - (A) Explore, examine, and derive the best practice models for the creation of an Aha Moku Council System and Aha Moku Council Commission;
 - (B) Explore best practice models to establish an administrative structure, including member criteria and selection, for the creation of an Aha Moku Council Commission to oversee an Aha Moku Council System;
 - (C) Establish goals and objectives for an Aha Moku Council Commission and Aha Moku Councils to accomplish, including benchmarks for long-term planning;
 - (D) Establish a feasible operational budget for an Aha Moku Council Commission; and
 - (E) Submit written reports of its findings and recommendations, including any legislation, to the Legislature prior to the convening of the 2008 and 2009 Regular Sessions;
- (2) Establishing a process for choosing advisory committee members to include a list of nominees to be submitted by the Office of Hawaiian Affairs and the Department of Hawaiian Home Lands;
- (3) Deleting the unspecified appropriation amount and replacing it with an appropriation of \$111,000 for each year of the 2007-2009 fiscal biennium for the administrative costs of the Aha Moku Council System Advisory Committee and for allowing each of the thirty-seven moku statewide to participate in the discussion on the creation of an Aha Moku Council System;
- (4) Changing the effective date of appropriation from July 1, 2020, to July 1, 2007; and
- (5) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee believes that these amendments fulfill the intent of this measure, which is to preserve and sustain the Native Hawaiian indigenous resource management practices.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1948, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1948, 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, 1 (Hee).

SCRep. 1191 Judiciary and Labor on H.B. No. 1248

The purpose of this measure is to limit the options available to convicted sex offenders when changing their names.

Currently, a person may be able to change his or her name by a simple petition to the Lieutenant Governor's Office. There is no administrative hearing to test the validity of a petitioner's name change request. The office relies solely upon the information provided by the petitioner in determining which name changes are appropriate for processing.

Your Committee finds that recently, a number of convicted sex offenders with an ongoing obligation to register as sex offenders have petitioned to change their names, some of them while still incarcerated for their crime. It was pointed out that if a convicted sex offender changes his or her name, it will be extremely difficult to track that individual if that individual does not comply with the requirements of sex offender registration.

This bill provides that a convicted sex offender may change his or her name in one of several ways such as through a Family Court order, upon marriage, by order of a court in any other jurisdiction, or by order of a court in this jurisdiction that determines that it is in the interest of justice and that it will not adversely affect public safety.

Your Committee received testimony in support of the bill from the Lieutenant Governor's Office and the Attorney General's Office. There was no testimony in opposition to the bill.

Your Committee amended the bill by changing the effective date from January 1, 2050, to be effective upon approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1248, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1248, 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, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1192 Transportation and International Affairs on H.B. No. 931

The purpose of this measure is to exempt three-wheeled mopeds designed to carry a driver and a passenger seated side by side from the operator and passenger restrictions placed on two-wheeled mopeds.

Testimony in support of this measure was received from Adventure Rentals, LLC and Shamrock Importers, LLC. Testimony in opposition was received from the Department of Transportation (DOT). Comments were received from the Honolulu Department of Customer Services.

The intent of this measure is to allow three-wheeled mopeds that are designed to carry a passenger on highways, streets, and roadways in the same way as two-wheeled mopeds. Under existing law, two or three-wheeled mopeds are allowed to be driven on highways, streets, and roadways, and on bikeways when bicycle lanes and paths are provided. Testimony indicated that three-wheeled mopeds that are designed to carry a passenger are generally larger than two-wheeled mopeds and present safety issues that may not be covered under existing laws that regulate two-wheeled mopeds.

Your Committee has amended this measure by inserting language that was mutually agreed upon by moped businesses and the DOT as follows:

- (1) To require liability and property damage insurance on three-wheeled mopeds; and
- (2) To restrict three-wheeled mopeds to roadways with speed limits of 35 mph or less.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 931, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 931, 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 (Hooser, Taniguchi, Gabbard).

SCRep. 1193 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1104

The purpose of this measure is to protect and preserve the Kohala Historical Sites State Monument in Kohala for future generations to experience and enjoy by requiring the Department of Land and Natural Resources to consult with the Kahuna Nui of the Mo'okini Heiau prior to engaging in any improvements or alterations to the monument.

Specifically, this measure amends section 6E-38.5, Hawaii Revised Statutes, to codify language in the land deed that directs the State to consult with the Kahuna Nui of the Mo'okini Heiau on all matters that pertain to the three historic sites within the Mo'okini Complex area.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, Kamehameha Schools, and the Mookini Luakini, Inc.

The lands of the Mo'okini Complex are approximately 2,915 acres and were donated to the State by the Kohala Corporation in 1978. Included in the deed is a provision that states, prior to making any alterations or improvements within the Mo'okini Complex lands, the State "shall consult with the Kahuna Nui of the Mo'okini Heiau. . ." Furthermore, the Kahuna Nui of the Mo'okini Heiau indicated to your Committee that there have been attempts to make the Mo'okini Complex area a paid tourist destination, and the Kahuna Nui is concerned that routine tour groups will desecrate the unspoiled and culturally sacred lands of the Heiau and its surrounding areas.

Thus, your Committee finds that codifying the language in the land deed that directs the State to consult with the Kahuna Nui of the Mo'okini Heiau on all matters pertaining to the Mo'okini Complex area will fulfill the intent of this measure, which is to protect and preserve the Mo'okini Complex in Kohala for future generations to experience and enjoy.

Your Committee has amended this measure by inserting the proper diacritical marks for Mo'okini.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1104, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1104, 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. 1194 Judiciary and Labor on H.B. No. 1204

The purpose of this measure is to eliminate the requirement that arrest citations contain an offender's full social security number and to authorize the verification of arrest citations and traffic crime complaints by declaration in accordance with the court rules.

Your Committee heard testimony from the Judiciary in support of the bill. There was no opposition to the bill.

Your Committee finds that court records are public records and the citation is a part of the court record. Requiring a full social security number in a public record facilitates identity theft. The elimination of the full social security number would eliminate the misuse of such information.

Your Committee further finds that allowing the use of declarations in lieu of affidavits for arrest citations and traffic crime complaints is consistent with current rules of court, and would not harm the offender's right to challenge the veracity of the officer. In addition, the use of declarations would allow for more timely processing of citations and complaints, and would save space on citation forms.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1204, 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, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1195 Judiciary and Labor on H.B. No. 1081

The purpose of this measure is to strengthen the enforcement of the prevailing wage law by allowing a joint labor-management committee established pursuant to section 175a of the federal Labor Management Cooperation Act of 1978 (29 U.S.C. 175a), to initiate a civil action against employers who fail to pay the prevailing wage to its employees.

Your Committee received testimony in support of this measure from the Hawaii Carpenters Union and testimony in opposition from the Department of Labor and Industrial Relations ("DLIR"). The Hawaii Carpenters Union testified that the joint labor-management committee would provide a voice for workers who have suffered unfair wages but are unwilling to pursue any civil action on their own due to fear and lack of resources. The DLIR testified that the measure would provide unequal opportunities to both union and non-union parties and open the door for national labor-management committees to bring actions against all contractors in Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1081, 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, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1196 (Joint) Intergovernmental and Military Affairs and Transportation and International Affairs on H.B. No. 1138

The purpose of this measure is to clarify that the responsibility of the County Fire Chief or designees does not extend to the inspection of state-owned airports.

Your Committees received testimony in support of this measure from the Department of Transportation and the Department of Labor and Industrial Relations.

Your Committees find that it is important to clarify the fire inspection responsibilities of the State and the various counties as they relate to state-owned airport facilities. As such, it is the intent of your Committees to require the State to uphold the responsibilities for fire and safety inspections at all state-owned airport facilities, thus eliminating the duplication of services and allowing the county fire departments to focus on county fire safety issues.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1138, 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, 2 (Hooser, Taniguchi).

SCRep. 1197 (Joint) Transportation and International Affairs and Intergovernmental and Military Affairs on H.B. No. 657

The purpose of this measure is to allow the State to waive the requirement for public auction of abandoned vehicles.

Waiver would be allowed if the vehicle is missing major components or is so materially damaged so as to render the vehicle inoperable, and if the registration period has expired.

Your Committees received testimony from the Department of Customer Services of the City and County of Honolulu and Windward Ahupua'a Alliance.

Your Committees find that waiving the public auction requirements under certain conditions will result in a more expeditious removal of abandoned vehicles from storage facilities and that this measure continues to preserve a motor vehicle owners rights by continuing to require public notice of the vehicle's disposal. Due to the number of abandoned vehicles removed from our islands' roads each day and the lengthy notice and public auction requirements currently established for the disposal of these vehicles, tow companies are experiencing shortages of valuable storage space.

According to testimony of the Licensing Administrator of the Department of Customer Services of the City and County of Honolulu, based upon experience, such vehicles are never sold at public auction due to the condition of these vehicles.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 657, H.D. 1, 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, 2 (Hooser, Taniguchi).

SCRep. 1198 (Joint/Majority) Energy and Environment, Economic Development and Taxation and Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 646

The purpose of this measure is to promote clean energy technology.

Specifically, this measure makes an appropriation in the 2007-2008 fiscal year for a conference and festival on clean energy. The conference and festival is being planned and carried out by the Blue Planet Festival and Conference (Blue Planet), a public-private partnership that promotes sustainability and clean energy through education, technology, and musical entertainment. The appropriation is to be expended by the Department of Business, Economic Development, and Tourism.

Testimony in support of this measure was submitted by the Hawai'i Tourism Authority; two members of Blue Planet Festival and Conference; Hawaii Energy Policy Forum and its Energy Efficiency Working Group; Hawaii 5-0 Technology Services, Inc.; two members of Juniroa Productions Inc.; McCorriston Miller Mukai MacKinnon LLP; Windward Ahupua'a Alliance; and three individuals. The Department of Business, Economic Development, and Tourism submitted testimony in support of the intent of this measure.

Your Committees note that the Blue Planet Festival and Conference is to be a four day event, consisting of two days of educational lectures and workshops on clean energy and a two-day music festival. The conference and festival will be carried out using clean energy sources exclusively. The event is scheduled to take place in October, a month in which there is typically a decline in tourism numbers. Blue Planet anticipates bringing in approximately 15,000 attendees from outside of Hawaii, split equally between Japan and the mainland.

Your Committees understand the role of the Department of Business, Economic Development, and Tourism in this event to be one of oversight and support; expending the State-appropriated funds, and helping to facilitate cooperation with the event.

Your Committees note with some concern that Blue Planet is a new organization, having been organized in 2006, and its 501(c)(3) application is pending. However, the conference planners have a great deal of experience and expertise in organizing events with world-renowned artists. The music festival will bring world-class entertainers together with local musicians, the list of whom should be available in the next few months.

Your Committees find that this measure pertains to an important event meriting further discussion. Your Committees have requested from Blue Planet a detailed proposed budget, including salaries and other administrative costs, for review by the Committee on Ways and Means. Your Committees note that the event has already received \$50,000 under the Hawaii Tourism Authority's budget for marketing the event out-of-state. Given the benefits to tourism, good will in promoting clean energy technology, and the fact that Blue Planet plans to make this conference and festival a self-sufficient annual event, your Committees suggest that the Committee on Ways and Means consider an appropriation in the amount of \$500,000, to assist with the first of what is estimated to be a \$10,000,000 event.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development and Taxation and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 646, 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, 8. Ayes with Reservations, 1 (Tokuda). Noes, 3 (Hee, Slom, Trimble). Excused, 1 (Ihara).

SCRep. 1199 Health on Gov. Msg. Nos. 366, 367, 368, 369, 370, 371 and 372

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON MENTAL HEALTH

- G.M. No. 366 BELINDA A. ANDERSON, for a term to expire 6-30-2008;
- G.M. No. 367 PETER DEAN GONZALEZ, for a term to expire 6-30-2011;
- G.M. No. 368 DONNA DARLENE HANSEN, for a term to expire 6-30-2008;
- G.M. No. 369 RICHARD CHARLES JACKSON, for a term to expire 6-30-2010;
- G.M. No. 370 SANDRA JANE MIYOSHI, for a term to expire 6-30-2011;
- G.M. No. 371 JOY E. PATTERSON, for a term to expire 6-30-2011; and
- G.M. No. 372 G. NOELANI WILCOX, for a term to expire 6-30-2008

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the government functions related to mental health. Your Committee further finds that the nominees have been appointed based upon their credentials, integrity, and a desire to make Hawai'i better through their participation on the State Council on Mental Health to which they have been nominated.

Your Committee received testimony supporting the nomination of Belinda A. Anderson from the Department of Health. Ms. Anderson is employed with Ho'omau Ke Ola Drug Treatment Program in Waianae and is the mother of a child with a serious emotional and behavioral disorder. Her participation and insight will be a valuable asset to the State Council on Mental Health.

Your Committee received testimony supporting the nomination of Peter Dean Gonzalez from the Department of Health, Molokai Mental Health Services, a Maui County Council Member, Molokai Drop-In Center, and two individuals. Mr. Gonzalez is the current Vice President for the Maurice Thompson Drop-In Center and is living with a mental illness. Mr. Gonzalez's first hand knowledge of the issues mental health patients face on a daily basis and his advocacy on behalf of individuals with mental illness will significantly benefit the Council.

Your Committee received testimony supporting the nomination of Donna Darlene Hansen from the Department of Health and four individuals. Ms. Hansen is the mother of a son who has severe persistent mental illness. She is Vice-President of the Maui Service Area Board on Mental Health and Substance Abuse and a staunch advocate for individuals with mental illness. Ms. Hansen's knowledge, skills, and life experiences will enable her to be a valuable asset to the Council.

Your Committee received testimony supporting the nomination of Richard Charles Jackson from the Department of Health; the National Oceanic and Atmospheric Administration; CrimeStoppers Honolulu, Inc.; New Life Community Church; and the National Alliance on Mental Illness. Mr. Jackson graduated from Central Michigan University with a Bachelor of Arts degree in Journalism. He was awarded a bronze medal by the U.S. Department of Commerce for his diversity work and was honored in 2004 by the Oahu Area Service Board on Mental Health and Substance Abuse for writing a policy on diversity for the Board. Mr. Jackson is also a published author. His inspirational book, "Seasons of Hope", donates twenty-five per cent of its profits to the Hawaii Chapter of the National Alliance for the Mentally Ill. Mr. Jackson is the model of success for individuals living with a mental illness. His knowledge and insight will enable him to serve as an invaluable asset to the Council.

Your Committee received testimony supporting the nomination of Sandra Jane Miyoshi from the Department of Education and the Department of Health. Ms. Miyoshi is the Branch Administrator of homeless programs for the Hawaii Public Housing Authority. In this capacity, she also works closely with the Adult Mental Health Division to address the issues and needs of individuals with serious mental illness who are homeless.

Ms. Miyoshi's knowledge and experience will enable her to be a valuable asset to the Council. In addition, her service on the Council will fulfill the Federal Community Mental Health Block Grant mandate (P.L. 102-321) for the State Council on Mental Health composition and representation from the State Housing Authority.

Your Committee received testimony supporting the nomination of Joy E. Patterson from the Department of Health, the Vocational Rehabilitation and Services for the Blind, and four individuals. Ms. Patterson has been a Staff Specialist for Employment at the Department of Human Services, Vocational Rehabilitation and Services for the Blind Division since 1999. She has dedicated her life's work to public service and is aware of the issues facing individuals with multiple health challenges when functioning in the community setting. Ms. Patterson's service on the Council will be an invaluable asset. In addition, as a representative of the Vocational Rehabilitation and Services for the Blind Division, her service will fulfill the Federal Community Mental Health Block Grant mandate (P.L. 102-321) for the State Council on Mental Health composition and representation from the State Vocational Rehabilitation Agency.

Your Committee received testimony supporting the nomination of G. Noelani Wilcox from the Department of Health, the Adult Mental Health Division of the Department of Health, and four individuals. Ms. Wilcox received a Bachelor of Science degree in Nursing from the University of Hawaii, a certificate for Women's Health Care Nurse Practitioner from the University of California Harbor Medical Center, and a Master of Science in Nursing and Community Health from the University of Hawaii. She has twenty-five years of dedicated service and outstanding work experience in mental health and nursing in Hawaii. In addition, Ms. Wilcox is the mother of a child with mental illness. Her service on the Council will be an invaluable asset and will help to further the success and goals of the State Council on Mental Health.

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, 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 (Menor, Whalen).

SCRep. 1200 Health on Gov. Msg. Nos. 326, 327 and 328

Recommending that the Senate advise and consent to the nominations of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

G.M. No. 326 RONALD KATSUMI AWA, for a term to expire 6-30-2011;

G.M. No. 327 PATRICIA MARILYN NIELSEN, for a term to expire 6-30-2011; and

G.M. No. 328 MARK T. OBATAKE, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Ronald Katsumi Awa, Patricia Marilyn Nielsen, and Mark T. Obatake, to have the necessary qualifications to be nominated to the Disability and Communication Access Board.

Your Committee received testimony in support of Ronald Katsumi Awa from the Executive Director of the Disability and Communication Access Board, Pacific Architects, Inc., and three individuals.

Mr. Awa holds a Bachelor's Degree in Fine Arts from the University of Hawaii and has been a Registered Professional Architect since 1977. He has thirty-five years experience in the field of architecture and spent the last twenty years in private practice. Mr. Awa was a member of the Architectural Access Committee for many years until its dissolution and merger into the current Disability and Communication Access Board. His significant architectural experience and his knowledge of the design requirements for facility accessibility as mandated by the Americans with Disabilities Act Accessibility Guidelines, make him a valuable asset to the Disability and Communication Access Board.

Your Committee received testimony in support of Patricia Marilyn Nielsen from the Executive Director of the Disability and Communication Access Board.

Your Committee notes that Ms. Nielsen is being nominated for reappointment to the Disability and Communication Access Board and that her initial appointment was in 2000 and, pursuant to section 26-34, Hawaii Revised Statutes, she will have served the combined maximum terms of service of eight consecutive years on the Board as of 2008. As such, it is not the intent of your Committee in recommending advise and consent on this nomination that the nominee serve for more than eight consecutive years in the capacity to which nominated. Ms. Nielsen is the Vice President of Oahu Transit Services, Paratransit Services and is responsible for paratransit services for the 13,000 eligible citizens with disabilities located on the island of Oahu. Ms. Nielsen is also disabled and has used a wheelchair for over forty-three years. She brings a heightened understanding of the issues affecting both consumers and service providers and is able to find sound fiscal and administrative solutions for program administration while remaining a strong advocate for persons with disabilities.

Your Committee received testimony in support of Mark T. Obatake from the Executive Director of the Disability and Communication Access Board and from one individual.

Mr. Obatake holds a Master's Degree in Social Work from the University of Hawaii and is also a wheelchair user. He has twenty-one years of professional experience working in the disability field and served as the former Executive Director for Hawaii Centers for Independent Living Statewide. Mr. Obatake's personal perspective on the issues affecting individuals with disabilities and his considerable professional experience provide him with keen insights regarding the development of policies relating to persons with disabilities in the State.

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, 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 (Menor, Whalen).

SCRep. 1201 Public Safety on Gov. Msg. No. 440

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII PAROLING AUTHORITY

G.M. No. 440 ROY W. REEBER, Ph.D., for a term to expire 6-30-2011

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Dr. Roy W. Reeber to have the necessary qualifications to be nominated to the Hawaii Paroling Authority.

Your Committee received testimony in support of Dr. Roy Reeber's nomination from the Department of Public Safety, two members and one administrator of the Hawaii Paroling Authority, and six individuals.

Dr. Reeber is currently serving his first term with the Authority, having been appointed on August 22, 2005. Dr. Reeber has a Doctorate in International Business Administration from Kennedy Western University, a Juris Doctorate from Southland University, a Masters of Science in Systems Management from the University of Southern California, a Master of Public Administration from the University Oklahoma, a Master of Business Administration from Pepperdine University, and a Bachelor of Science in Aerospace Engineering from the U.S. Naval Academy.

Dr. Reeber is a full-time faculty member at Hawaii Pacific University and an international business consultant. He has held several positions with GTE Hawaiian Telephone Company, including International/Federal Marketing Administrator, International Administrator, and various management positions.

Based on Dr. Reeber's qualifications, your Committee believes that Dr. Reeber will continue to be an asset for the Hawaii Paroling Authority.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee, after full consideration of the background, 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, 1 (Sakamoto).

SCRep. 1202 Public Safety on Gov. Msg. No. 488

Recommending that the Senate advise and consent to the nomination of the following:

WIRELESS ENHANCED 911 BOARD

G.M. No. 488 GORDON J. BRUCE, for a term to expire 6-30-2011

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Gordon J. Bruce to have the necessary qualifications to be nominated to the Wireless Enhanced 911 Board.

Your Committee received testimony in support of Mr. Bruce's nomination from the Department of Accounting and General Services; the Mayor of the City and County of Honolulu; the Department of Information Technology of the City and County of Honolulu; the Department of Planning and Permitting of the City and County of Honolulu; CGI Technologies and Solutions Inc.; Outrigger Enterprises, Inc.; Anatec Hawaii; Skywave Broadband; Hawaii Pacific Health; Hawaiian Telcom; T-Mobile USA, Inc.; and one individual.

Mr. Bruce is currently serving his first term on the Wireless Enhanced 911 Board, having been appointed on April 21, 2005. He has served as co-chair of the board. He has over thirty years of experience in the technology and telecommunications industry, including direct experience with Enhanced 911 deployment. Mr. Bruce has been a resident of Hawaii since 1979 and has extensive knowledge of the State's procurement process.

Mr. Bruce is the current Director/Chief Information Officer for the Department of Information Technology of the City and County of Honolulu. In this position, he is responsible for over one hundred technology systems, including payroll, public safety, human resources, voting, and motor vehicles. He is also a managing member and owner of GJB & Associates, LLC, which does strategic planning and consulting for a variety of local businesses.

Mr. Bruce's prior work experience includes serving as the Director of Administration and Information Services for The Estate of James Campbell, Director of Information Services and Manager/Senior Systems Programmer for The Queen's Medical Center, Computer Software Systems Specialist for Bank of Hawaii, and as a programmer and analyst for Corporation City of Toronto.

Mr. Bruce holds a Master of Business Administration with Honors from Hawaii Pacific University and completed the Small Business Management Program at the University of Hawaii; and the Computer Science Program at Ryerson Polytechnical Institute in Toronto, Canada. He is a Licensed Realtor Associate and a Certified Scuba Instructor.

His current community service experience includes serving on the board of directors of Seagull Schools, Inc.; a lecturer and instructor at the University of Hawaii at Manoa, Hawaii Pacific University, and the Japan American Institute of Management Science; a Co-founder of ThinkTech Hawaii; Co-chairperson of the Information Technology Council of the Hawaii Technology Trade Association; and a member of the Hawaii Technology Trade Association, the Fundraising Committee of St. Frances Medical Center, the Honolulu Board of Realtors, and the Fundraising Committee of the Domestic Violence Clearinghouse.

Mr. Bruce is a past-chair of the Alu Like Hawaii Computer Training Center and the Man With a Mission Foundation. He is a past-president of the Waimano Home Auxiliary/Kokua Mau Work Center; PCI Users Group and TIDMA Users Group of Dallas, Texas; and Travenol Users Interface of Chicago, Illinois. He is a former director of the Dolphin Institute and former member of Catholic Charities Services for the Elderly, both in Honolulu.

Your Committee believes Mr. Bruce's continued presence on the Wireless Enhanced 911 Board will prove beneficial for the State and its citizens.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee, after full consideration of the background, 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, 1 (Sakamoto).

SCRep. 1203 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 272

Recommending that the Senate advise and consent to the nomination of the following:

CHAIRPERSON OF THE HAWAIIAN HOMES COMMISSION

G.M. No. 272 MICAH A. KANE, for a term to expire 12-31-2010

Your Committee reviewed the personal statement and resume submitted by the nominee, and finds Micah A. Kane to have the necessary qualifications to be nominated as the Chairperson of the Hawaiian Homes Commission.

Your Committee received testimony in support of the nomination of Micah A. Kane from the Attorney General; the Adjutant General and Director of Civil Defense; the Department of Hawaiian Home Lands; the University of Hawaii – West O'ahu; the Office of Hawaiian Affairs; a Council Member, City and County of Honolulu; Castle and Cooke Hawaii; the Pacific Indigenous Resource Management Institute; the Hawaii Forest Industry Association; the Native Hawaiian Chamber of Commerce; the Association of Hawaiian Civic Clubs; the Wai'anae Hawaiian Civic Club; the Queen Deborah Kapule Hawaiian Civic Club; the Princess Ka'iulani Hawaiian Civic Club; the Prince Kuhio Hawaiian Civic Club; the Pearl Harbor Hawaiian Civic Club; the Nanaikapono Hawaiian Civic Club; the Kuini Pi'olani Hawaiian Civic Club; the Kailua Hawaiian Civic Club; the Ho'olehua Hawaiian Civic Club; the Hawaiian Civic Club of Honolulu; the Hawaiian Civic Club of Hilo; the Ali'i Pauahi Hawaiian Civic Club; the Kapolei Hawaiian Civic Club (Ahahui Siwila Hawaii O Kapolei); God's Country Waimanalo; the State Council of Hawaiian Homestead Associations; the Waianae Kai Homestead Association; the Wai'anae Valley Homestead Community Association; the Waimanalo Hawaiian Homes Association; the Papakolea Community Association; the Kanihale Community Association of the Villages of Lai'opua; the Waiohuli Hawaiian Homesteaders Association, Inc.; the Waimea Hawaiian Homesteaders' Association, Inc.; the Nanakuli Hawaiian Homestead Community Association; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the United Public Workers, AFSCME Local 646, AFL-CIO; the Hawaii Carpenters Union; the Local Laborers' Union Local 368; the International Union of Painters and Allied Trades, District Council 50; the United Association of Plumbers and Fitters, Local 675; the Hawaii Operating Engineers Industry Stabilization Fund; the General Contractors Association of Hawaii; the Building Industry Association of Hawaii; the Hawaii Building and Construction Trades Council, AFL-CIO; and twenty-one individuals.

The Molokai Homestead Farmers Alliance, the Hoolehua Homesteaders Association, and the Hoolehua Homestead Agriculture Association submitted concerns regarding the nomination of Micah A. Kane. One individual submitted comments to your Committee.

Micah A. Kane was appointed as the Chairperson of the Hawaiian Homes Commission and Director of the Department of Hawaiian Home Lands in 2003. Previously, Mr. Kane was the Chairperson and Executive Director of the Hawaii Republican Party from 1999 to 2002 where he managed and carried out goals and objectives set forth by the Chairperson and the Executive Committee of the Party. As the Government Affairs Liaison for the Building Industry Association of Hawaii, from 1994 to 1999, he managed all government affairs activities at the federal, state, and county levels that pertained to the Hawaii construction industry. His service at the Building Industry Association of Hawaii provided Mr. Kane with a foundation to better understand the construction and development industry and establish key contacts in both the private construction labor community and development community, which would be valuable assets for the Hawaiian Homes Commission later on.

Mr. Kane is a graduate of Kamehameha Schools, received his Bachelor of Business Administration, Cum Laude, from Menlo College, and received his Master of Business Administration from the University of Hawaii at Manoa. He has extensive community involvement, including serving as a member on the Governor's Affordable Housing Task Force; on the Board of Directors of Education 1st Hawaii, Inc.; on the Kamehameha Schools Board of Advisors; and on the Board of Directors of the Konishiki Kids Foundation. Mr. Kane also has received numerous awards, such as the United Way – Spirit of Community Award, the Building Industry Association's Housing Advocate of the Year, a Football Induction into Menlo College Hall of Fame, and the Hawaii Institute for Public Affairs' Ho'oulu Leadership Award for Government.

Overwhelming testimony indicates that Mr. Kane has a passionate desire to serve the Native Hawaiian community and move the Hawaiian Home Lands Program forward. He is open to new ideas and because the concept of ohana is important to him, he has improved efforts to consult with the beneficiaries regarding regional plans and actions occurring on or affecting homestead lands. He has a genuine concern for the employees of the Department of Hawaiian Home Lands, has the courage to make tough decisions or support an unpopular position that he believes is right for the homestead community, and exudes self-confidence.

Your Committee finds that under Mr. Kane's leadership, the Department of Hawaiian Home Lands has been able to award a record number of leases to Native Hawaiians who are eligible to be beneficiaries of the Hawaiian Home Lands Trust. This achievement is remarkable in light of his short tenure. Under his leadership, the Department has awarded nearly six thousand leases as compared to seven thousand two hundred leases over the entire history of the Department. The acceleration of lease awards, development of new programs, and community outreach by the Department has repositioned the Hawaiian Home Lands Trust to be one of the largest residential developers in the State.

Your Committee further finds that Mr. Kane has developed new strategies that address the need for more affordable housing for the Native Hawaiian community. The Department has established a new program called the Home Ownership Assistance Program (HOAP) for the purpose of empowering beneficiaries to qualify and purchase or construct homes on homestead land. HOAP has already placed nearly one hundred families into homes and has successfully prepared nearly four hundred additional families who currently are waiting for their homes to be built. Future plans for the HOAP include employment training and opportunities and social services support.

Your Committee further finds that Mr. Kane is dedicated to accomplishing further goals for the Department and the Hawaiian homestead communities by settling more individual claims and lawsuits, which will allow the Department to mesh past issues with current successes. He wishes to address budgetary concerns, especially with respect to infrastructure development, further regional development plans and encourage further beneficiary consultation and inter-regional communication, and institutionalizing the HOAP to keep families on the land and in their homes.

Your Committee noted concerns indicated in submitted testimony regarding the management of the Molokai Irrigation System and protecting the water rights of the homestead residents that the irrigation system serves. Mr. Kane indicated a willingness to address this issue and develop solutions to improve the water system in cooperation with the appropriate agencies and with the advice from the affected beneficiaries. The Department of Hawaiian Home Lands is currently studying the system and he expects that the Department will be able to present a set of solutions for consideration in the near future.

To this end, your Committee further finds that Mr. Kane's evidenced commitment to the ideals and values of integrity, duty, respect, loyalty, and public service combined with his rich experience and heightened understanding of the multi-faceted components of the Native Hawaiian community make him the best nominee to fulfill the duties and responsibilities of Chairperson of the Hawaiian Homes Commission.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, 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 (Hee).

SCRep. 1204 Education on H.B. No. 429

The purpose of this measure is to assist nonprofit private schools that serve the general public through the authorization of the issuance of special purpose revenue bonds to assist Sacred Hearts Academy in financing and refinancing the planning, acquisition, construction, and improvement of its facilities.

Testimony in support of this measure was submitted by Sacred Hearts Academy and the Hawaii Association of Independent Schools.

Your Committee finds that pursuant to part VII, chapter 39A, Hawaii Revised Statutes, special purpose revenue bonds may be issued to assist not-for-profit private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities that serve the general public. This measure will allow Sacred Hearts Academy to finance the construction of several structures that will provide adequate facilities for school programs and enhance the education provided to its students without relying entirely on the monetary contributions of the school's alumni, friends, and other supporters and support the educational needs of the State'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. 429, 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 (Chun Oakland, Hee, Taniguchi).

SCRep. 1205 Education on H.B. No. 504

The purpose of this measure is to assist nonprofit private schools that serve the general public through the authorization of the issuance of special purpose revenue bonds to assist Le Jardin Academy in financing and refinancing the planning, acquisition, construction, and improvement of its facilities.

Testimony in support of this measure was submitted by Le Jardin Academy and the Hawaii Association of Independent Schools.

Your Committee finds that pursuant to part VII, chapter 39A, Hawaii Revised Statutes, special purpose revenue bonds may be issued to assist not-for-profit private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities that serve the general public. This measure will allow Le Jardin Academy to finance the construction of several facilities that will enable the school to expand its programs and increase the number of its students without relying entirely on the monetary contributions of the school's alumni, friends, and other supporters and support the educational needs of the State'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. 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 (Chun Oakland, Hee, Taniguchi).

SCRep. 1206 Education on H.B. No. 581

The purpose of this measure is to assist nonprofit private schools that serve the general public through the authorization of the issuance of special purpose revenue bonds to assist Hanalani Schools in financing and refinancing the planning, acquisition, construction, and improvement of its facilities.

Testimony in support of this measure was submitted by Hanalani Schools and the Hawaii Association of Independent Schools.

Your Committee finds that pursuant to part VII, chapter 39A, Hawaii Revised Statutes, special purpose revenue bonds may be issued to assist not-for-profit private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities that serve the general public. This measure will allow Hanalani Schools to finance the renovation and upgrading of current facilities, construct three new facilities, and consolidate current loans without relying entirely on the monetary contributions of the school's alumni, friends, and other supporters and support the educational needs of the State'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. 581, 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 (Chun Oakland, Hee, Taniguchi).

SCRep. 1207 Education on H.B. No. 1014

The purpose of this measure is to support the education and professional development of teachers in the public schools, through funding and improvements to programs under the Department of Education and the University of Hawaii.

Specifically, this measure:

- (1) Changes the Performance Standards Review Commission membership and reporting schedule;
- (2) Clarifies the intended purpose of the Hawaii Educator Loan Program and amends the program's loan forgiveness incentive provisions; and
- (3) Appropriates funds to the University of Hawaii for various programs and objectives, including the Office of School Redesign, teacher education and professional development, the Master of Education in Teaching degree program, additional staff for the Hawaii Educational Policy Center, and the Hawaii Educator Loan Program.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii, the Office of School Redesign of the University of Hawaii, the State Council on Developmental Disabilities, the Center on Disability Studies, the Hawaii Disability Rights Center, Leeward Community College, the Hawaii Educational Policy Center, and seven individuals.

Your Committee finds that the needs of schools and administrators have changed over the years, particularly with the advent of the Reinventing Act of 2001, Act 51, Session Laws of Hawaii 2004, as amended, and other federal mandates. Your Committee further finds that increased responsibilities of school administrators, including financial responsibilities, particularly with regard to the weighted student formula approach, requires the need for increased funding to provide greater autonomy within complex areas that will allow for the more efficient use of resources to increase professional development, particularly in the areas of performing arts education, physical education, and virtual education.

Your Committee finds that in Hawaii a critical teacher shortage currently jeopardizes the education of the students in the public school system. Recruitment and retention of qualified teachers also poses a real problem for the public schools. The State must focus on growing and developing a qualified teaching workforce through not only the continued professional development of educators but also teacher mentoring programs.

Additionally, your Committee determines that provisions of this measure regarding current statewide performance standards, the Performance Standards Review Commission, and reporting schedules; appropriations for the Hawaii Educational Policy Center; and appropriations for the University of Hawaii programs supporting teacher development have been previously addressed in other measures by this Committee. Therefore, they should be deleted from this measure to further focus the attention on issues relating to the provision of assistance in the education and professional development of teachers.

Accordingly, your Committee has amended this measure by:

- (1) Changing the language of the purpose section to focus on the need to provide funding for and emphasize the importance of professional development, particularly in the areas of visual and performing arts education, physical education, and virtual education;
- (2) Removing the appropriation of funds for various programs to increase the capacity of the University of Hawaii, College of Education, to educate qualified teachers, meet federal requirements for institutional support of disability studies, and expand teacher professional development and mentoring;
- (3) Removing changes to the statewide Performance Standards Review Commission composition, the requirement for the development of assessments, and reporting requirements;
- (4) Removing the appropriation for the Hawaii Educational Policy Center;
- (5) Removing amendments to the Hawaii Educator Loan Program that clarified the program's intended purpose and loan forgiveness eligibility requirements;
- (6) Including appropriations for each complex area to establish the capacity to coordinate and expand complex-level resources for professional development, alignment of curriculum, and mentoring in schools; provided that funds appropriated in this section shall be allocated to each complex area based on the per pupil enrollments in each complex area; provided further that a portion of the funds allocated to individual schools by complex areas shall be for professional development and support of curriculum in visual and performing arts education, physical education, and virtual learning materials and programs;
- (7) Removing the appropriation for the Hawaii Teacher Cadet Program; and
- (8) Clarifying that the appropriation for the induction teacher mentoring is for new teachers and teachers who are new to Hawaii and that induction mentors shall be recognized as educators who have demonstrated exemplary performance, have the opportunity to be induction teachers, have their participation be flexible, and have full return rights to their previous teaching positions.

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. 1014, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1014, 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 (Chun Oakland, Hee, Taniguchi).

SCRep. 1208 (Majority) Energy and Environment on H.B. No. 226

The purpose of this measure is to improve the environmental quality of the State by reducing greenhouse gas emissions.

Specifically, this measure establishes a greenhouse gas emissions reduction program in which the Department of Health is required to establish greenhouse gas emission limits and emission reduction standards to achieve the maximum technologically feasible and cost-effective reductions, regularly report and verify statewide greenhouse gas emissions, and monitor and enforce compliance. This measure authorizes the adoption of market based compliance mechanisms and requires the adoption of a statewide greenhouse gas emissions limit equivalent to the statewide levels in 1990 to be achieved by 2020.

Testimony in support of this measure was submitted by Sierra Club, Hawai'i Chapter; Honolulu Seawater Air Conditioning, LLC; Respiratory and Environmental Disabilities Association of Hawaii; the Conservation Council for Hawai'i; US Biodiesel Group, LLC; and twelve individuals. Covanta Energy submitted testimony in support of the intent of this measure. Testimony in opposition to this measure was submitted by the Department of Health; Hawaii Automobile Dealers' Association; Alliance of Automobile Manufacturers; and one individual. The Department of Business, Economic Development, and Tourism; Hawaiian Electric Company, Inc.; Life of the Land; Western States Petroleum Association; Hawaii Audubon Society; Windward Ahupua'a Alliance; and three individuals submitted comments.

Your Committee finds that, given our precious and finite resources, it is essential that Hawaii continue its tradition of environmental leadership by moving forward in efforts to reduce emissions of greenhouse gases. In doing so, Hawaii will not only serve as an example, but will also position the State's economy, technology centers, financial institutions, and businesses to benefit from national and international efforts to reduce emissions of greenhouse gases.

Your Committee amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, 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 H.B. No. 226, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 226, 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, 2. Noes, 1 (Trimble). Excused, 2 (Ihara, Kokubun).

SCRep. 1209 Energy and Environment on H.B. No. 1787

The purpose of this measure is to promote the application for energy efficiency performance contracts by state agencies.

Specifically, this measure:

- (1) Replaces the definition of "energy-savings performance contract" with "energy performance contract";
- (2) Extends the maximum term of energy performance contracts from fifteen to twenty years;
- (3) Clarifies the procurement and exemption processes; and
- (4) Allows the Comptroller, rather than the senior agency officer, to approve any alterations of energy performance contracting with the Director of Finance.

Testimony in support of this measure was submitted by the Department of Accounting and General Services and the Department of Business, Economic Development, and Tourism. Testimony supporting the intent of the measure was submitted by the Hawaii Energy Policy Forum.

Your Committee finds that the extension of time of energy performance contracts from fifteen to twenty years and extending the exemption process in the procurement code to state energy projects are important to promoting energy efficiency within the State. Your Committee further finds that it is important to include commissioning and retro-commissioning in the definition of energy performance contracts for state facilities. Commissioning and retro-commissioning are techniques performed to measure, implement, and monitor energy conserving design strategies and equipment to ensure the energy performance of a building.

This measure was amended to include commissioning and retro-commissioning in the definition of "energy performance contract" for the purposes of chapter 196, part II, Hawaii Revised Statutes, "Energy Efficiency in State Facilities." The measure was further amended to clarify the energy performance contracting process. Technical, nonsubstantive changes were also made for the purposes of clarity, consistency, 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 H.B. No. 1787, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1787, 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, none. Excused, 2 (Ihara, Kokubun).

SCRep. 1210 Energy and Environment on H.B. No. 1924

The purpose of this measure is to protect the State from the harmful effects of the coqui frog.

Specifically, this measure makes an appropriation to eradicate and control the spread of the coqui frog statewide and to support the Coqui Frog Working Group Incident Action Plan.

Testimony in support of this measure was submitted by the mayor of the County of Maui; the Council Chair and a member of the Maui County Council; Hawaii Agriculture Research Center; Maui Outdoor Circle; and the Sierra Club, Hawai'i Chapter and Maui Group. The Department of Agriculture, Department of Land and Natural Resources, and the Nature Conservancy of Hawaii submitted testimony supporting the intent of the measure.

Your Committee finds that the invasion and establishment of the coqui frog in Hawaii is of major concern to its native species, environment, and to the quiet enjoyment of its residents. Your Committee further finds that the problem needs to be addressed in each county.

This measure was amended to conform to Senate Bill No. 1627, S.D. 1, which was significantly similar, and to designate the amount to be appropriated to the County of Kauai. As a result, the following changes have been made to this measure:

- (1) Appropriations were made to each county in the 2007-2008 fiscal year for grants-in-aid to be expended by the respective county in the following manner:
 - (A) Hawaii county in the amount of \$2,000,000;
 - (B) Maui county in the amount of \$750,000;
 - (C) Kauai county in the amount of \$300,000; and
 - (D) The City and County of Honolulu in an unspecified amount;
- (2) The effective date was changed to July 1, 2007; and
- (3) Various technical, nonsubstantive changes were made for the purposes of clarity, consistency, 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 H.B. No. 1924, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1924, 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, none. Excused, 2 (Ihara, Kokubun).

SCRep. 1211 Health on H.B. No. 10

The purpose of this measure is to:

- (1) Require drug manufacturers or labelers to enter into rebate agreements with the State in order to participate in the Rx Plus Program;

- (2) Establish that, with regard to rebate agreements effective July 1, 2007, the Director of Human Services shall strive to obtain a rebate amount equal to or greater than similar price reductions for prescription drugs provided to the federal government; and
- (3) Require the Department of Human Services to provide health care providers information about the relative cost of drugs produced by manufacturers participating in rebate agreements.

Your Committee received testimony in support of this measure from the Policy Advisory Board for Elder Affairs, ILWU Local 142, National Multiple Sclerosis Society, AARP Hawaii, Hawai'i Alliance for Retired Americans, Child and Family Service, and two individuals. Testimony in opposition was received from the Department of Human Services (DHS) and the Pharmaceutical Research and Manufacturers Association of America.

Your Committee finds that requiring, rather than allowing (as in present law), drug manufacturers or labelers to make rebate payments to the State will result in lower prices than currently offered through the Rx Plus Program. It is not unusual for people on fixed incomes to spend less on food, utilities, and other necessities to pay for health care needs, particularly prescription drugs. People have been known to skip doses of medicines or delay filing prescriptions, or to completely forfeit using medications because the cost is beyond their 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 H.B. No. 10, and recommends that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 1212 Health on H.B. No. 528

The purpose of this measure is to enable minors without support to obtain medical care.

Your Committee received testimony in support of this measure from The Queen's Medical Center; Kaiser Permanente; Hawaii Family Forum; Healthy Mothers, Healthy Babies Coalition of Hawai'i; Hawaii Medical Association; Hawai'i Primary Care Association; Hale Kipa; Waikiki Health Center; Partners In Care; Volunteer Legal Services Hawai'i; Hawaii Youth Services Network; Ho'ola Lahui Hawai'i; and three individuals.

Your Committee finds this measure will allow the approximately one thousand youth living on their own to obtain needed medical care for acute illness or injury. This group of minors is very vulnerable and many of them are homeless, running away from abusive situations or drug addicted parents. Under existing law, these youths are unable to obtain medical care because physicians and clinics require parental consent for the treatment of minors because of concerns about liability.

Your Committee notes that the measure provides clear definitions and a clear explanation of the scope and nature of medical care to which the minor can consent to and under what circumstances.

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. 528, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 1213 (Joint/Majority) Health and Commerce, Consumer Protection and Affordable Housing on H.B. No. 56

The purpose of this measure is to ensure that all residents of Hawaii have health insurance coverage through a single payer health insurance system.

Specifically, this measure establishes that the Hawaii Health Commission shall be responsible for the development of a comprehensive health plan for the State. The Commission is to determine future capacity needs of health care providers, facilities, equipment, and support service providers.

Your Committees received testimony in support of this measure from Healthcare Association of Hawaii, the Kokua Council, the Hawaii Government Employees Association, the Political Action Committee for Elections of the National Association of Social Workers, and three individuals. The ILWU Local 42 and the Mayor of the County of Hawaii submitted testimony in support of the intent of this measure. Testimony in opposition was received from the Department of Commerce and Consumer Affairs, the Department of Budget and Finance, Hawaii Medical Service Association, and the Hawaii Medical Association.

Your Committees find that an increasing number of residents in the State are uninsured. With the escalating costs of health care, long-term care, insurance premiums, and prescription drugs, a solution needs to be implemented soon so that the most vulnerable populations are assured of quality health care now and in the future.

Your Committees have amended this measure by deleting the provisions regarding waivers and adopting rules.

Your Committees have further amended this measure by 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 Health and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 56, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 56, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Ayes with Reservations, 1 (Baker). Noes, 1 (Slom). Excused, 3 (Ihara, Menor, Whalen).

SCRep. 1214 (Joint/Majority) Health and Commerce, Consumer Protection and Affordable Housing on H.B. No. 223

The purpose of this measure is to ensure the provision of quality health care services and the sustainability of Hawaii's medical services system.

Specifically, this measure establishes the Health Care Reinvestment Fund and the Health Insurance Support Special Fund to subsidize the costs of health care services. Specific proportions of the Health Care Reinvestment Fund are directed to the Trauma System Special Fund, subsidies for medical malpractice insurance, aeromedical evacuation services, rural emergency facilities, and workforce development for medically underserved areas of the State.

Your Committees received testimony in support of this measure from Hawaii Medical Service Association, Hawaii Pacific Health, Healthcare Association of Hawaii, and The Chamber of Commerce of Hawaii. Your Committees received testimony in opposition to this measure from the Department of Health, Department of Budget and Finance, and Hawaii Medical Association.

Your Committees find that Hawaii's trauma system, statewide aeromedical evacuation programs, and rural hospitals are essential components of the statewide emergency medical services system and are vulnerable to deterioration due to the limited funding support currently available to sustain them.

Accordingly, your Committees have amended this measure by including an appropriation from the general revenues to the Health Care Reinvestment Special Fund.

Your Committees have further amended this measure by 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 Health and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 223, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 223, H.D. 3, 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, 1 (Slom). Excused, 3 (Ihara, Menor, Whalen).

SCRep. 1215 (Joint) Health, Education and Commerce, Consumer Protection and Affordable Housing on H.B. No. 367

The purpose of this measure is to reduce the prevalence of alcohol and drug abuse.

Specifically, this measure requires physicians to offer patients whom they believe abuse drugs or alcohol, to alcohol and drug abuse screening and counseling. This measure also establishes a pilot program within the emergency department of a major medical facility in Honolulu for screening, brief intervention, and referral to substance abuse treatment.

Your Committees received testimony in support of this measure from Coalition for a Tobacco Free Hawaii, University of Hawaii John A. Burns School of Medicine, Mothers Against Drunk Driving-Hawaii, Kahi Mohala, and one individual. The Office of the Lieutenant Governor and the Department of Health submitted testimony in support of this measure with comments. Your Committees received testimony in opposition to this measure from the Hawaii Medical Association. The Board of Medical Examiners submitted comments.

Your Committees find that screening, briefing, intervention, referral, and treatment of individuals who come into an emergency medical facility as a result of an alcohol or drug related incident, has been shown to significantly reduce alcohol and drug abuse recidivism and the destructive results it may cause.

Your Committees further find that supporting a pilot program will facilitate the reduction of further costs to the community, criminal behavior, and health care costs.

Accordingly, your Committees amended this measure by:

- (1) Removing the requirement of physicians to refer patients to screening and counseling services;
- (2) Clarifying that the pilot program shall be for two years, and at any other facility deemed proper by the administering agency;
- (3) Requiring the University of Hawaii John A. Burns School of Medicine to submit a report to the Legislature with its findings, recommendations, and any proposed legislation regarding the success and continuation of the pilot program;
- (4) Changing the effective date from July 1, 2020, to July 1, 2007; and
- (5) 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 Health and Education and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 367, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 367, 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, 7 (Espero, Hee, Ihara, Menor, Nishihara, Gabbard, Whalen).

SCRep. 1216 (Joint) Health and Human Services and Public Housing on H.B. No. 1471

The purpose of this measure is to ensure the availability of quality health care services for individuals who are uninsured, underinsured, or Medicaid recipients.

Specifically, this measure:

- (1) Establishes procedures within the Department of Human Services for the reconciliation of payments to federally qualified health centers and rural health centers in the State;
- (2) Allows for adjustment of prospective payment system rates for any adjustment in scope of services furnished by federally qualified health centers or rural health centers;
- (3) Makes eligible for prospective payment system reimbursement certain services, including visits, provided by federally qualified health centers or rural health centers; and

- (4) Requires the Department of Health to provide certain resources to nonprofit, community-based healthcare providers for direct medical care for the uninsured, and appropriates funds for this purpose.

Your Committees received testimony in support of this measure from the Hawaii Primary Care Association, the Healthcare Association of Hawaii, Waikiki Health Center, West Hawaii Community Health Center, Inc., Molokai Community Health Center, Hamakua Health Center, Ho'ola Lahui Hawaii, Kalihi-Palama Health Center, Community Clinic of Maui, Waianae Coast Comprehensive Health Center, Kokua Kalihi Valley, and two individuals. The Department of Health and the Department of Human Services submitted comments on this measure.

Your Committees find that federally qualified health centers are the best system of community-based primary care for people who are uninsured, underinsured, or Medicaid recipients.

Your Committees amended this measure by:

- (1) Requiring that the implementation of the new sections added to chapter 346, Hawaii Revised Statutes, by this measure be subject to approval of the state plan by the Centers for Medicare and Medicaid Services;
- (2) Clarifying that the reconciliation pertains to managed care supplemental payments;
- (3) Changing the Department of Human Services review and rejection time line from ninety days to one hundred twenty days;
- (4) Requiring the Department of Human Services to repay the federal share of any overpayment within sixty days of the date of discovery of an overpayment;
- (5) Clarifying that an alternative supplemental managed care payment methodology that will make any federally qualified health center or rural health center whole as required under the Benefits Improvement and Protection Act, other than the one set forth in this section, may be implemented as long as the alternative payment methodology is consented to in writing by the federally qualified health center or rural health center to which the methodology applies;
- (6) Clarifying in section 346-C(3), Hawaii Revised Statutes, that prospective payment system rates may be adjusted for any projected adjusted rate that is proposed subject to mutual agreement by the Department of Human Services. The federally qualified health center or rural health center shall propose a projected adjusted rate, subject to mutual agreement with the Department of Human Services, within one hundred fifty days of the changes. The proposed projected adjusted rate shall be calculated based on a consolidated basis, where the federally qualified health center or rural health center takes all costs for the facility which would bring in both the costs included in the base rate as well as the changes in additional costs, as long as the federally qualified health center or rural health center has filed its baseline cost report based on total consolidated costs. A net change in the federally qualified health center's or rural health center's rate is calculated by subtracting the federally qualified health center's or rural health center's previously assigned prospective payment system rate from its projected adjusted rate. The Department of Human Services may disallow an unspecified percentage of the net change to account for a combination that includes both increases and decreases during the reporting period;
- (7) Requiring a cost report to cover the first full fiscal year, instead of the first two full fiscal years, that includes the change in scope of services;
- (8) Deleting the definition "health professional" and instead establishes the parameters of eligibility by defining "visit";
- (9) Allowing a federally qualified health center or rural health center that experienced a decrease in the scope of services submit a prospective payment system rate adjustment request to decrease its prospective payment system rate;
- (10) Including an appropriation in the amount of \$1,061,250 for each year of the 2007-2009 fiscal biennium for the Department of Human Services to implement the new prospective payment system;
- (11) Including an appropriation in the amount of \$2,000,000 for each year of the 2007-2009 fiscal biennium to the Department of Health for direct medical care to the uninsured;
- (12) Changing the effective date from July 1, 2020, to July 1, 2007; and
- (13) 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 Health and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1471, H.D. 1, as amended herein, and recommend 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 Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 9. Noes, none. Excused, 1 (Menor).

SCRep. 1217 (Joint) Intergovernmental and Military Affairs and Commerce, Consumer Protection and Affordable Housing on H.B. No. 1095

The purpose of this measure is to enhance the authority of the counties to develop affordable housing by clarifying their ability to issue revenue bonds to assist in the development of low- and moderate-income housing by nonprofit organizations or public instrumentalities.

Your Committees received testimony in support of this measure from the Mayor of the County of Hawaii, Office of Housing and Community Development of the County of Hawaii, UniDev Hawai'i, LLC, and the Executive Director of Housing Hawaii.

Your Committees find that it is important to clarify the counties' powers with respect to low- and moderate-income housing projects. As such, it is the intent of your Committees to entrust authority to the counties to undertake loan programs, which include loans to private nonprofit organizations or public instrumentalities, which will serve as a valuable tool in providing affordable housing for low- and moderate-income households.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1095, 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, 8. Noes, none. Excused, 1 (Ige).

SCRep. 1218 Intergovernmental and Military Affairs on H.B. No. 195

The purpose of this measure is to ensure public safety by appropriating funds to support the operations of the Hawaii Civil Air Patrol in its performance of vital local and national services, including disaster relief, search and rescue, homeland security, and medical emergency transport.

Your Committee received testimony in support of this measure from the Director of the State Civil Defense, the Commander of the Hawaii Civil Air Patrol, the Operations Commander of the Hawaii Civil Air Patrol, the Commander of the 66th Composite Squadron of the Hawaii Civil Air Patrol, the Law Office of Earle A. Partington, and three individuals.

Your Committee finds that the Hawaii Civil Air Patrol provides necessary disaster relief, search and rescue, homeland security, and medical emergency transport services to local and national organizations and plays a vital role in emergency and disaster relief efforts.

Your Committee further finds that the Hawaii Civil Air Patrol depends on State funding to defray its operational expenses. As such, it is the intent of your Committee to appropriate funding to the Hawaii Civil Air Patrol in order to help defray its operational expenses so the Hawaii Civil Air Patrol can continue its operations in support of the Hawaii Civil Defense system.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 195, 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, 2. Noes, none. Excused, 1 (Tsutsui).

SCRep. 1219 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Commerce, Consumer Protection and Affordable Housing on H.B. No. 1283

The purpose of this measure is to ensure the availability of affordable housing in the Kakaako area by:

- (1) Allowing the Hawaii Community Development Authority (HCDA) to repurchase residential or redevelopment property at any time by deleting the ten year restriction; and
- (2) Allowing the HCDA to sell the fee simple interest in reserved housing units within the Kakaako Community Development District.

Testimony in support of this measure was submitted by the HCDA.

Your Committees find that allowing the HCDA to repurchase property at any time will provide the HCDA an additional tool to develop long-term projects. Your Committees further find that exempting the HCDA from the prohibitions under section 206E-31.5, Hawaii Revised Statutes, with respect to the Kakaako Community Development District will allow the HCDA to continue to sell its reserved housing units and provide further opportunity to offer affordable housing units.

Your Committees have amended this measure by adding an effective date of July 1, 2020, to encourage further discussion on this matter.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1283, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1283, 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 (Espero, Hee, Ige).

SCRep. 1220 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1525

The purpose of this measure is to support a strong and continued livestock industry in Hawaii by appropriating funds for a grant to the West Maui Soil and Water Conservation District to establish a working group to develop a statewide plan for a sustainable livestock industry in Hawaii.

Testimony in support of this measure was submitted by the West Maui Soil and Water Conservation District, the Hawaii Farm Bureau Federation, the Maui Farm Bureau, and the Hawaii Agriculture Research Center.

The West Maui Soil and Water Conservation District is interested in establishing a working group that will assist and provide methods and alternatives for livestock producers to use that will allow them to continue their operations in Hawaii. The working group will assist in bringing together livestock producers, educators, technical assistance personnel, and agricultural agencies to develop a statewide plan for a sustainable livestock industry in Hawaii. Your Committee finds that the West Maui Soil and Water Conservation District has a long track record of accomplishing tasks and it is appropriate that it should spearhead the statewide efforts of the working group.

Your Committee has amended this measure by:

- (1) Indicating that the purpose of the working group will be to develop a statewide plan for a sustainable livestock industry in Hawaii;
- (2) Emphasizing that the efforts of the working group will be a statewide effort with the West Maui Soil and Water Conservation District spearheading this effort; and
- (3) 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 Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1525, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1525, 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, 1 (Hee).

SCRep. 1221 (Majority) Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 652

The purpose of this measure is to ensure the safety and maintenance of dams and reservoirs by establishing a Dam Safety Special Fund for monitoring and enforcing the safety of dams and reservoirs throughout the State.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources; the Office of Hawaiian Affairs; the American Society of Civil Engineers, Hawaii Section; and the Dole Food Company Hawai'i.

The Kaloko Reservoir Dam collapsed on March 14, 2006, on the island of Kauai, resulting in the loss of seven lives, massive flooding, and extensive property damage. This tragic incident led to and generated concerns about the safety of Hawaii's dams and reservoirs, and questions regarding liability and the cause of this massive disaster.

In light of the Kaloko Dam tragedy, a report was submitted to the Legislature, which addressed the problems of the lack of maintenance and the absence of an emergency overflow at the Kaloko Dam. The report offered proposed amendments to chapter 179D, Hawaii Revised Statutes.

Your Committee finds that adopting the proposed legislation from the report relating to the creation of a dam safety special fund will enable the State to increase the effectiveness of its dam safety program under chapter 179D, Hawaii Revised Statutes. Your Committee further finds that H.B. No. 1905, H.D. 3, adopts the proposed legislation the report offered to strengthen the monitoring and enforcement measures that provide dam and reservoir safety throughout the State. Your Committee believes that the contents of this measure and H.B. No. 1905, H.D. 3, should be combined into one comprehensive package of safety and monitoring measures to ensure the safety and maintenance of dams and reservoirs. In light of this belief, earlier this session, your Committee created such a combined measure which culminated in S.B. No. 1946, S.D. 1.

Accordingly, your Committee has amended this measure by replacing its language with language from S.B. No. 1946, S.D. 1, which offers essentially the same comprehensive package of safety and monitoring measures for dams and reservoirs by:

- (1) Amending chapter 179D, Hawaii Revised Statutes, to enhance, broaden, balance, and clarify the provisions under chapter 179D; and
- (2) Adding a new part to chapter 179D, Hawaii Revised Statutes, which establishes a dam and reservoir safety program, including a Dam Safety Special Fund to carry out the purposes of the program.

Your Committee has further amended this measure by:

- (1) Clarifying that during the application process for a certificate of approval to impound, the owner of a dam or reservoir completed prior to the effective date of this measure may continue to impound water, unless it is determined by the Board of Land and Natural Resources that the dam or reservoir poses a high hazard risk;
- (2) Changing the blank appropriation amounts to be deposited into the Dam Safety Special Fund and expended by the Department of Land and Natural Resources to \$2,000,000;
- (3) Changing the effective date of this measure from July 1, 2050, to effective upon approval; provided that the appropriations for the purposes of the Dam Safety Special Fund are effective on July 1, 2007; and
- (4) Making technical, nonsubstantive amendments for the purposes of consistency and style.

Your Committee believes that this measure, as amended, further ensures and emphasizes the safety and maintenance of dams and reservoirs, which fulfills the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 652, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 652, 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 (Slom). Excused, none.

SCRep. 1222 Commerce, Consumer Protection and Affordable Housing on H.B. No. 373

The purpose of this measure is to deter the theft of copper.

Specifically, this measure adds new requirements for the sale of copper and the purchase of copper by scrap dealers such as:

- (1) Requiring sellers of copper to present a receipt or notarized statement verifying certain information;
- (2) Prohibiting a scrap dealer from purchasing copper if the seller cannot meet the requirements set forth in paragraph (1);
- (3) Requiring the scrap dealer to take a photograph of the copper being offered for sale and a photograph of the seller;
- (4) Requiring the scrap dealer to make a photocopy of the seller's identification; and
- (5) Requiring that the scrap dealer keep certain information on record so that law enforcement may examine that information.

In addition, this measure also provides for increased penalties for violations of certain requirements.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, and Hawaiian Electric Company and its subsidiaries. Reynolds Recycling; Okuda Metal, Inc.; and Schnitzer Steel Hawaii Corp. submitted testimony in opposition to this measure.

Your Committee finds that the price of copper has risen due to the high market demand for construction materials. The recent rise in copper thefts has had a great impact on the general public with the dismantling of street light fixtures, transformers, and rain gutters. Scrap metal dealers are the prime intermediary for copper thieves who sell the contraband to the dealers.

Your Committee notes that the Department of the Attorney General; the Department of the Prosecuting Attorney for the City and County of Honolulu; the Honolulu Police Department; Reynolds Recycling; Schnitzer Steel Hawaii Corp.; and Okuda Metal, Inc. worked together to come to a compromise on the scope of this measure.

Based upon their agreement, your Committee has amended this measure by:

- (1) Clarifying that the new requirements provided in this measure apply only to copper;
- (2) Giving the scrap dealer the option of either making a copy of the seller's valid photo identification or taking a photograph of the seller;

- (3) Requiring the revocation of the scrap dealer's license for three or more violations of sections 445-232 and 445-233, Hawaii Revised Statutes (HRS), or falsifying a statement required by section 445-233, HRS, that occur within five years of the first offense; and
- (4) Including a sunset date of two years after the effective date of the measure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 373, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 373, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 1223 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1306

The purpose of this measure is to authorize enhanced civil and administrative penalties for securities violations, when the violations are directed toward, target, or are committed against seniors who are sixty-two years of age and older.

This measure authorizes civil and administrative penalties of up to \$50,000 for each violation.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Policy Advisory Board for Elder Affairs, and AARP-Hawaii.

Your Committee finds that investment fraud against seniors is a growing concern in Hawaii, as demonstrated in a recent statewide survey conducted by AARP Hawaii. This measure is directly responsive to these concerns, as it allows for greater civil and administrative penalties for violations of the State's securities laws when the violations are directed towards, target, or are committed against seniors. This measure will allow the State to be proactive in deterring investment fraud against seniors.

Your Committee has amended this measure by adding a savings clause and changing the effective date from January 1, 2112, to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1306, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1306, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Ihara).

SCRep. 1224 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1328

The purpose of this measure is to amend the sentencing of repeat offender provisions in the penal code to include insurance fraud offenses found in chapters 386, 431, 432, and 432D, Hawaii Revised Statutes (HRS).

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and the Department of the Attorney General.

Your Committee finds that the intent of this measure is to enhance criminal penalties for persons who commit insurance fraud by including felony insurance fraud as one of the felony violations that can increase the sentence of a repeat offender.

Specifically, this measure includes workers' compensation, private health insurance, motor vehicle insurance, mutual benefit societies, and health maintenance organization fraud penalty statutes among the list of felonies that triggers the enhanced sentencing of repeat offenders in section 706-606.5, HRS.

Your Committee has amended this measure to 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 Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1328, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1328, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Ihara).

SCRep. 1225 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1336

The purpose of this measure is to provide additional sanctions for violations by mortgage brokers and solicitors against elders.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs.

Your Committee finds that the Department of Commerce and Consumer Affairs has received numerous complaints against mortgage brokers for conduct harmful to elderly customers. There is concern that if left undeterred, this conduct will increase. The intent of this measure is to authorize sanctions for mortgage brokers and solicitors who violate chapter 454 or 436B, Hawaii Revised Statutes, when the violations include conduct that is directed towards, targets, or is committed against elders. Such a violation would result in a fine of up to \$10,000 for each violation that would be in addition to any other fine or penalty.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1336, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 1226 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1004

The purpose of this measure is to enhance the ability of the Division of Consumer Advocacy to carry out its duties and responsibilities.

Specifically, this measure:

- (1) Requires the Division of Consumer Advocacy to restructure its operations pursuant to its December 2006, report to the Legislature; and
- (2) Appropriates funds to meet the costs incurred as a result of the restructuring process.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy; the Public Utilities Commission; Hawaiian Electric Company, Inc. and its subsidiary utility companies; The Gas Company; the Hawaii Solar Energy Association; the Hawaii Energy Policy Forum; and the Retail Merchants of Hawaii.

Your Committee finds that by Act 143, Session Laws of Hawaii 2006 (Act 143), the Legislature recognized that there is a need for the Division of Consumer Advocacy (Division) to function more effectively and efficiently in light of changing regulatory conditions, duties, requirements, and advances in technology. Act 143 also mandated the Division to conduct a review of its organization and to propose any necessary legislation that will enable it to more effectively protect and represent the interests of consumers. This measure represents the Division's first step toward reaching the goals and objectives set forth in Act 143.

Your Committee notes the Division's request that specific amounts for funding and positions be inserted and asks that the Committee on Ways and Means look into this request.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1004, 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, 1 (Ige).

SCRep. 1227 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1005

The purpose of this measure is to enhance the ability of the Public Utilities Commission to carry out its duties and responsibilities.

Specifically, this measure:

- (1) Requires the Public Utilities Commission to restructure its operations pursuant to its December 2006, report to the Legislature;
- (2) Appropriates funds to meet the costs incurred as a result of the restructuring process; and
- (3) Authorizes the Public Utilities Commission to consider the need for increased renewable energy use in exercising its authority and duties.

Your Committee received testimony in support of this measure from the Public Utilities Commission; the Division of Consumer Advocacy; The Gas Company; the Hawaii Energy Policy Forum; Hawaiian Electric Company and its subsidiaries; the Sierra Club Hawaii Chapter; and the Hawaii Solar Energy Association, Inc.

Your Committee finds that by Act 143, Session Laws of Hawaii 2006 (Act 143), the Legislature recognized that there is a need for the Public Utilities Commission to function more effectively and efficiently in light of changing regulatory conditions, duties, requirements, and advances in technology. Act 143 also mandated the Public Utilities Commission to conduct a review of its organization and to propose any necessary legislation that will enable it to more effectively protect and represent the interests of consumers. This measure represents the Public Utilities Commission's first step toward reaching the goals and objectives set forth in Act 143.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1005, 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, 2 (Ige, Sakamoto).

SCRep. 1228 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1323

The purpose of this measure is to establish a cap of \$200,000 on the annual premium tax paid by captive insurance companies licensed by the Department of Commerce and Consumer Affairs.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and one individual. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds this measure, which establishes a \$200,000 cap on the premium tax, will encourage the creation of more captive insurance companies in Hawaii and will make Hawaii's captive tax structure comparable to several other jurisdictions.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1323, 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 (Ige, Ihara).

SCRep. 1229 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1322

The purpose of this measure is to make various amendments to the existing law governing insurance licensing.

Specifically, this measure:

- (1) Re-establishes the limited line motor vehicle rental company producer's license fee at \$1,000, and the "all services" fee at \$600 per year;
- (2) Mandates that adjusters and independent bill reviewers' place of business be where the licensee principally conducts transactions under the license; and

- (3) Changes the exemption from the education and examination requirements for producers previously licensed for same lines of authority in another state by allowing receipt of resident producer license applications for the State within ninety days of cancellation of the applicant's out-of-state resident license.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs. Testimony in opposition to this measure was received from the American Council of Life Insurers.

Your Committee finds that re-establishing the issuance and all services fees applicable to limited line motor vehicle rental company producer's licensee and requiring adjusters and independent bill reviewers' place of business be located where the licensee principally conducts transactions under the license will improve the Department of Commerce and Consumer Affairs' operations.

Your Committee has amended this measure to remove the changes made to the exemption from the education and examination requirements for producers previously licensed for same lines of authority in another state. Your Committee has also amended the effective date to promote further discussion. Your Committee also made 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 Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1322, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1322, 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 (Ige, Sakamoto).

SCRep. 1230 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1334

The purpose of this measure is to provide the Department of Commerce and Consumer Affairs' Professional and Vocational Licensing Division (PVLVD) with the flexibility to offer licensing discounts in an expedited manner.

Specifically, this measure amends section 92-28, Hawaii Revised Statutes (HRS), by extending the authority of the PVLVD to decrease and increase fees to thirty additional licensing laws that fall under the purview of the PVLVD.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs' Professional and Vocational Licensing Division, the National Association of Social Workers, and the Occupational Therapists Association of Hawaii.

Your Committee finds that the intent of this Administration Package bill is to increase the types of licenses that can receive a discount from the PVLVD for renewing their licenses through the PVLVD's online renewal system and provide the PVLVD with greater flexibility in this regard.

Your Committee has amended this measure to make a technical amendment requested by the PVLVD to ensure that the amendments made to section 92-28, HRS, will be effective for the 2007-2008 fiscal year.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1334, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1334, 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 (Ige, Ihara).

SCRep. 1231 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1338

The purpose of this measure is to make an emergency appropriation of \$100,000 to allow the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs to investigate the power outages that occurred throughout the State following the October 15, 2006, earthquakes.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and the Public Utilities Commission.

Your Committee finds that, following the power outages that occurred on the islands of Oahu, Maui, and Hawaii after the earthquakes of October 15, 2006, an investigation was opened by the Division of Consumer Advocacy to examine whether the electrical utilities that experienced island-wide power outages acted in a reasonable manner prior and subsequent to the outages. This measure will provide an emergency appropriation to the Division of Consumer Advocacy for the hiring of a consultant to investigate the power outages and will assist the Division of Consumer Advocacy in meeting its mandate to represent consumers' interests.

Your Committee has amended this measure to 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 Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1338, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1338, 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 (Ige, Ihara).

SCRep. 1232 (Joint) Education and Economic Development and Taxation on H.B. No. 598

The purpose of this measure is to establish an Online Learning Task Force to develop a systematic plan to expand opportunities for online learning to enhance the learning experiences of students throughout the State.

Testimony in support of this measure was submitted by the Department of Education and one individual.

Your Committees find that the world today revolves around the use and knowledge of computers and other means of advanced technology. To be competitive in today's job market and today's world, one must be familiar and proficient with current technology, including the use of the Internet and the opportunities that it provides. Your Committees further find that the Internet provides the opportunity for students to participate in online learning and benefit from the many advantages that are unavailable in a conventional classroom learning environment. The Department of Education currently operates E-School or Electronic School, which is an online supplementary program run by the Advanced Technology Research Branch, Office of Curriculum, Instruction, and Student Support, that offers college preparatory courses for high school students statewide. E-schools are a rapidly growing field of education designed to meet the increasing demands of students, teachers, and parents.

This measure establishes an Online Learning Task Force to develop a plan for the expansion of online learning opportunities for students throughout the State. Your Committees believe that the establishment of a task force comprised of interested stakeholders and users will enable the expansion of the E-School program and online learning efforts throughout the State. However, your Committees also believe that projections of costs and means for realizing desired outcomes are necessary in achieving maximum success.

Accordingly, your Committees have amended this measure by:

- (1) Including the following as members on the task force:
 - (A) The Vice Chancellor for Students of the University of Hawaii at Manoa; and
 - (B) A representative from the Hawaii Educational Networking Consortium;
- (2) Requiring the task force's plan to address specific objectives and include cost projections and methods for achieving desired outcomes;
- (3) Removing the reference that exempts the expenditure of funds for the task force operations from Chapter 103D, Hawaii Revised Statutes; and
- (4) 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 Economic Development and Taxation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 598, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 598, 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, 3 (Hee, Nishihara, Taniguchi).

SCRep. 1233 Education on H.B. No. 19

The purpose of this measure is to ensure the effective and efficient use of school facilities within the State by establishing a Facilities Alignment Commission to develop criteria and make recommendations for public schools to be constructed, expanded, consolidated, or closed.

Testimony in support of this measure was submitted by the Department of Budget and Finance and the Land Use Research Foundation of Hawaii. Testimony in opposition to this measure was submitted by the Department of Education.

Your Committee finds that shifts in demographics within regions of the State necessitate the expansion or construction of schools in areas of rapid population growth. Conversely, other areas support facilities that are currently being underutilized due to movement away from urban centers into the suburbs and require consolidation or closure. Your Committee further finds that decisions regarding which schools or areas are affected should be carefully examined, taking into consideration the many interests involved and the potential impacts on the students, the community, the Department of Education, and the State.

Your Committee believes that the dynamic of the current demographic shifts requires a comprehensive approach to determining where and when public schools should be constructed, expanded, consolidated, or even closed. This measure establishes a Facilities Alignment Commission to develop appropriate criteria and make recommendations for areas for new school construction or school expansion, consolidation, or closure. The Facilities Alignment Commission's work can help to revitalize school facilities within the State by more efficiently and effectively utilizing public resources. Your Committee, however, believes that in addition to the work of the Facilities Alignment Commission, the Board of Education should also monitor schools that may potentially become underutilized, thereby requiring action, and contemplate alternative uses for underutilized facilities apart from closure.

Additionally, your Committee finds that smaller learning communities provide great benefits to teachers, students, and parents, including allowing teachers to establish more personalized relationships with students, which in turn fosters increased academic success. The establishment of smaller learning communities as an alternative to school closures or consolidations is a positive policy that can allow existing schools and school facilities to be efficiently and effectively utilized. Your Committee determines that the establishment of specific criteria for smaller schools or schools-within-schools to satisfy the creation of smaller learning communities is also necessary to help to assure that smaller learning communities will provide a successful approach to high student achievement.

Finally, your Committee believes that public school land that is not being utilized should not be sold unless the land is without any potential for being used for educational purposes. This will ensure that redevelopment or alternative options will be considered and can be facilitated before public school lands are returned to the Department of Land and Natural Resources. In line with the foregoing philosophy, this measure should also require the Department of Education to identify unused public school facilities that may be used for early childhood education programs before considering school closures or consolidation.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Board of Education to report to the Legislature on plans for underutilized facilities that includes:
 - (A) Schools earmarked for possible closure;
 - (B) A schools and facilities watch list; and
 - (C) Alternative potential uses for underutilized schools or facilities;
- (2) Appropriating funds for both years of the 2007-2008 fiscal biennium, to coincide with the Facilities Alignment Commission's duration of existence;
- (3) Including a new part in chapter 302A, Hawaii Revised Statutes, that will facilitate enhanced teaching environments through the establishment of smaller learning communities, by, among other things, requiring smaller schools or schools-within-schools to:
 - (A) Select and operate under a school specialty status, including magnet, academy, or other specialty;
 - (B) Develop personalized plans for each student; and
 - (C) Create and maintain portfolios for each student;

- (4) Including as a condition to selling state lands once used for school purposes, a finding that the land is without potential of being used for other educational purposes;
- (5) Requiring the Department of Education to give priority to early childhood education learning facilities over executing school closures or consolidations; and
- (6) Making technical, nonsubstantive changes for purposes of clarity and to reflect preferred drafting 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. 19, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 19, 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 (Hee, Nishihara, Taniguchi).

SCRep. 1234 Education on H.B. No. 1528

The purpose of this measure is to encourage Hawaii residents to pursue post-secondary education through the provision of continuing funding for the B Plus Scholarship Program.

This measure also establishes additional scholarship eligibility criteria for the B Plus Scholarship Program.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii, and GEAR UP Hawaii. Comments on the measure were also submitted by the Governor's Policy Office.

Your Committee finds that the Legislature established and appropriated funds for the B Plus Scholarship Program, pursuant to Act 57, Session Laws of Hawaii 2005. The purpose of the B Plus Scholarship Program is to promote higher learning among low-income populations through the provision of scholarships to eligible students. Subsequently, in 2006, the Legislature amended Act 57 to provide additional funding for the program and to clarify financial eligibility guidelines. Your Committee determines that the B Plus Scholarship Program has enjoyed great success, with the number of scholarships awarded continuing to increase. This measure provides the necessary funding to allow the program to continue, scholarships to be renewed, and new scholarships to be granted.

Your Committee further finds that the new world and local economies require a dedicated effort by the State to support innovation and technology and growing a qualified workforce to support these areas. Competition in the fields of science, technology, engineering, and mathematics has escalated throughout the world, and Hawaii needs to invest in the education and training of our students to ensure that they will succeed in the workforce. Resources must also be focused on other areas of workforce development where a need is identified and addressed by the University of Hawaii campuses. Thus, in order to continue to provide an attractive incentive to eligible high school students and build a qualified workforce in Hawaii, your Committee believes the eligibility criteria should be further refined and complemented.

Accordingly, your Committee has amended this measure by:

- (1) Requiring students enrolling or pursuing careers in the science, technology, engineering, and mathematics disciplines to be given higher priority for up to ten per cent of the total scholarships awarded;
- (2) Requiring priority to also be afforded to students who satisfy specific criteria established by a University of Hawaii campus for which priority of awards has been designated; and
- (3) Making technical, nonsubstantive changes for 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. 1528, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1528, 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 (Hee, Nishihara, Taniguchi).

SCRep. 1235 (Joint) Education and Judiciary and Labor on H.B. No. 1009

The purpose of this measure is to enable the State to fulfill its potential financial obligations to part-time and substitute public school teachers through the appropriation of funds for retroactive salary adjustments for part-time and substitute public school teachers in settlement of three pending class action lawsuits.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the Hawaii Carpenters Union, and Alston Hunt Floyd & Ing. Testimony in opposition of this measure was submitted by the Department of Education and the Department of the Attorney General.

Your Committees find that there are currently three pending class action lawsuits against the Department of Education, Garner v. Department of Education, Klitemick v. Hamamoto, and Kawashima v. Department of Education. Each of these lawsuits involves disputes between the Department of Education and substitute and part-time teachers regarding unpaid wages dating back to 1996. Your Committees further find that these lawsuits have negatively affected teacher morale and relations between teachers and the Department of Education. To the extent possible, the expeditious resolution of these matters will help to raise morale and restore goodwill between the parties involved, which will in turn greatly benefit public school students throughout the State. This measure appropriates funds for the settlement of the pending lawsuits with the Department of Education. Your Committees believe that this measure should continue to progress through the legislative session to provide the opportunity for evaluating and determining the most appropriate manner for obtaining resolution.

Accordingly, your Committees have amended this measure by changing its effective date to July 1, 2057, to facilitate further discussion on the matter.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1009, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1009, 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, 5. Noes, none. Excused, 4 (Chun Oakland, Inouye, Kokubun, Sakamoto).

SCRep. 1236 (Joint/Majority) Energy and Environment and Transportation and International Affairs on H.B. No. 772

The purpose of this measure is to improve efforts to deal with and prevent damage by invasive species.

Specifically, this measure establishes a service fee for the inspection of pests in imports to the State; establishes the Pest Inspection, Quarantine, and Eradication Fund; and makes an appropriation out of the fund to pay for inspection program costs.

Testimony in support of this measure was submitted by the Mayor of Maui County; The Council Chair of the County of Maui; beach Road Invasive Coqui Squad; Hawai'i Forest Industry Association; The Nature Conservancy of Hawai'i; and the Sierra Club, Hawai'i Chapter. Testimony in support of the intent of this measure was submitted by the Department of Agriculture, the Department of Land and Natural Resources, and the Department of Transportation.

Testimony in opposition to this measure was submitted by the Department of Budget and Finance; The Chamber of Commerce of Hawaii; Alexander & Baldwin, Inc., and its subsidiary, Matson Navigation Company, Inc.; and Horizon Lines, LLC. Three individuals submitted comments.

Your Committees note with concern that the introduction and establishment of non-native species is one of the greatest threats to Hawaii's environment and is directly related to issues including the economy, public safety, and, sustainability. Your Committees find, therefore, that this is an important measure needing further consideration.

This measure was amended to reflect the amendments made to the Senate companion bill, Senate Bill No. 1066, S.D. 2, H.D. 1. These amendments are:

- (1) Changing "a person" in section 1, to "an importer of commercial shipments", for consistency with other sections of the Hawaii Revised Statutes; and
- (2) Adding additional funding sources for the Pest Inspection, Quarantine, and Eradication Fund in consideration of the fact that federal funds are not permanent, guaranteed, or sufficient.

Your Committee retained the delayed effective date to encourage further discussion of this measure.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 772, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 772, 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 (Trimble). Excused, 5 (Espero, Ihara, Kokubun, Taniguchi, Gabbard).

SCRep. 1237 Intergovernmental and Military Affairs on H.B. No. 1065

The purpose of this measure is to provide adequate funds for the care and maintenance of veterans' cemeteries statewide.

This measure also includes an appropriation for the purchase of casket liners to help remedy the soil problems at these cemeteries.

Your Committee received testimony in support of the measure from the state Department of Defense and the Office of Veterans Services.

Your Committee finds that Hawaii's veterans' cemeteries suffer from inadequate care and maintenance. As these cemeteries hold the remains of those who served their country in peace and wartime, it is incumbent upon the State to honor these veterans by maintaining these cemeteries at a level they deserve.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1065, 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, 2. Noes, none. Excused, 1 (Tsutsui).

SCRep. 1238 Intergovernmental and Military Affairs on H.B. No. 1063

The purpose of this measure is to allow National Guard personnel on State Active Duty to deposit their paychecks by electronic transfer to their personal banking accounts.

Your Committee received testimony in support of this measure from the State Adjutant General and the Chamber of Commerce of Hawaii.

Your Committee, pursuant to the Governor's request, amended this measure by deleting its contents and inserting a request for emergency funding from the Governor to provide authorization to expend interdepartmental transfer funds for the Operation About Face Program which is a program that provides services to youths from age eleven to adulthood in the subject areas of English and mathematics, as well as teaching them valuable life skills.

Specifically, this measure increases the appropriation amount for fiscal year 2006-2007 from \$4,700,000 to \$7,900,000 in item I-20 of section 3 of Act 178, Session Laws of 2005, as amended by Act 160, Session Laws of Hawaii 2006.

It is the intent of your Committee to provide emergency funding, pursuant to the Governor's request, for the Operation About Face Program so that children of Hawaii's National Guard are provided with important services in order for them to become productive citizens.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1063, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1063, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Tsutsui).

SCRep. 1239 (Joint) Intergovernmental and Military Affairs and Health on H.B. No. 201

The purpose of this measure is to ensure that moneys and gifts received by the Hawaii Health Systems Corporation for the benefit of veterans are properly accounted for and expended.

Your Committees received testimony in support of this measure from the Director of the Office of Veterans Services. Your Committees received testimony in opposition to this measure from the Director of Budget and Finance and Hawaii Health Systems Corporation.

Your Committees find that this measure creates the Veterans' Home Account and the Veterans' Gift Account to be administered by the Hawaii Health Systems Corporation. The former account is to receive funds by executive departments, appropriations, certain gifts, and other payments for medical care and services provided to veterans in the state veterans' home, programs and services, solicitation of further funding, and public information programs. The latter account is to receive gifts of personal property for designated use by donors. These gifts may be sold or exchanged or used in-kind.

Your Committees further find that Hawaii Health Systems Corporation has full statutory authority to establish and manage accounts without legislative action. However, your Committees believe that more specific guidance is needed with regard to the receipt of gifts of personal property. As such, your Committees amended this measure by removing language establishing a Veterans' Home Account.

It is the intent of your Committees to create a Veterans' Gift Account to ensure that gifts received by the Hawaii Health Systems Corporation will be properly accounted for.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 201, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 201, 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, 2 (Menor, Whalen).

SCRep. 1240 (Joint/Majority) Intergovernmental and Military Affairs and Health on H.B. No. 1452

The purpose of this measure is to protect the health and safety of Hawaii's residents and visitors by requiring the Department of Health to take soil, water, and air samples at unspecified distances along a perimeter within five hundred meters of all military bases at least once every three months to monitor the levels of depleted uranium contamination.

Your Committees received testimony in support of this measure from the Americans for Democratic Action; KAHEA, The Hawaiian-Environmental Alliance; Democratic Party of Maui; Sierra Club Hawaii's Chapter; American Friends Service Committee; CODEPINK Women for Peace; President of the 19-3 Democratic Party; President of Maui Peace Action; President of Malu 'Aina Center for Non-violent Education & Action; and thirty four individuals.

Testimony in opposition to this measure was submitted by the State Adjutant General and the Department of Health.

Your Committees find that depleted uranium has special toxic properties when used as weaponry and is considered to be chemically toxic by the Armed Forces Radiobiology Research Institute, the Army Environmental Policy Institute, the United Nations, and others and poses potential health risks to Hawaii's residents and visitors.

Your Committees further find that depleted uranium weaponry has been found at Schofield Barracks, making it the first priority among the military bases for testing. As such, your Committees have amended this measure to:

- (1) Remove the language in the measure requiring air, soil, and water sampling and testing for depleted uranium at all military bases and narrowing the scope of the soil sampling and testing to Schofield Barracks;
- (2) Add language requiring the Department of Health to coordinate with the University of Hawaii in order to arrange for the testing of the soil samples;
- (3) Add language requiring the Department of Health to coordinate with the United States Army in Hawaii regarding its continued monitoring and remediation of training areas and weapon ranges at Schofield Barracks; and
- (4) Make technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

It is the intent of your Committees is to protect the health and safety of Hawaii's residents and visitors by requiring the Department of Health to collect soil samples and conduct testing of the samples in order to assess the presence of depleted uranium at Schofield Barracks.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1452, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1452, 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, 6. Noes, 1 (Hemmings). Excused, 1 (Whalen).

SCRep. 1241 Health on H.B. No. 1456

The purpose of this measure is to increase and improve access to therapeutic and pharmacological mental health care in rural areas of the State by allowing appropriately trained psychologists practicing in licensed health care clinics within federally designated medically underserved areas or mental health professional shortage areas to prescribe a limited array of psychotropic medications.

Your Committee received testimony in support of this measure from the Hawaii Psychological Association, Mental Health America of Hawaii, Ho'ola Lahui Hawaii'i, Na Pu'uwai, and two individuals. Your Committee received testimony in opposition to this measure from the Hawaii Psychiatric Medical Association, Hawaii Medical Association, and four individuals. Comments on this measure were submitted by the Department of Health and one individual.

Your Committee finds that individuals living in rural areas of the State need access to appropriate mental health care services.

Your Committee further finds that allowing appropriately licensed and trained psychologists to prescribe psychotropic medications will address the urgent need for timely, appropriate, and cost-effective mental health and pharmacological services for an underserved population. Federally

qualified health centers are most in need of psychologists with prescriptive authority and allowing psychologists who work at these health centers would achieve the largest impact for individuals in need of these services.

Your Committee further finds that the adequacy of training for psychologists and safety issues in prescribing psychotropic medications has been a recurring concern. However, your Committee notes that the former Clinical Training Director of the Department of Defense Psychopharmacology Demonstration Project reviewed the training and curriculum outlined in S.B. No. 1004, S.D. 2, and H.B. No. 1456, H.D. 2, and found it to be essentially equivalent to the instruction and relevant experiences provided to the students in the Psychopharmacology Demonstration Project.

In addition, the United States Navy and United States Air Force requirements for prescribing psychologists are equivalent to the requirements listed in this measure S.B. No. 1004, S.D. 2, and H.B. No. 1456, H.D. 2.

Your Committee further finds that including the requirement that the prescribing psychologist be under physician supervision establishes an additional layer of protection, ensuring that individuals in need of mental health services and psychotropic medication receive safe and qualified health care.

Your Committee amended this measure by deleting its contents and inserting the contents of S.B. No. 1004, S.D. 2, a similar measure that:

- (1) Removes the definition “collaborative relationship”;
- (2) Clarifies that a “prescribing mental health professional” is a medically trained and licensed physician or psychiatrist;
- (3) Removes “pharmaceutical” from the definition of “psychotropic medication”;
- (4) Removes the requirement that an accredited institution of higher learning be approved by the University of Hawaii John A. Burns School of Medicine or the Tripler Army Medical Center’s psychiatry residency program;
- (5) Raises the practicum experience requirement to include successful completion of twelve credit hours consisting of a supervised practicum of at least one year involving four hundred hours treating a diverse population of no fewer than one hundred patients with mental disorders;
- (6) Requires a licensed healthcare provider who is experienced in the provision of psychopharmacotherapy to supervise the practicum;
- (7) Requires the practicum to include at least two hours of weekly supervision by a supervisor who is not in the employ of the person being directed or supervised;
- (8) Requires employment by a federally qualified health center, removing the language allowing employment at a licensed health clinic in a medically underserved area or a mental health professional shortage area;
- (9) Removes the authority of a psychologist who holds a conditional or prescription certificate to order and review laboratory tests;
- (10) Removes the Board of Psychology from the approval process of independent peer review;
- (11) Requires a psychologist who holds a conditional or prescription certificate to maintain an ongoing collaborative relationship with the doctor of medicine who supervises the psychologist directly or by telecommunication;
- (12) Clarifies that a psychologist holding a conditional or prescription certificate is prohibited from administering or prescribing a narcotic; and
- (13) Changes the date the Hawaii State Health Planning and Development Agency is to report to the Legislature from 2011 to 2010.

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. 1456, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1456, H.D. 2, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Menor). Noes, none. Excused, 1 (Whalen).

SCRep. 1242 (Joint) Health and Commerce, Consumer Protection and Affordable Housing on H.B. No. 1359

The purpose of this measure is to ensure affordable prescription medications for Hawaii’s uninsured, underinsured, low-income, elderly, and disabled residents.

Specifically, this measure creates a Hawaii State Pharmacy Assistance Program by merging the current State Pharmacy Assistance Program, which coordinates the Medicare Part D drug benefit and the Hawaii Rx Plus Program under a single comprehensive Hawaii State Pharmacy Assistance Program umbrella.

Your Committees received testimony in support of this measure from the Department of Health. The AARP submitted testimony supporting the intent of this measure. Hawaii Medical Service Association submitted comments.

Your Committees find that the escalating costs of prescription medications have resulted in our neediest residents being unable to afford their medications. Often these individuals are forced to choose between necessities of daily life and needed prescription medication. Your Committees further find that this measure will make prescription drugs more affordable for our communities, while augmenting State funding with drug manufacturer rebates.

Your Committees note that the Department of Human Services has recommended that the amount of \$50,000 should be appropriated to conduct the study on determining the cost of implementing various aspects of the Hawaii State Pharmacy Assistance Program.

Your Committees amended this measure by changing the effective date for the substantive provisions of the measure that establish the Hawaii State Pharmacy Assistance Program from July 1, 2020, to January 1, 2008, due to the fact the Medicare Part D plans will be implementing new rates as of January 2008, and to July 1, 2007, for the appropriation.

Your Committees further amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1359, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1359, 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, 3 (Ihara, Menor, Whalen).

SCRep. 1243 Health on H.B. No. 1479

The purpose of this measure is to require, beginning September 1, 2007, all group health issuers to offer small group health plans to self-employed individuals who live, work, or reside in a group health issuer's service area.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Hawaii Association of Realtors; and Maui Chamber of Commerce. Comments were received from the Hawaii Medical Service Association and Kaiser Permanente.

Your Committee finds that existing law does not specifically provide for mandatory health insurance coverage for self-employed individuals such as sole proprietors. As a result, most health insurers do not provide a group policy to sole proprietors unless they become incorporated. Sole proprietors may not incorporate because of burdensome administrative formalities associated with incorporation. This means that many sole proprietors are subject to the pre-existing condition exclusions in individual policies and are subject to medical underwriting despite the fact that they are businesses just like any other business.

The intent of this measure is to provide parity for sole proprietorships by requiring group health issuers to offer group health insurance policies to the self-employed. This would put them on the same footing with corporations and other business entities in obtaining health insurance.

Your Committee is cognizant of the testimony to the effect that this measure may result in possible adverse actuarial consequences to small group underwriting by way of higher premiums. Nonetheless, your Committee believes this measure is necessary in the interests of promoting health in the population as a whole, inasmuch as sole proprietors represent a significant number of business owners in Hawaii.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of consistency and style and by changing the effective date to July 1, 2050.

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. 1479, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1479, H.D. 2, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 1244 Health on H.B. No. 1721

The purpose of this measure is to establish a criminal offense of:

- (1) Assault in the second degree if the person intentionally and knowingly causes bodily injury to any emergency medical services personnel who is engaged in the performance of duty; and
- (2) Terroristic threatening in the first degree if the person commits terroristic threatening against any emergency medical services personnel.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii and ten individuals.

Your Committee finds that emergency medical services personnel are at a heightened risk of personal injury or death from patients and others with whom they are in contact in the course of work. By the very nature of their job, they respond to people in distressful situations, including incidences of criminal violence, family disputes, and drunken brawls.

The intent of this measure is to protect emergency medical services personnel and to deter violence against them. Your Committee acknowledges that much of the violence promulgates from explosive situations involving agitated people who lack momentary self-control. However, your Committee believes that emergency medical personnel should be afforded the same protection as correctional workers and educational workers.

Your Committee has amended this measure to take effect upon its approval.

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. 1721, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1721, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 1245 Health on H.B. No. 527

The purpose of this measure is to protect Hawaii's communities from the health risks posed by cigarettes by:

- (1) Prohibiting the sale of cigarettes from self-service displays; and
- (2) Changing the existing fine structure for illegal sales of tobacco made to minors through vending machines and mobile food vendors from up to \$1,000 per day of violation to one that would change for subsequent offenses.

Your Committee received testimony in support of this measure from the Department of the Attorney General and the Coalition for a Tobacco Free Hawaii. Your Committee received testimony in opposition to this measure from the American Heart Association.

Your Committee finds that this measure will pose an additional barrier to children gaining access to cigarettes. Your Committee further finds that this measure should be extended to all tobacco products sold in self-service displays.

Accordingly, your Committee amended this measure to include all tobacco products, not just cigarettes, in the definition of “self-service display”.

Your Committee further amended this measure by retaining the original fine structures as codified in chapter 328J-16, Hawaii Revised Statutes, which makes a violator subject to a fine of up to \$1,000 per day for each violation.

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. 527, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 527, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 1246 Health on H.B. No. 964

The purpose of this measure is to ensure the safety of workers by providing a cost effective detection and deterrence tool for drug testing and to keep job sites safe.

Specifically, this measure facilitates employment-related drug testing by:

- (1) Allowing the use of screening tests that may be used for forensic testing as a workplace testing device; and
- (2) Requiring employers using a screening test for pre-employment screening to administer the test in accordance with the manufacturer’s package insert, instead of the United States Food and Drug Administration insert.

Your Committee received testimony in support of this measure from the General Contractors Association of Hawaii and Emerald Bay Consulting, LLC. The Pacific Resource Partnership; Hawaii Carpenters Union; Ralph S. Inouye Co., Ltd.; Waiawa Ridge Development, LLC; Hawaiian Dredging Construction Company; Hidano Construction, Inc.; S & M Sakamoto, Inc.; the Building Industry Association of Hawaii; Castle & Cooke Homes Hawai’i, Inc.; Kapolei Property Development LLC; and Straub Doctors on Call submitted testimony in support of the intent of this measure with comments. Testimony in opposition was received from the Department of Health and Clinical Labs of Hawaii. The Diagnostic Laboratory Services, Inc. submitted comments on this measure.

Your Committee finds that drug abuse has become a major health and safety challenge facing Hawaii’s construction industry. Drug and alcohol impairment on job sites has overwhelmed Hawaii’s construction companies and results in accidents, poor artisanship, and higher workers’ compensation claims and premiums.

Your Committee has amended this measure by deleting its contents and inserting the language from S.B. No. 1636, S.D. 2, a similar measure that makes the following changes:

- (1) Clarifies that the testing device used must be manufactured in a facility licensed by the United States Food and Drug Administration (FDA);
- (2) Requires that test be administered according to the FDA package insert, or where there is no such FDA insert, then the package instruction accompanying the test kit;
- (3) Removes the requirement that an on-site pre-employment screening test must be approved by the Director of Health;
- (4) Authorizes pre-employment screening provided that employers are authorized to drug test applicants and unions are authorized to drug test members; and
- (5) Changes the effective date to July 1, 2055, to encourage further discussion.

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. 964, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 964, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 1247 Health on H.B. No. 1260

The purpose of this measure is to allow the court to order a defendant to submit to a presentence mental or other medical examination.

Your Committee received testimony in support of this measure from the State Attorney General and Honolulu Prosecuting Attorney.

This measure restores the statutory provision allowing pre-sentence mental or medical examinations of defendants for the purposes of sentencing, which was inadvertently repealed by Act 112, Session Laws of Hawaii 2005 (Act 112), relating to biological evidence. Act 112 repealed the mental and medical examination provision in section 706-603, Hawaii Revised Statutes, which also contained provisions relating to deoxyribonucleic acid collection (DNA). Act 112 enacted a comprehensive statutory scheme for DNA collection and testing.

Your Committee believes that the court should continue to have the authority to order defendants to undergo a complete mental or medical examination prior to sentencing in order to determine the type of sentence to impose.

Your Committee has amended this measure to take effect upon its approval.

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. 1260, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1260, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 1248 (Joint) Health and Education on H.B. No. 1477

The purpose of this measure is to increase access to primary health care services provided by family physicians or residents in the family medicine residency program at the University of Hawaii to medically underserved residents in rural areas of the State.

Specifically, this measure appropriates funds to support the development of a statewide rural training model by placing primary care physicians who are in their final years of training, in the underserved areas of this State.

Your Committees received testimony in support of this measure from the Department of Family Medicine and Community Health of the University of Hawaii John A. Burns School of Medicine, the Mayor of the County of Hawaii, Hawaii Primary Care Association, University of Hawaii John A. Burns School of Medicine, Hawaii Medical Service Association, Hilo Medical Center, Hawaii Health Systems Corporation, the Hawaii Quentin Burdick Rural Health Interdisciplinary Training Program, Maui Memorial Medical Center, and four individuals.

Your Committees find that presently, family medicine program residents spend two months in a federally-funded rural healthcare training demonstration project, initiated in Hilo in 2006, in which residents learn how to provide healthcare to medically underserved patients in rural areas as they rotate among private physician offices, emergency departments, and the community, providing outreach and education. It is anticipated that the Hilo rural health training program will be duplicated on Kauai. Additional training sites will be developed in conjunction with the health master planning process underway in Maui and with the hospital and community health center system on Kauai. As these sites are being developed, the curriculum can be structured so that family medicine residents have the opportunity to rotate to neighbor island sites other than Hilo.

Your Committees further find that this residency program is an integral component of the health care workforce development in rural areas of the State. It will provide opportunities to bring qualified health care professionals to rural areas that have been designated as medically underserved, health professional shortage areas.

Your Committees amended this measure by:

- (1) Clarifying that additional training sites will be developed in conjunction with the health master planning process underway in Maui and with the hospital and community health center system on Kauai; and
- (2) Including an appropriation in the amount of \$400,000 for the Hawaii Quentin Burdick Rural Health Interdisciplinary Training Program.

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. 1477, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1477, 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 (Hee, Nishihara, Taniguchi, Whalen).

SCRep. 1249 Health on H.B. No. 212

The purpose of this measure is to ensure the availability of comprehensive quality health care and alleviate the health care workforce shortage in Hawaii.

Specifically, this measure appropriates funds to the Department of Health to support the development and maintenance of a statewide comprehensive health care workforce map and database that assesses health care workforce staffing needs and to develop a plan to ensure future health care workforce needs are met.

Your Committee received testimony in support of this measure from the Mayor of the County of Hawaii, Hawaii Medical Service Association, Hawaii Medical Association, Hawaii Pacific Health, Hawaii Disability Rights Center, and one individual. The Department of Health and the Department of Human Services submitted testimony in support of the intent of this measure.

The Mayor of the County of Hawaii included in his supporting testimony an appropriation request in the amount of \$500,000 for this important project.

Your Committee finds that a severe shortage of health care workers exists in our State, especially on the neighbor islands. Data is essential to understanding our workforce needs and to effectively reform the current health care crisis.

Your Committee further finds that the State Health Planning and Development Agency is currently working in collaboration with the University of Hawaii John A. Burns School of Medicine and numerous other state agencies and professional organizations that are part of a Workforce Hui that have been in discussions regarding a database to help determine workforce supply needs. This measure is intended to support those collaborative efforts by providing funding to develop and maintain a database for workforce needs analyses.

Accordingly, your Committee amended this measure by deleting its contents and inserting the contents of S.B. No. 69, S.D. 2, a similar measure that makes the following changes:

- (1) Includes language in section 1 that clarifies the intent to support the Workforce Hui's efforts to compile a health care workforce supply database;
- (2) Removes the Department of Health and designates the State Health Planning and Development Agency as the implementing and expending agency;
- (3) Removes the provision requiring the data collected to be accurate and secure and that data specific to any practitioner be disclosed only with the express written consent of the practitioner;
- (4) Removes the reporting requirement; and
- (5) Changes the effective date from July 1, 2020, to July 1, 2007.

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. 212, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 212, 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, 1 (Whalen).

SCRep. 1250 Health on H.B. No. 843

The purpose of this measure is to enable Kahuku Hospital to remain in operation and continue to serve the residents and visitors of the north shore of Oahu.

The measure accomplishes this purpose by authorizing the Hawaii Health Systems Corporation to acquire Kahuku Hospital. This acquisition will enable the hospital to remain in operation, and retain its certificate of need and critical access hospital designation.

Your Committee received testimony in support of this measure from the Leahi Hospital, Hawaii Health Systems Corporation, Healthcare Association of Hawaii, United Public Workers, and Hawaii Medical Association. Your Committee received testimony from the State Procurement Office that was limited to opposing the proposed provision that would exempt Kahuku Hospital from the procurement requirements of chapters 103D and 103F, Hawaii Revised Statutes. The Office of Information Practices submitted comments.

Your Committee finds that Kahuku Hospital is in jeopardy of closing its doors as of June 30, 2007, if it cannot be acquired by Hawaii Health Systems Corporation as part of its Chapter 11 bankruptcy reorganization proceeding. Your Committee further finds that Kahuku Hospital is the only facility in the community offering emergency services and therefore, it is imperative to keep the hospital operating in order to serve the residents and visitors of the north shore of Oahu.

It is the intent of your Committee that this measure gives authorization, flexibility, and support for Hawaii Health Systems Corporation to acquire Kahuku Hospital and in no way mandates Hawaii Health Systems Corporation to acquire Kahuku Hospital.

If a voluntary acquisition takes place, your Committee intends for the transition to be based on sound management principles, basic community needs, and not to jeopardize the present support of other hospitals in the Hawaii Health Systems Corporation system. In addition, the Department of Health estimates that this acquisition will generate approximately \$3.9 million in transition costs; \$1 million for Hawaii Health Systems Corporation and \$2.9 million for Kahuku Hospital.

Further, it is the intent of your Committee to ensure the continuation of Kahuku Hospital's emergency services while encouraging the development of an alternative model of health care that utilizes federal funding and works in conjunction with community health centers.

Your Committee amended this measure by exempting the employees of Kahuku Hospital from chapters 76, 87A, 88, and 89, Hawaii Revised Statutes, so they will not be assimilated into the State government employment system.

Your Committee further amended this measure by inserting an appropriation amount of \$1.

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. 843, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 843, 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, 1 (Whalen).

SCRep. 1251 (Majority) Energy and Environment on H.B. No. 791

The purpose of this measure is to require fuel distributors to provide gasoline that does not contain ethanol for those who wish to purchase non-ethanol fuel.

Specifically, this measure requires gasoline sold in the State prior to July 1, 2011, to have ethanol content by grade as follows:

- (1) Premium gasoline to contain no ethanol;
- (2) Mid-grade gasoline to contain up to ten per cent ethanol; and
- (3) Regular gasoline to contain at least ten per cent ethanol.

In addition, this measure requires that beginning July 1, 2011, all gasoline sold in the State for use in motor vehicles to contain ten per cent ethanol by volume, unless circumstances make the inclusion of ethanol unfeasible.

Your Committee received testimony in support of this measure from the Mayor of the County of Hawaii, the Hawaii Boaters Political Action Association, Hawaii Ocean Safety Team, and five individuals. One concerned citizen submitted testimony in support of the intent of this measure with recommended amendments. Your Committee received testimony in opposition to this measure from the Hawaii Energy Policy Forum, the Western States Petroleum Association, and two individuals. The Department of Business, Economic Development, and Tourism and Life of the Land submitted comments on this measure.

Your Committee finds that there is a need to provide non-ethanol gasoline for use in boats, small gasoline powered tools, and experimental and light-sport aircraft. Your Committee further finds that, while this measure will provide for those individuals in need of non-ethanol fuel, it also provides an important phase out provision to further the State's goal of energy independence.

Your Committee amended this measure by:

- (1) Clarifying in the purpose section that the State's existing ethanol content statute provides significant flexibility for the private sector to offer non-ethanol gasoline, yet the private sector has chosen not to make non-ethanol gasoline readily available;
- (2) Deleting all references to rulemaking procedures by the Director of the Department of Business, Economic Development, and Tourism; and
- (3) Changing the effective date to July 1, 2020, to encourage further discussion.

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. 791, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 791, H.D. 1, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Trimble). Excused, 1 (Kokubun).

SCRep. 1252 Energy and Environment on H.B. No. 1641

The purpose of this measure is to require that distribution and use of restricted pesticides used for structural pest control services be limited to pest control operators licensed by the Department of Commerce and Consumer Affairs. This measure also defines “pest control operator”.

Your Committee received testimony in support of this measure from the Department of Agriculture (DOA) and Hawaii Pest Control Association.

Your Committee finds that it is important that providers of pest control services maintain professional licenses, as required by the State. Among the licensing requirements is the maintenance of liability insurance. Because of hazards to people or the environment, the use of designated pesticides should be limited to persons in full compliance with state licensing requirements.

The intent of this measure is to protect the environment, as well as the public health, safety, and welfare.

Your Committee has amended this measure on the recommendation of the Hawaii Pest Control Association to clarify the language for purposes of readability and understandability.

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. 1641, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1641, H.D. 2, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 1253 (Majority) Energy and Environment on H.B. No. 1912

The purpose of this measure is to authorize the issuance of special purpose revenue bonds (SPRBs) to assist industrial enterprises, in this case BlueEarth Maui Biodiesel, LLC, a Hawaii Corporation.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Budget and Finance; BlueEarth Maui Biodiesel Project (BlueEarth); Maui Electric Company (MECO), Ltd.; Hawaiian Electric Company (HECO); and Hawaii Electric Light Company. Testimony in opposition was received from Life of the Land; Sierra Club Hawaii Chapter, Maui Group; Maui Tomorrow; Pacific Biodiesel; Sustainable Biodiesel Alliance; and twenty-six individuals.

The SPRBs under this measure would be applied to finance the planning, design, and construction of a biodiesel refinery with primary take-off designated as fuel for electrical generation.

Your Committee finds that Hawaii has a growing bioenergy industry to meet the goals of energy conservation. BlueEarth would produce biofuels to be purchased in most part by MECO for use as a generation fuel at its Ma'alaea power plant. The project will have the ability to use a variety of vegetable oil feedstocks (including soybean, canola, peanut, cottonseed, and sunflower oil from the Americas and various tropical oils from the Pacific Rim and Central and South America) to produce biodiesel.

According to testimony, HECO, through an unregulated subsidiary, will be an equity holder in the project. HECO has agreed that all of its net profits from the project will be contributed to a public/private, nonprofit biofuels trust to be chartered to enhance and stimulate the viability of a local biofuels crop industry.

Your Committee believes that biofuels are a key contributor to the portfolio of renewable energy resources needed to help the State decrease its dependence on imported oil.

Your Committee notes the substantial objections to this measure, based mainly on its effects to the environment stemming from a reliance on imported oils which are responsible for the destruction of rainforests, thus contributing to global warming and the loss of natural habitat. Your Committee finds that although these objections are well taken, this measure is a start in the right direction, considering the state of current technology. It is the hope of your Committee that a future time will see no reliance on imported oils, when the State can stimulate a biofuels crop industry sufficient to meet its biofuel processing needs.

Your Committee has amended this measure by changing the effective date to July 1, 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 H.B. No. 1912, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1912, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 2. Ayes with Reservations, 1 (Trimble). Noes, 1 (Hooser). Excused, 2 (Ihara, Kokubun).

SCRep. 1254 Intergovernmental and Military Affairs on H.B. No. 1345

The purpose of this measure is to appropriate emergency funding for emergency relief operations statewide resulting from the October 15, 2006, Kiholo Bay Earthquake disaster.

Testimony in support of this measure was submitted by The Judiciary, State of Hawaii; Department of Accounting and General Services; Department of Human Services; Department of Land and Natural Resources; Department of Education; Director of the State Civil Defense; Mayor of the County of Hawaii; Daughters of Hawaii, and Vice President for Administration for the University of Hawai'i System.

Your Committee finds that pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 233 to the Legislature, requested immediate consideration and passage of this measure by the Legislature citing an existing critical funding shortage.

Specifically, this measure appropriates general funds to:

- (1) Cover operational expenses associated with the earthquake disaster recovery efforts in the amount of \$18,189,896 for fiscal year 2006-2007; and

- (2) Cover the twenty-five per cent non-federal cost share for earthquake disaster recovery projects eligible under the Federal Emergency Management Agency's public assistance program in the amount of \$5,810,104 for fiscal year 2006-2007.

Your Committee amended this measure by adding emergency appropriations to:

- (1) Broaden the scope of the appropriation of general funds, to include the emergency repair of the Kohala Ditch in North Kohala, including access roads, trails, and flume repairs between Honokane Nui intake and the Niulii Weir and for the repair and restoration of the Hulihe'e Palace located in Kailua-Kona;
- (2) Appropriate funds in the amount of \$635,000 for fiscal year 2006-2007, to cover costs of assessing and analyzing the structural integrity of building and repairing the damage to the District Court of the First Circuit, including the Judiciary's twenty-five per cent cost share under the Federal Emergency Management Agency's Public Assistance Program to cover its operational expenses associated with the October 15, 2006 Kiholo Bay earthquake;
- (3) Appropriate unspecified funds to ensure that the water irrigation sources in North Hawaii Island are sustained for the agricultural sector as follows:
 - (A) Hire consultants to:
 - (i) Investigate and survey alternate sources of irrigation water for the Island of Hawaii;
 - (ii) Develop and coordinate plans for public and private partnerships to improve and protect sources and distribution of irrigation water on the Island of Hawaii; and
 - (iii) Investigate and survey areas along Iilani Highways 31/37 impacted by rock slides at Manawainui Gulch, Alelele Bay, and Kalepa Bay; and
 - (B) Cover repair and recovery costs of rock slide scaling operations to include the protection of cultural resources that are not covered by the Federal Public Assistance Program; and
- (4) Make technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

It is the intent of your Committee to broaden the assistance in the repair of the vast amount of damage caused by the October 15, 2006, Kiholo Bay earthquake and improve Hawaii's readiness for future disasters.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1345, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1345, 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, 2. Noes, none. Excused, 1 (Tsutsui).

SCRep. 1255 Judiciary and Labor on H.B. No. 1133

The purpose of this measure is to provide for voter registration at polling places on election day; provided the voter can prove residency in the precinct.

Your Committee received testimony in support of this measure from the Office of Elections, the American Civil Liberties Union of Hawaii, Demos, the League of Women Voters of Hawaii, and a concerned individual. The Office of the City Clerk of the City and County of Honolulu, the Office of the County Clerk of the County of Hawaii, and the Office of the County Clerk of the County of Kauai offered comments.

Your Committee finds that election day registration will increase voter participation, especially for voters who have recently moved and for new voters, including those who become motivated to vote during the period leading up to election when awareness of issues is heightened. This process, however, will place additional responsibilities on poll workers and other elections staff.

Your Committee notes that this measure has an effective date of January 1, 2050, to allow further discussion.

Your Committee has amended this measure by:

- (1) Requiring election day registrants to provide separate documentation to prove identity and residency;
- (2) Adding a valid United States passport as a document that can be used to prove identity;
- (3) Authorizing, in addition to utilizing a "bank statement" to show the voter's current home address, the use of other financial statements such as a credit union statement, credit card statement, or brokerage account statement; 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1133, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1133, 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. 1256 Judiciary and Labor on H.B. No. 1614

The purpose of this measure is to appropriate funds to the Attorney General's Nuisance Abatement Unit.

Your Committee finds that the Nuisance Abatement Unit consists of one deputy attorney general, one full-time investigator on Oahu, and a half-time investigator on the Big Island. This bill would authorize the funding for an additional one and a half investigator position and a clerk position.

Your Committee received testimony in support of the bill from the Attorney General's Office and from Jeannine Johnson, a private citizen.

Your Committee amended the bill by specifying the amount of \$150,000 and indicating the one and a half position and the clerk position. Your Committee also amended the bill to put a proviso that the hiring be delayed for three months and that the effective date be upon approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1614, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1614, 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. 1257 Judiciary and Labor on H.B. No. 1231

The purpose of this measure is to appropriate funds to satisfy claims against the State for judgments, settlements, and miscellaneous payments. The appropriation request in the bill as received totals \$1,340,110.59 allocated among twenty-three claims.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Section 37-77.5, Hawaii Revised Statutes, claims against the State; remedial measures, required the Attorney General, no later than October 1, 1999, to develop and implement a procedure to advise client agencies on how to avoid future claims. The Attorney General must render advice on corrective action to eliminate or mitigate factors contributing to the State's negligence, and agencies, in turn, must heed the Attorney General's advice and implement policies and practices to avoid repetition of similar claims. Your Committee finds these measures inadequate and deserving of revision in future legislative sessions. More must be done to protect members of the public from being harmed by the negligent conduct of state employees. Recurrent problems involve design and maintenance of roadways, irregularities in the procurement process, and mistreatment of incarcerated individuals. Public officials must be held accountable when things go seriously awry. To this end, your Committee strongly recommends that the Attorney General and each executive department and agency take their roles and responsibilities in mitigating future claims against the State very seriously. Your Committee believes that if executive departments and agencies apply appropriate attention to such matters as inappropriate employee behavior and other actions contained in this measure, future claims against the State would certainly diminish.

Notwithstanding the foregoing, your Committee has amended this measure by:

- (1) Appropriating additional funds for two new claims that have been resolved, totaling \$78,960.19;
- (2) Designating the appropriation for Shipley v. State of Hawaii, Civil No. 05-00145, United States District Court, as a settlement, as opposed to a judgment; and
- (3) Making technical, nonsubstantive revisions for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1231, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1231, 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 (Inouye, Kokubun).

SCRep. 1258 Judiciary and Labor on H.B. No. 751

The purpose of this measure clarifies the time period in which the department of labor and industrial relations may expend funds appropriated under Act 190, Session Laws of Hawaii 2006. The measure further clarifies restrictions on the use of funds and makes the effective date as of June 29, 2007.

Your Committee received testimony in support of this measure from the Workforce Development Council and the Workforce Investment Boards of the City and County of Honolulu, the County of Hawaii, the County of Maui, and the County of Kauai as well as the Department of Labor and Industrial Relations.

The measure has been amended by clarifying that the amount (not to exceed ten percent) allowed for administrative purposes will be used by the Department of Labor and Industrial Relations and not the counties.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 751, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 751, 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. 1259 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1311

The purpose of this measure is to amend and update chapter 489D, Hawaii Revised Statutes (HRS), governing the licensing and regulation of money transmitters, in order to address and remedy inadvertent errors or omissions in that chapter as originally enacted during the 2006 Regular Session.

This measure specifically adds foreign banks that are licensed under the laws of the United States or any other state to the list of financial institutions that are exempt from chapter 489D, HRS. Your Committee notes that the Commissioner of Financial Institutions indicated there is only one foreign bank, the Philippine National Bank, that is operating in this State.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs. The Hawaii Financial Services Association provided comments on this measure.

Your Committee finds that this measure contains primarily housekeeping amendments that will enhance and strengthen the safe and secure operation of the money transmitter industry and protect the public interest.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1311, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 1260 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1518

The purpose of this measure is to require the filing of a certificate of merit with any complaint filed against a design professional for the failure to meet the standard of care.

This measure also requires the filing of a preliminary expert opinion affidavit.

Your Committee received testimony in support of this measure from the American Council of Engineering Companies of Hawaii; the American Society of Civil Engineers; the Coalition of Hawaii Engineering and Architectural Professionals; Fukunaga & Associates, Inc.; Masa Fujioka & Associates; Cedric D.O. Chong & Associates, Incorporated; Bow Engineering & Development, Inc.; Shigemura, Lau, Sakanashi, Higuchi & Associates, Inc.; Engineering Concepts, Inc.; Austin Tsutsumi & Associates, Inc.; Consulting Structural Hawaii, Inc.; and Engineering Solutions, Inc. The Department of Accounting and General Services and the Hawaii Consumer Lawyers submitted testimony in opposition to this measure.

Your Committee finds that the intent of this measure is to reduce the number of frivolous lawsuits against design professionals by requiring a plaintiff or their attorney to hire a qualified professional to certify that the case being brought has merit and that there is evidence of errors, omissions, or negligence on the part of the defendant. Based upon the testimony presented, your Committee finds that the creation of a Design Claims Conciliation Panel might better assist in reducing the number of frivolous lawsuits against design professionals.

Therefore, your Committee has amended this measure to remove the requirements of a certificate of merit and a preliminary expert opinion affidavit and replace them with the creation of a Design Claims Conciliation Panel based, in part, upon the existing Medical Claims Conciliation Panel. Your Committee has also amended the effective date of this measure to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1518, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1518, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 1261 (Majority) Commerce, Consumer Protection and Affordable Housing on H.B. No. 275

The purpose of this measure is to enact the Uniform Athlete Agents Act and to protect student-athletes and education institutions from potential harm caused by unscrupulous athlete agents.

Your Committee received testimony in support of this measure from the Department of Education, the University of Hawai'i, and the Commission to Promote Uniform Legislation. Testimony in opposition to this measure was submitted by the Department of Commerce and Consumer Affairs.

Your Committee notes that the Office of the State Auditor has conducted a sunrise analysis regarding regulating athlete agents as required by section 26H-6, Hawaii Revised Statutes, and pursuant to House Resolution No. 112, Senate Draft 1, of the 2006 Regular Session. Although the Office of the State Auditor concluded that regulation of athlete agents in Hawaii is unnecessary at this time, Hawaii is one of twelve states that does not have any type of law to regulate athlete agents and that the State should not wait until unscrupulous acts of athlete agents becomes a problem and causes significant damage to student athletes and educational institutions in the State.

Your Committee further notes that the National Collegiate Athletic Association requested assistance from the National Conference of Commissioners on Uniform State Laws to adopt uniform legislation to protect student athletes.

Your Committee has amended this measure to 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 Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 275, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 275, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Slom). Excused, 2 (Ige, Ihara).

SCRep. 1262 Commerce, Consumer Protection and Affordable Housing on H.B. No. 90

The purpose of this measure is to establish a framework by which the Insurance Commissioner can undertake market conduct examinations of various types of insurers' marketplace practices.

This measure adopts the National Conference of Insurance Legislators Market Conduct Surveillance Model in order to enhance the monitoring of the insurance marketplace, protect policyholders, and ensure compliance with the insurance code and other applicable regulations. This measure also appropriates funds to the Department of Commerce and Consumer Affairs to assist in carrying out the requirements set forth in the measure.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and the American Council of Life Insurers. The American Insurance Association submitted comments on this measure.

Your Committee finds that this measure creates a process and system to identify and attempt to remedy market conduct problems that have a substantial adverse impact on consumers, policyholders, and claimants. This measure also creates procedures to communicate and coordinate market conduct actions among other states through the National Association of Insurance Commissioners in order to create efficiency in the sharing of information and the coordination of analysis and examination efforts.

Your Committee has amended this measure, based upon the agreement between the American Council of Life Insurers and the American Insurance Association, by adding additional model language from the National Conference of Insurance Legislators with regard to the level of confidentiality and privilege afforded to insurance compliance self-evaluative audit documents and the confidentiality of data calls used for market analysis, market conduct, or other regulatory requests. 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 Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 90, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 90, 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 (Ige, Sakamoto).

SCRep. 1263 (Majority) Commerce, Consumer Protection and Affordable Housing on H.B. No. 667

The purpose of this measure is to preserve existing affordable housing at the Kukui Garden rental housing complex.

Specifically, this measure:

- (1) Increases the bond ceiling as a possible financing solution to acquire the Kukui Gardens rental housing complex;
- (2) Appropriates funds to finance condemnation proceedings; and
- (3) Appropriates funds for the purchase of a property interest in either all or a portion of Kukui Gardens.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; EAH, Inc.; Housing Hawaii; Faith Action for Community Equity; the Kukui Gardens Association; and three individuals.

Your Committee finds that the Kukui Gardens rental housing complex has served the community for several decades and has provided affordable housing at reasonable rates for many local residents. As the affordable housing crisis continues to grow in the State, it is important that the Kukui Gardens rental housing complex remains affordable. However, the master lease that controls the Kukui Gardens rental housing complex is set to expire in a few years and the tenants are at risk of losing their rental homes or being pushed out into the streets if prices at the complex do not remain affordable. The intent of this measure is to provide a method by which the State can ensure that the Kukui Garden rental housing complex remains affordable for years to come.

Your Committee has amended this measure by:

- (1) Removing the increase in the bond ceiling as a possible financing solution to acquire the Kukui Gardens rental housing complex provided in Act 185, Session Laws of Hawaii 2004;
- (2) Removing language with regard to condemnation of Kukui Gardens;
- (3) Authorizing the issuance of general obligation bonds for the State to acquire a property interest in Kukui Gardens; and
- (4) Appropriating funds to acquire a property interest in Kukui Gardens.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 667, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 667, 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, 1 (Slom). Excused, 1 (Ige).

SCRep. 1264 (Joint) Commerce, Consumer Protection and Affordable Housing and Intergovernmental and Military Affairs on H.B. No. 1001

The purpose of this measure is to encourage the development of affordable housing by establishing an expedited review and approval process for eligible rental housing projects.

This measure also provides that if a county fails or refuses to take action on the proposed rental housing project, the Hawaii Housing Finance and Development Corporation may review and make a decision on the proposed rental housing project.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Partners in Care, Hawaii's Thousand Friends, Housing Hawaii, the Hawaii Association of Realtors, and one individual. Comments on this measure were submitted by the Hawaii Housing Finance and Development Corporation, the Department of Land and Natural Resources, the City and County of Honolulu Department of Planning and Permitting, the Windward Ahupua'a Alliance, the Land Use Research Foundation, the Sierra Club Hawai'i Chapter, and one individual.

Your Committees find that the lack of affordable housing continues to be one of the biggest problems facing the State. Creative ways to alleviate the severe lack of affordable housing must be explored.

Your Committees have amended this measure by:

- (1) Changing the definition of "eligible project" by:
 - (a) Blanking out the minimum number of units required to be affordable to families earning up to eighty per cent of the median income;
 - (b) Removing language relating to the number of units required to be affordable to families earning up to one hundred forty per cent of the median income;
 - (c) Removing the restriction of having an eligible project on ceded lands or on lands classified as rural; and
 - (d) Adding a requirement that the eligible property be developed and operated by a non-profit entity;
- (2) Changing the applicability of the measure from counties with at least 500,000 residents to counties with at least 750,000 residents;
- (3) Amending the time requirements for the county to submit a development's preliminary plans and specifications to the county council and the time in which a county must act on the application from forty-five days to ninety days;
- (4) Adding language to allow for an eligible project to be developed on ceded lands, subject to certain requirements;

- (5) Creating a temporary task force to conduct an inventory of affordable housing and provide certain information to the Legislature prior to the convening of the 2008 Regular Session;
- (6) Appropriating funds to the counties for the purpose of subsidizing the counties up to a blank per cent of the costs incurred by the counties due to the implementation of this measure;
- (7) Changing the effective date; and
- (8) Making technical, nonsubstantive changes for the purposes of clarity and style.

In adding language to allow for an eligible project to be developed on ceded land, subject to certain requirements, your Committees realize that there may be constitutional issues raised by this language and that is why your Committees have amended the effective date to encourage further discussion and to allow the Committee on Ways and Means to seek input from the appropriate entities on this issue.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1001, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1001, 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, 3 (Ige, Sakamoto, Tsutsui).

SCRep. 1265 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1866

The purpose of this measure is to provide for the regulation of mixed martial arts by the Department of Commerce and Consumer Affairs. This measure also prohibits no rules combat, extreme or ultimate fighting, and similar contests.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs (DCCA) and Icon Sport.

Your Committee finds that mixed martial arts events are one of the fastest growing sporting events in the country. In Hawaii, the events are currently permitted under an exemption from the prohibition against no rules combat, or extreme fighting, and without any type of regulations in place, there is the potential for fraudulent events which is detrimental to both participants in the sport and the general public.

During the 2006 Legislative Session, the Legislature passed Senate Concurrent Resolution No. 37, Senate Draft 1, to request the Office of the Auditor, pursuant to section 26H-6, Hawaii Revised Statutes, to evaluate proposals to regulate mixed martial arts events. Two options were proposed to the Office of the Auditor for regulating mixed martial arts. The first proposal was to create a Mixed Martial Arts Commission and the second proposal was to expand the jurisdiction of the Boxing Commission to include mixed martial arts.

In February 2007, the Office of the Auditor issued its report recommending a third alternative which, in part, suggested the creation of a regulatory program to be placed directly under the Director of Commerce and Consumer Affairs (Director).

Your Committee has amended this measure by:

- (1) Removing the assignment of an executive officer to carry out the Director's duties;
- (2) Revising the definition of "mixed martial arts contest" to clarify the requirement that some type of compensation be exchanged;
- (3) Adding a definition for "mixed martial arts event" to distinguish between a single contest and an event which may consist of more than one contest;
- (4) Adding directors to the list of entities precluded from licensure or subject to licensure revocation under certain circumstances;
- (5) Allowing the Director to make the determination as to assessing an applicant's fitness for licensure, either through an examination or evaluation process;
- (6) Allowing the Director to adopt rules regarding automatic medical suspensions;
- (7) Allowing the Director to adopt rules regarding eye and neurological examinations;
- (8) Allowing the Director to adopt rules regarding any licensure fees;
- (9) Requiring at least one physician to immediately examine a contestant when the contestant is knocked down or is severely injured during a contest and requiring that physician to file a medical report with the Director;
- (10) Eliminating the compensation requirement from the definition of "no rules combat, extreme or ultimate fighting, or similar contest";
- (11) Adding referees and judges to the list of those persons who may be exempt from examination or evaluation if they hold a valid license in another jurisdiction;
- (12) Requiring that promoters authorize the release of their criminal history record to the Director;
- (13) Appropriating \$130,000 for fiscal year 2007-2008, and appropriating \$205,000 for fiscal year 2008-2009, for the implementation and administrative costs to be incurred by the DCCA as a result of this measure being enacted;
- (14) Specifying that the sums appropriated by this measure may be used for the hiring of an administrative assistant, secretary, and clerks; 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 Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1866, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1866, 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 (Ige, Ihara).

SCRep. 1266 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1902

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist public utilities with capital improvement projects for the benefit of public health, safety, and general welfare.

Your Committee received testimony in support of this measure from Hawaiian Electric Company, Inc. (HECO); Maui Electric Company, Limited; and Hawaii Electric Light Company, Inc.

Your Committee finds that the proceeds of the sale of the special purpose revenue bonds authorized by this measure will be used for the construction of facilities that will benefit ninety-five per cent of Hawaii's population. According to HECO's testimony, this type of financing will benefit the taxpayer to the extent that it will be less expensive than other types of financing, which will result in lower rates than if other types of financing are used to fund these capital improvement projects.

Your Committee has amended this measure to make technical, nonsubstantive changes for the purpose of clarity, as requested by HECO.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1902, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1902, 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 (Ige, Ihara).

SCRep. 1267 (Joint) Commerce, Consumer Protection and Affordable Housing and Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1072

The purpose of this measure is to increase the number of affordable housing units in Honolulu's urban core by creating the Kakaako Affordable Housing Development Program and Fund in the Kakaako Community Development District to provide subsidies and other types of assistance for the new construction, rehabilitation, acquisition, or preservation of certain types of multifamily housing units that are and remain affordable in perpetuity for people meeting certain income requirements.

Your Committees received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, the Hawaii Community Development Authority, and Housing Hawaii. The Department of Budget and Finance submitted testimony in opposition to this measure.

Your Committees find that the State is facing a shortage of affordable housing and that Hawaii's low- to moderate-income families are experiencing difficulties entering the housing market. The intent of this measure is increase the number of affordable housing units, specifically in the Kakaako District.

Your Committees have amended this measure to remove the creation of the Kakaako Affordable Housing Development Fund and to only include an appropriation from the general funds of the State. Your Committees have also amended this measure to change the sunset date from five to three years.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1072, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1072, 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 (Espero, Hee, Ige).

SCRep. 1268 (Joint) Energy and Environment and Education on H.B. No. 1003

The purpose of this measure is to facilitate the growth of the alternative fuel industry in the State by:

- (1) Statutorily establishing the Hawaii Natural Energy Institute of the University of Hawaii at Manoa (Institute) and a funding mechanism for the development of renewable energy and end-use energy-efficient technologies, including those that ameliorate peak demand problems;
- (2) Establishing the Hawaii Biofuels Program within the Department of Business, Economic Development, and Tourism to manage the State's transition to energy self-sufficiency; and
- (3) Requiring the Department of Business, Economic Development, and Tourism to develop and prepare a bioenergy master plan.

Your Committees received testimony in support of this measure from Hawaiian Electric Company, Inc.; Hawaii Energy Policy Forum; Honolulu Seawater Air Conditioning, LLC; and ClearFuels Technology, Inc. The Hawaii Natural Energy Institute of the University of Hawaii at Manoa; the Hawaii Renewable Energy Alliance; and the Department of Business, Economic Development, and Tourism submitted testimony in support of this measure with comments. The Department of Health submitted testimony in opposition to a fiscal component of this measure. Your Committees received testimony in opposition to this measure from nine individuals. Life of the Land and one individual submitted comments.

Your Committees find that Hawaii's future environmental health and economic success depends on its implementation of renewable energy technologies. Your Committees believe that this measure will significantly stimulate the development of a renewable energy industry in Hawaii by optimally integrating renewable energy technologies and end-use energy efficiency technologies.

Your Committees have amended this measure by:

- (1) Clarifying that the Department of Business, Economic Development, and Tourism shall consult with representatives of the diverse stakeholder interests in developing the bioenergy master plan; and
- (2) Requiring the Department of Business, Economic Development, and Tourism to appoint the two-person panel of independent energy and environmental technical experts to study and report on the efficacy of the Energy Systems Development Special Fund's projects and activities.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1003, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1003, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Ayes with Reservations, 1 (Trimble). Noes, none. Excused, 5 (Chun Oakland, Hee, Ihara, Kokubun, Taniguchi).

SCRep. 1269 Public Safety on H.B. No. 1399

The purpose of this measure is to clarify that inmates who participate in work, education, and vocational training programs are exempt from statutory employee benefits.

Testimony in support of this measure was submitted by the Department of Public Safety and the Department of Labor and Industrial Relations.

Your Committee finds that the Federal Unemployment Tax Act exempts inmates from statutory employee benefits such as unemployment benefits, but state law does not explicitly provide for a similar exemption. Your Committee further finds that if inmates are considered employees of the State, the cost of unemployment insurance and other statutorily created employee benefits could force the closure of important rehabilitative programs.

Your Committee amended this measure to correctly reflect existing language in the Hawaii Revised Statutes.

It is the intent of your Committee to specify that inmates involved in work, education, or vocational training programs are exempted from statutory employee benefits.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1399, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1399, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, none.

SCRep. 1270 Public Safety on H.B. No. 1

The purpose of this measure is to improve the process by which adult offenders reenter the community.

Specifically, this measure establishes a comprehensive offender reentry system, which:

- (1) Assists adult offenders with their reintegration back into the community;
- (2) Creates a reentry task force to examine ways to pool existing resources and funding streams to promote lower recidivism rates for returning prisoners and minimize the harmful effects of incarceration on families and communities; and
- (3) Makes an appropriation for the reentry system.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs; American Civil Liberties Union of Hawai'i; Community Alliance on Prisons; The Drug Policy Forum of Hawaii; Hawaii Substance Abuse Coalition; Hina Mauka; Maui Economic Opportunity, Inc.; Mestizo Association; Waimanalo Hawaiian Homes Association; and four individuals. The Department of Education, Department of Human Services; Department of Labor and Industrial Relations, Department of Public Safety, Hawaii Paroling Authority, and one individual submitted testimony supporting the intent of this measure. The Department of Taxation submitted testimony in opposition to the subsection requiring that the Department "develop and propose tax incentives for employers who hire individuals who were formerly incarcerated." The Department of the Attorney General submitted concerns.

Your Committee finds that preparing incarcerated persons for reentry into the community is essential to their successful rehabilitation and for the prevention of recidivism. A system that ensures offenders exiting our prisons have acquired the skills and treatment necessary to reenter the community as law-abiding citizens will enhance public safety. Preparation for reentry must include not only educational programs, but also life skills development workshops.

Your Committee further finds that a comprehensive reentry program will be cost-effective since the cost of incarceration greatly outweighs the cost of preparing incarcerated offenders to become productive members of society. Furthermore, research has shown that continuing treatment through a comprehensive reentry program as proposed by this measure is necessary to ensure that released offenders have the support they need to be successful.

This measure was amended to consolidate several bills pertaining to offender reentry, specifically: House Bill No. 5, H.D. 1; House Bill No. 624, H.D. 2; and House Bill No. 920, H.D. 1.

The original measure is now Part I of this amended measure. Your Committee amended Part I to conform to the language in the Senate companion bill, (Senate Bill No. 932, S.D. 2). By way of conforming to the Senate version, Part I of this measure has been amended to have the Department of Taxation serve with the Department of Labor and Industrial Relations in an advisory role to the Department of Public Safety to develop proposed tax incentives for employers who hire formerly incarcerated individuals; to delete the provisions establishing a Reentry Task Force, replacing it with a Stakeholders Committee; and to make numerous, nonsubstantive technical changes. This measure was further amended to delete the section pertaining to children of incarcerated parents since not all children of incarcerated parents are abused and neglected, nor are they all placed with Child Protective Services. Your Committee finds the provisions in the proposed section might have been over-inclusive, duplicative, and confusing with regard to existing provisions for reported cases of abuse and neglect overseen by the Department of Human Services.

By way of incorporating House Bill No. 5, H.D. 1, as Part III of this amended measure, your Committee amended this measure to provide an appropriation to expand the restorative circles pilot program to correctional facilities statewide. The program brings the offender together with the victim with the guidance of an impartial, trained, and experienced community leader and the supporters of the offender and the victim on a volunteer basis for reconciliation and transition planning. Your Committee chose to use the language in Part III of Senate Bill No. 932, S.D. 2, which had a few minor technical differences. This measure was further amended to reflect the current number of completed circles and to clarify

that the appropriation made in Part II is to be used for the continuation of existing restorative circles programs, as well as establishing additional programs at correctional facilities throughout the State.

By way of incorporating House Bill No. 624, H.D. 2, as Part IV of this amended measure, your Committee amended the measure to permit the Hawaii Paroling Authority to parole committed persons to the county in the State where the committed person has the greatest family or community support, opportunities for employment, job training, education, treatment, and other social services. This will allow the Hawaii Paroling Authority to provide meaningful opportunities for offenders to reintegrate into society and demonstrate that they have the potential to function as law-abiding citizens. Your Committee chose to use the substantially similar language of Part IV in Senate Bill No. 932, S.D. 2, which had technical, nonsubstantive differences.

By way of incorporating House Bill No. 920, H.D. 1, as Part VI of this amended measure, your Committee amended the measure to make an appropriation for a cognitive restructuring and transition pilot program to be established at the Kulani Correctional Facility, Hawaii Community Correctional Center, and the Hale Nani Reintegration Center. Your Committee chose to use the substantially similar language in Part VI of Senate Bill No. 932, S.D. 2, which had few minor technical, nonsubstantive differences.

Also by way of conforming to the language of Senate Bill No. 932, S.D. 2, this measure was further amended to:

- (1) Create a two-year pilot day reporting center administered by the Department of Public Safety and make an appropriation therefor; and
- (2) Make an appropriation to the Maui Economic Opportunity, Inc., in the 2007-2008 fiscal year as a grant pursuant to 42F, Hawaii Revised Statutes, for the development and maintenance of inmate reintegration programs.

Your Committee has also amended this measure by making other technical, nonsubstantive amendments for purposes of clarity and style. Your Committee retained the delayed effective date to ensure further discussion.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1, 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, none. Excused, 1 (Sakamoto).

SCRep. 1271 (Joint) Human Services and Public Housing and Education on H.B. No. 1786

The purpose of this measure is to appropriate funds for the coordination and administration of the University of Hawaii's Bridge to Hope Program.

The University of Hawai'i System, the Bridge to Hope Program, the University of Hawai'i at Manoa Women's Center, and six individuals, who are former or current Bridge to Hope Program participants, submitted testimony in support of this measure.

Your Committees find that the Bridge to Hope Program is a nationally recognized model that supports post-secondary education as a means for welfare recipients to achieve life-long economic self-sufficiency. Through a partnership between the University of Hawaii and the Department of Human Services, the Bridge to Hope Program provides on-campus student employment opportunities so student welfare recipients can meet their requirements for paid employment.

By appropriating funds for the coordination and administration of the Bridge to Hope Program, this measure will help student welfare recipients gain employment, earnings, job skills, and employer references.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1786, 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, 5 (Hee, Ihara, Nishihara, Gabbard, Hemmings).

SCRep. 1272 Human Services and Public Housing on H.B. No. 1007

The purpose of this measure is to prohibit the Department of Human Services from considering moneys in escrow accounts established under the federal Housing and Urban Development Family Self-Sufficiency Program when determining eligibility for assistance or other benefits under chapter 346, Hawaii Revised Statutes.

The Hawai'i Alliance for Community-Based Economic Development submitted testimony in support of this measure.

Your Committee finds that economic stability does not arise solely from income. Financial assets, such as cash savings and home equity, are a critical component of economic security. Financial assets offer individuals a viable and hopeful future, stimulate development of human and other capital, and enhance the welfare of children. The Family Self-Sufficiency Program allows public housing residents and holders of federal Section 8 Homeownership Program rental vouchers to build savings in an escrow account to be used for the down payment on a home or other uses.

This measure supports homeownership by households receiving low-income housing assistance by exempting these Family Self-Sufficiency Program escrow accounts from asset tests used to determine eligibility for public benefit programs administered by the Department of Human Services.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1007, 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 (Ihara, Hemmings).

SCRep. 1273 Human Services and Public Housing on H.B. No. 928

The purpose of this measure is to appropriate funds to expand the federal Section 8 Homeownership Option Program and the federal Housing Choice Voucher Family Self-Sufficiency Program, and to exempt Family Self-Sufficiency Escrow Accounts from the asset test for public assistance.

The Hawai'i Alliance for Community-Based Economic Development submitted testimony in support of this measure. The Department of Human Services and the Hawaii Public Housing Authority submitted testimony in support of the intent of this measure.

Your Committee finds that economic stability does not arise solely from income. Financial assets, such as cash savings and home equity, are a critical component of economic security. Financial assets offer individuals a viable and hopeful future, stimulate development of human and other capital, and enhance the welfare of children.

The federal Section 8 Homeownership Option Program and the federal Housing Choice Voucher Family Self-Sufficiency Program provide unique opportunities for low- and moderate-income earners to save and pay for homeownership. The Section 8 Homeownership Option Program provides continued monthly homeownership assistance payments to qualified Section 8 Housing Choice Voucher Program participants to help reduce their monthly mortgage payments, as well as, pay for other monthly homeownership expenses in lieu of rental payments.

The Housing Choice Voucher Family Self-Sufficiency Program provides funds to public housing agencies to hire coordinators to help participating families set a plan for employment, education, and possibly homeownership. A baseline rent is established in the first year. As a family's income increases, the family continues to pay a percentage of its income toward rent, and the difference between its new rental payment and its baseline rent is deposited into an escrow account that can be applied towards the goals in the plan.

Your Committee further finds that this measure will help increase low- and moderate-income families' homeownership in Hawaii.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 928, 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 (Hooser, Ihara).

SCRep. 1274 Human Services and Public Housing on H.B. No. 817

The purpose of this measure is to appropriate funds for the Sage PLUS program to expand services to the neighbor islands and to support the program's operating costs.

The Department of Health submitted testimony in support of the intent of this measure. The Hawai'i Alliance for Retired Americans, Kokua Council, the National Multiple Sclerosis Society, and the International Longshore and Warehouse Union submitted testimony in support of this measure.

Your Committee finds that the Sage PLUS program provides assistance to people receiving Medicare and Medicaid benefits, as well as their families, caregivers, and people on the verge of retirement. This measure seeks to expand the Sage PLUS program and support its operating costs so that those in need can continue to benefit from what the program offers.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 817, 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 (Hooser, Ihara).

SCRep. 1275 Human Services and Public Housing on H.B. No. 320

The purpose of this measure is to appropriate funds to improve security measures at the Mayor Wright Homes public housing complex, including the contract hiring of at least three full-time security officers.

The Representative for the Twenty-eighth House District, the Hawaii Public Housing Authority, and six individuals submitted testimony in support of this measure.

Your Committee finds that recently, the Mayor Wright Homes public housing complex has experienced an increase in incidence of public drunkenness, excessive noise, and conflicts between neighbors. The public housing complex has even been the site of a shooting. This measure will help improve security measures at the public housing complex, including the contract hiring of three full-time security officers.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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, 3. Noes, none. Excused, 2 (Hooser, Ihara).

SCRep. 1276 (Joint/Majority) Human Services and Public Housing and Commerce, Consumer Protection and Affordable Housing on H.B. No. 469

The purpose of this measure is to prohibit discrimination against domestic violence victims in real property transactions, specifically housing discrimination.

Hawaii Women Work and the American Association of University Women submitted testimony in support of this measure with amendments. Hawai'i Women Lawyers, the Legal Aid Society of Hawai'i, and Hawai'i Civil Rights Commission submitted testimony in support of the intent of this measure with amendments. The Hawaii Council of Associations of Apartment Owners and one individual submitted testimony in opposition to this measure. The Hawaii Association of Realtors and the Hawaii State Commission on the Status of Women submitted comments.

Your Committees find that recent amendments to the federal Violence Against Women Act of 1998, expressly prohibit federally-funded public housing agencies from terminating a lease due to incidents or threats of domestic violence, dating violence, or stalking. Further, according to the testimony of the Legal Aid Society of Hawai'i, some courts have recognized that discrimination against victims of domestic violence is discrimination under the federal Fair Housing Act when it is based on gender stereotypes. This measure supports women who are trying to flee domestic violence. It creates a protected class for domestic violence victims so that they cannot be discriminated against in real property transactions.

There was concern expressed regarding whether this measure will impact a landlord's ability to lawfully enforce rules or to exercise existing remedies under the Residential Landlord-Tenant Code. It is your Committees' intent not to impact the Residential Landlord-Tenant Code nor any apartment, condominium, or house rules.

Your Committees have amended this measure by:

- (1) Under the definition of "victim of domestic violence":
 - (A) Deleting the requirement that the felony or misdemeanor crime of violence be committed within the past three years;
 - (B) Deleting the proviso regarding the circumstances under which a person shall not be considered a victim of domestic violence; and
 - (C) Adding language to include a person who has sought assistance for the domestic violence with a community resource, including a domestic violence agency, a minister, a therapist, or other social service agency;
- (2) Deleting the proposed section 515-3(14), Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive changes 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 Public Housing and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 469, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 469, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Ayes with Reservations, 1 (Ige). Noes, 2 (Hemmings, Slom). Excused, 2 (Ihara, Sakamoto).

SCRep. 1277 Human Services and Public Housing on H.B. No. 1364

The purpose of this measure is to broaden participation in the State Rent Supplement Program by removing the statutory limitation on the subsidy amount, which is currently \$160 per month; to increase the income limits for participation to up to seventy per cent of area median income; and to include certain individuals and families on the program's wait list.

The Hawaii Public Housing Authority, Catholic Charities Hawai'i, Hawaii Family Forum, Partners in Care, Housing Hawaii, and one individual submitted testimony in support of this measure.

Your Committee finds that the State Rent Supplement Program could assist a larger number of households in today's housing market if the statutory limitation on the subsidy amount is removed and the income limit for participation is increased to ninety-five per cent of the area median income.

It is your Committee's intent to allow the Hawaii Public Housing Authority to adjust the subsidy amount to reflect current market conditions. Your Committee has amended this measure by:

- (1) Increasing the income limits for participation from fifty per cent of the area median income to ninety-five per cent of area median income;
- (2) Allowing a person living in a transitional shelter who meets the requirements of section 356D-153, Hawaii Revised Statutes, to be considered a "qualified tenant" for purposes of the rent supplement;
- (3) Changing the effective date from January 1, 2020, to January 1, 2008; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1364, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1364, 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 (Ihara, Hemmings).

SCRep. 1278 (Joint) Human Services and Public Housing and Intergovernmental and Military Affairs on H.B. No. 1361

The purpose of this measure is to correct chapter 356D, Hawaii Revised Statutes, relating to the Hawaii Public Housing Authority, to reflect the Legislature's intent to codify various acts into the chapter, and to make other necessary technical and housekeeping amendments.

The Hawaii Public Housing Authority and the Hawaii Community Development Authority submitted testimony in support of this measure.

Your Committees find that this measure makes necessary amendments to relevant sections of chapter 356D, Hawaii Revised Statutes, to ensure the codification of analogous amendments made in Act 24, Session Laws of Hawaii 2006.

Your Committees have amended this measure by:

- (1) Clarifying, in section 8 of the measure, that with regard to the former Barbers Point Naval Air Station, the Hawaii Public Housing Authority shall work with landowners and the local redevelopment authority on the use of barracks and other facilities located in the Kalaeloa Community Development District that are suitable for temporary emergency housing for homeless individuals and families; and
- (2) Making technical, nonsubstantive changes 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 Public Housing and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1361, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1361, 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, 5. Noes, none. Excused, 2 (Hooser, Ihara).

SCRep. 1279 Human Services and Public Housing on H.B. No. 1356

The purpose of this measure is to:

- (1) Increase the time limit for application for a higher education board allowance to provide former foster youth who are between the ages of twenty-two and twenty-six years of age on July 1, 2007, and already attending an institution of higher education, an opportunity to apply for a higher education board allowance within a year; and
- (2) Increase the maximum age for the benefit with a maximum benefit period of sixty months.

The Department of Human Services, the Hawaii Foster Youth Coalition, the Hawaii Youth Services Network, Legal Aid Society of Hawaii, Hawaii Family Forum, and eight individuals submitted testimony in support of this measure.

Your Committee finds that this measure will improve the educational prospects of former foster youth. As noted by the Legal Aid Society of Hawaii, at present there is a narrow window of opportunity for former foster youth to apply for a higher education allowance, which requires the former foster youth to have begun attending an accredited institution of higher learning within one school year after high school. However, upon turning eighteen years of age, many former foster youth leave with a desire for freedom and without realizing what benefits may be available to them. Increasing the time limit and the maximum age for the benefit will enable those former foster youth who did not attend an accredited institution of higher learning within one school year after high school to apply for the benefit and have a chance to become a better educated adult.

The Department of Human Services testified that this measure, if passed, would result in a revenue loss to the State of approximately \$287,247 for fiscal year 2007-2008, and approximately \$349,140 for fiscal year 2008-2009.

It is your Committee's intent to help former foster youth to successfully transition to independent adult status.

Your Committee has amended this measure by changing the effective date from July 1, 2020, to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1356, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1356, 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 (Ihara, Hemmings).

SCRep. 1280 Human Services and Public Housing on H.B. No. 1043

The purpose of this measure is to establish a task force to coordinate resources for homeless children, and to establish and appropriate funds to a special fund.

The Department of Education, Legal Aid Society of Hawaii, Hawaii Family Forum, the Hawaii Youth Services Network, the Institute for Human Services, and one individual submitted testimony in support of this measure. The Department of Budget and Finance and the Hawaii Public Housing Authority submitted testimony in support of the intent of this measure. Catholic Charities Hawai'i submitted comments.

Your Committee finds that children, particularly young children, are the most vulnerable during, and at times victimized by, homelessness. While many children develop some resiliency to their situation and are able to overcome the ravages of homelessness, the deficits of homelessness often lead to poor health, exposure to violence, poor academic performance, and a lack of positive social interactions. This measure will minimize the negative impact of homelessness on children by establishing a task force to coordinate resources to benefit children who are homeless.

It is the Committee's intent to try to reduce the risk and impact of homelessness on children.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style, including adding language to the effective date of July 1, 2020, to note that the entire measure shall be repealed on June 30, 2011; provided that sections 5 and 6 shall take effect on July 1, 2020. This will ensure that the task force and the special fund cease to exist on the same date.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1043, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1043, 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 (Ihara, Hemmings).

SCRep. 1281 (Joint) Human Services and Public Housing and Health on H.B. No. 1008

The purpose of this measure is to:

- (1) Create a three-year pilot program that requires the Department of Human Services to pay half of the health care premiums for coverage provided by a managed care plan for uninsured children who are thirty-one days to eighteen years of age and who are ineligible for other state or federal health care coverage;
- (2) Provide children of families whose income is at or below three hundred per cent of the federal poverty level with free medical care by expanding the State's QUEST-Net eligibility requirements;
- (3) Establish a Hawaii Infant Care Special Fund to provide health care to infants from birth to thirty-one days of age through a matching fund, public-private partnership with the Department of Health; and
- (4) Appropriate funds for the purposes of the measure.

The Hawaii Medical Service Association, the Hawai'i Primary Care Association, the Hawaii Family Forum, Hawaii Pacific Health, and Good Beginnings Alliance submitted testimony in support of this measure. The Department of Human Services submitted testimony in support of the intent of this measure. The Attorney General submitted comments.

Your Committees find that there is a gap group of uninsured children in the State that is ineligible for any state or federal health care coverage. Your Committees further find that children who remain uninsured typically do not receive an appropriate level of medical care. The State has an opportunity to help provide health care coverage for children in the gap group through public-private partnerships.

It is your Committees' intent to expand health care coverage for children in Hawaii. Your Committees have amended this measure by:

- (1) Deleting all of its provisions;
- (2) Inserting the provisions of S.B. No. 1918, S.D. 2;
- (3) Making changes to, among other things:
 - (A) Provide health care services to uninsured newborn children who are one, but not more than thirty days of age by establishing the Hawaii Infant Health Care Program as a temporary, three-year pilot program;
 - (B) Provide health care coverage to certain children who are at least thirty-one days, but less than nineteen years old through a public-private partnership between the Department of Human Services and one or more managed care plans;
 - (C) Provide that certain children shall be eligible for enrollment into the program without being subject to the six month uninsured requirement;
 - (D) Provide access to medical care free-of-charge for certain children less than nineteen years of age whose family income is at or below three hundred per cent of the federal poverty level;
 - (E) Provide medical assistance under QUEST-Net at no charge to children less than nineteen years of age whose family income is above two hundred fifty per cent and does not exceed three hundred per cent of the federal poverty level for Hawaii and who are otherwise eligible for QUEST-Net benefits;
 - (F) Ensure that the programs, and any reimbursements or premium payments made pursuant thereto, are subject to the appropriation of general funds; and
 - (G) Clarify that this measure is not intended to discourage employers from offering to pay, or from paying for, dependent coverage for their employees, or to supplant employer-sponsored dependent coverage plans;
- (4) Appropriating the following sums:
 - (A) \$250,000 for fiscal year 2007-2008, and \$500,000 for fiscal year 2008-2009, for the Hawaii Infant Health Care Program;
 - (B) \$535,500 for fiscal year 2007-2008, and \$1,071,000 for fiscal year 2008-2009, for the Hawaii Children's Health Care Program;
 - (C) \$109,310 for fiscal year 2007-2008, and \$218,620 for fiscal year 2008-2009, for free medical care for certain children less than nineteen years of age whose family income is at or below three hundred per cent of the federal poverty level;
 - (D) \$428,500 for fiscal year 2007-2008, and \$857,000 for fiscal year 2008-2009, to provide medical assistance under QUEST-Net at no charge to certain children who are less than nineteen years of age;
 - (E) \$77,760 for fiscal year 2007-2008, and the same sum for fiscal year 2008-2009, for three full-time equivalent permanent (3.00 FTE) Eligibility Worker I positions;
 - (F) \$100,000 for fiscal year 2007-2008 to, among other things, purchase computer equipment, office furniture, and other office supplies and equipment necessary to implement sections of the measure;
- (5) Making the measure effective upon July 1, 2007; provided that on June 30, 2010, it shall be repealed and section 346-59.4, Hawaii Revised Statutes, shall be reenacted in the form in which it read before the approval of this measure; and
- (6) Making technical, nonsubstantive changes 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 Public Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1008, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1008, 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 (Hooser, Menor, Sakamoto, Whalen).

SCRep. 1282 Human Services and Public Housing on H.B. No. 833

The purpose of this measure is to exempt Medicaid waiver service from the scope of certain employment-related law.

Adult Foster Home Association; Catholic Charities Hawai'i; Supporting Exceptional Citizens of Hawaii; Home & Community Services of Hawaii, Inc.; Easter Seals Hawai'i; Philippine Nurses Association Hawaii; Congress of Visayan Organizations; the National Federation of Filipino American Associations; United Filipino Council of Hawaii; Filipino Coalition for Solidarity; Oahu Filipino Community Council; Nursing, Advocates & Mentors, Inc.; and forty-three individuals submitted testimony in support of this measure. The State Council on Developmental Disabilities and Responsive Caregivers of Hawaii submitted testimony in support of the intent of this measure. One individual submitted testimony in opposition to this measure. The Department of Labor and Industrial Relations, the Attorney General, and Aloha Habilitation Services submitted comments.

Your Committee finds that chapters 386, 392, and 393, Hawaii Revised Statutes (HRS), currently provide an exemption from the definition of "employer" under those chapters for domestic services, which includes certain attendant care and day care services performed by an individual in the employ of a recipient of social service payments. It appears that the lack of a definition of the term "recipient of social service payments" has caused confusion and disparity in the application of these chapters and chapter 383, HRS, amongst the home care community and threatens the provision of these critical services: services that enable many disabled individuals to remain in the community.

It is the intent of your Committee to attempt to create certainty and consistency in the application of these laws.

Your Committee has amended this measure by:

- (1) Replacing all of its provisions with the provisions of S.B. No. 1780, S.D. 2, which deals with the same subject matter;

- (2) Changing the amendment to section 383-7, HRS, to exclude the following service from the definition of employment:

Domestic service, which includes in-home and community-based services for persons with developmental disabilities and mental retardation under the Medicaid Home and Community-based Services Program pursuant to 42 Code of Federal Regulations sections 440.180 and 441.300, and 42 Code of Federal Regulations part 434, subpart A, as amended, including chore, personal assistance and habilitation, residential habilitation, supported employment, respite, and skilled nursing services, except for adult day health services, as the terms are defined by the Department of Human Services, performed by an individual under a contract between the individual and a recipient of social service payments, which shall be presumed to be an independent contractor relationship unless the Director can demonstrate that the individual is engaged in a common law employer-employee relationship with the recipient of social service payments or the recipient of social service payments elects in writing to employ the individual;
- (3) Amending sections 386-1, 392-5, and 393-5, HRS, to exclude the aforementioned service from the definition of employment under those sections, as well;
- (4) Adding more explanative language to the purpose section;
- (5) Changing the effective date from July 1, 2059 to upon approval; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 833, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 833, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Hooser, Hemmings).

SCRep. 1283 Human Services and Public Housing on H.B. No. 1830

The purpose of this measure is to:

- (1) Provide immunity from prosecution to persons who leave an unharmed newborn at a hospital, fire station, or police station, or with emergency services personnel within seventy-two hours of the child's birth;
- (2) Provide immunity from liability to the hospital, fire station, police station, or personnel who receive the newborn;
- (3) Require that the person who leaves a newborn provide written information on the family medical history of the child; and
- (4) Require the personnel who receive the newborn to make a reasonable effort to obtain certain information regarding the child from the person leaving the child.

Parents and Children Together, the Hawaii Family Forum, the Representative of the Nineteenth District, and six individuals submitted testimony in support of this measure. The Department of Human Services submitted testimony in support of the intent of this measure. The Senior Policy Advisor to the Governor and two individuals submitted testimony in opposition to this measure.

Your Committee finds that the intent of a "safe-surrender" law is to focus on the health and safety of a child instead of a parent's liability for abandonment. The goal is to encourage a person who may be at risk of abandoning a child to do so at a suitable location, such as a hospital, fire station, or police station, or with the appropriate personnel at these facilities.

Concerns were raised regarding whether this measure is in an appropriate form to accomplish its intent, and whether additional amendments are necessary to prevent unintended consequences in other areas of the law.

It is your Committee's understanding that emergency medical services personnel are included in this measure under the definition of "emergency services personnel" pursuant to section 78-52, Hawaii Revised Statutes.

It is your Committee's intent to encourage further discussion of this measure. Your Committee has amended this measure by:

- (1) Deleting the amendment to section 709-902(3), Hawaii Revised Statutes, in section 3 of the measure that elevated the penalty for abandonment of a child to a class C felony; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1830, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1830, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Ayes with Reservations, 1 (Ihara). Noes, none. Excused, 2 (Hooser, Hemmings).

SCRep. 1284 (Joint/Majority) Human Services and Public Housing and Commerce, Consumer Protection and Affordable Housing on H.B. No. 436

The purpose of this measure is to require that Med-QUEST and Medicaid coverage include chiropractic care.

The Hawaii State Chiropractic Association and six individuals submitted testimony in support of this measure. The Department of Human Services and the Hawaii Medical Service Association submitted testimony in support of the intent of this measure. The Hawaii Medical Association submitted testimony in opposition of this measure.

Your Committees find that Med-QUEST and Medicaid recipients would benefit from chiropractic care to the same extent as others who have medical coverage for this service. According to the testimony, chiropractic care can help improve physical health by increasing functional capacity and preventing disabling conditions. Also, it was noted that more than twenty-five other states include chiropractic care in their Medicaid programs.

Your Committees note that the Department of Human Services provided a statement that the projected cost for chiropractic services for both the QUEST and Medicaid fee-for-service programs is \$4,230,995, which is based on twenty sessions per year, per person. Depending on whether the Department of Human Services receives approval from the federal Centers for Medicare and Medicaid Services, the federal share would be \$2,369,357 and \$1,861,638 in state general funds would be required. These figures include the cost of a necessary x-ray component, as well.

It is your Committees' intent to reduce long-term health care costs by providing chiropractic coverage that will help improve overall health and prevent disabling conditions that would otherwise be far more costly to treat. Your Committees have amended this measure by:

- (1) Requiring the Department of Human Services to pass funding on to Med-QUEST plans to implement the services;
- (2) Appropriating an unspecified sum for the provision of the chiropractic coverage;
- (3) Changing the effective date from July 1, 2020, to January 1, 2008; provided that the appropriation section shall take effect on July 1, 2007; and
- (4) Making technical, nonsubstantive changes 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 Public Housing and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 436, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 436, 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, 6. Ayes with Reservations, 1 (Slom). Noes, 1 (Hemmings). Excused, 2 (Ihara, Sakamoto).

SCRep. 1285 Human Services and Public Housing on H.B. No. 807

The purpose of this measure is to appropriate funds to expand the Kupuna Care Program's in-home and access services, and to provide expanded assistance and support to family caregivers.

The Long-Term Care Ombudsman, Kokua Council, the National Multiple Sclerosis Society, the Hawaii Disability Rights Center, and nine individuals submitted testimony in support of this measure with the proposed amendments. The Department of Health submitted testimony in support of the intent of this measure with the proposed amendments.

Your Committee received a statement from the Long-Term Care Ombudsman that this measure, if passed, would cost the State approximately \$311,628 for fiscal year 2007-2008, and \$236,628 for fiscal year 2008-2009.

Your Committee finds that the Executive Office on Aging's Long-Term Care Ombudsman Program is mandated by the United States Administration on Aging through the Older Americans Act. The Long-Term Care Ombudsman currently advocates for and protects the rights of residents of nursing homes, adult residential care homes, assisted living facilities, and other long-term care facilities. However, there is no statutory provision for the establishment of an Office of the Long-Term Care Ombudsman.

The program is staffed by the Long-Term Care Ombudsman, one Long-Term Care Ombudsman specialist, and one volunteer coordinator. The Long-Term Care Ombudsman Program serves over eight thousand residents in approximately seven hundred thirty-one licensed facilities statewide. The Long-Term Care Ombudsman Program needs to hire regional program specialists to better provide for residents of long term care facilities on the neighbor islands.

It is your Committee's intent to formally establish an Office of the Long-Term Care Ombudsman pursuant to the federal Older Americans Act, as amended. Your Committee has amended this measure by:

- (1) Deleting all of its provisions and replacing them with the contents of S.B. No. 1190, S.D. 1, to:
 - (A) Establish an Office of the Long-Term Care Ombudsman within the Executive Office on Aging; and
 - (B) Appropriate \$311,628 for fiscal year 2007-2008, and \$236,627 for fiscal year 2008-2009, for the Office of the Long-Term Care Ombudsman to hire additional staff and to support the operation and delivery of a regional Long-Term Care Ombudsman Program on the neighbor islands; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 807, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 807, 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, none. Excused, 2 (Ihara, Hemmings).

SCRep. 1286 Human Services and Public Housing on H.B. No. 104

The purpose of this measure is to amend the law pertaining to the Medicaid fee schedule to require an annual adjustment for inflation; appropriate funds to retroactively adjust for inflation, payments made to Medicaid fee-for-service providers; and change the Medicaid fee schedule to a percentage of the 2006 Medicare fee schedule.

Hawaii Medical Service Association submitted testimony in support of the intent of this measure. Hawaii Health Systems Corporation, Hawaii Pacific Health, Hawaii Medical Association, Hawai'i Primary Care Association, Kaiser Permanente, the Healthcare Association of Hawaii, the Chamber of Commerce of Hawaii, and the Hawaii Chapter of the American Physical Therapy Association submitted testimony in support of this measure. The Department of Human Services submitted testimony in opposition.

Your Committee received a fiscal impact statement from the Department of Human Services that this measure, if passed, would cost the State \$17,562,794 for the Medicaid fee-for-service program for fiscal year 2008 and fiscal year 2009, based on increasing the Medicaid fee schedule to one hundred per cent of the 2006 Medicare fee schedule. Further, the cost of retroactive payments to providers for fiscal year 2006 and fiscal year 2007 would be \$10,737,357.

According to the testimony, the payment methodology for QUEST is different from that of the Medicaid fee-for-service program, and as such, an adjustment could cause unintended consequences to the operating systems of all QUEST plans in the State and possibly the Department of Human Services, as well.

Your Committee finds that inadequate payment and reimbursement from Medicaid have compromised access to medical care not only for the uninsured and those covered by Medicaid, but also for those individuals who have private employer-based health insurance. Hawaii's hospitals in particular have been detrimentally affected by the inadequacy of Medicaid reimbursements and payments that are far below cost.

It is your Committee's intent to try to address the need to meet rising health care costs and to ensure that Hawaii's residents have continued access to quality health care. Your Committee has amended this measure by:

- (1) Adding language to indicate that the amendments do not apply to QUEST medical plans;
- (2) Changing the term "practitioner" to "provider" and including outpatient hospital services to reflect the original intent of the measure;
- (3) Indicating that the rates of payment shall be one hundred per cent of the Medicare fee schedule for the current year;
- (4) Appropriating:
 - (A) \$9,800,000 for fiscal year 2007-2008 to adjust for inflation, payments made to Medicaid fee-for-service hospitals during fiscal biennium 2005-2007;
 - (B) \$8,800,000 for fiscal year 2007-2008 and the same sum for fiscal year 2008-2009 to pay for higher reimbursement costs attributable to increase in the Medicaid fee schedule; and
 - (C) \$8,000,000 for fiscal year 2007-2008 for the State's portion of the federal disproportionate share hospital allowance;
- (5) Changing the effective date from July 1, 2020, to July 1, 2007; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 104, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 104, 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 (Hooser, Ihara).

SCRep. 1287 Human Services and Public Housing on H.B. No. 1044

The purpose of this measure is to provide equal access to immunosuppressant medication for Medicaid patients with HIV, AIDS, or Hepatitis C, or who require immunosuppressives due to organ transplants, regardless of whether they are in the QUEST or Medicaid Fee-For-Service programs.

The Department of Human Services; the Hawaii Disability Rights Center; the Hepatitis Prevention, Education, Treatment & Support Network of Hawai'i; and two individuals submitted testimony in support of this measure. The Hawaii Association of Health Plans submitted testimony in opposition. The Hawaii Medical Service Association submitted comments.

Your Committee finds that while the current law exempts physicians prescribing immunosuppressant medication from preauthorization procedures under Medicaid, an exclusion pertaining to QUEST medical plans restricts QUEST Medicaid recipients' access to immunosuppressant medication. This measure will provide equal access to immunosuppressant medication for Medicaid patients with HIV, AIDS, or Hepatitis C, or who require immunosuppressives due to organ transplants, regardless of whether they are in the QUEST or Medicaid Fee-For-Service programs.

It is your Committee's intent to support equal access to immunosuppressant medication for this population of QUEST Medicaid recipients. Your Committee has amended this measure by:

- (1) Changing the effective date from upon its approval to January 1, 2008, to give all of the affected plans sufficient time to implement the proposed changes; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1044, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1044, 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, none. Excused, 2 (Ihara, Hemmings).

SCRep. 1288 Human Services and Public Housing on H.B. No. 825

The purpose of this measure is to extend the Joint Legislative Committee on Family Caregiving to June 30, 2008; expand the focus of the committee to include exploring the possibility of a Paid Family Leave Program; and providing a broader definition for "family caregiver".

The Hawaii County Office of Aging, the City and County of Honolulu Department of Community Services, the Kauai County Offices of Community Assistance Agency on Elderly Affairs, the Maui County Executive on Aging, the Hawaii Aging Advocates Coalition, Kokua Council, Kokua Kalihi Valley Comprehensive Family Services, the National Multiple Sclerosis Society, the Alzheimer's Association, the Policy Advisory Board for Elder Affairs, Catholic Charities Hawai'i, the Hawai'i Alliance for Retired Americans, the Moiliili Community Center, Project Dana, AARP Hawaii, the International Longshore and Warehouse Union, and five individuals submitted testimony in support of this measure with proposed amendments. The Department of Health submitted testimony in support of the intent of this measure with proposed amendments.

Your Committee finds that, due to a shortage of care providers in Hawaii, family caregiving has become a critical element of our health and long-term care system. By 2020, more than one in four individuals is expected to be sixty years old or older. The need for personal care assistance due to physical, sensory, cognitive, and self-care disabilities increases with age. As Hawaii's population ages, many more families will

be providing higher levels of long-term care to frail and disabled older adults at home. A comprehensive public policy to strengthen support for family caregivers is essential.

The national Family Caregiver Support Program under the reauthorized Older Americans Act includes grandparents of grandchildren age eighteen years and younger, as well as grandchildren age nineteen years and older with physical or cognitive limitations. They experience similar support needs and costs of caregiving with family caregivers who provide unpaid, informal assistance to older adults with physical or cognitive disabilities. Therefore, your Committee finds that this population should be included in the definition of "family caregiver," as well.

It is the Committee's intent to strengthen the support of family caregivers. Your Committee has amended this measure by:

- (1) Amending the definition of "family caregiver" to mean:
 - (A) A person, including a non-relative such as a friend or neighbor, who provides unpaid, informal assistance to a person age sixty and older with physical or cognitive disabilities; and
 - (B) A grandparent who is a caregiver for a grandchild who is age eighteen years or younger or who is nineteen years of age or older with physical or cognitive limitations;
- (2) Requiring the Executive Office on Aging to conduct a comprehensive assessment of the needs of care recipients who are age sixty and older with physical or cognitive disabilities and the needs of their family caregivers;
- (3) Appropriating unspecified sums:
 - (A) For the Executive Office on Aging to conduct the aforementioned needs assessment and a comprehensive assessment of the issues facing, and the needs of, grandparents raising grandchildren in Hawaii;
 - (B) To expand the Kupuna Care Program's in-home and access services for qualified care recipients;
 - (C) To provide direct services to family caregivers;
 - (D) For the operation and delivery of the Sage PLUS Program on the neighbor islands; and for the recruitment, training, and sustaining of volunteers to augment the Sage PLUS Program staff, and for operating costs of the neighbor island Sage PLUS Program staff;
 - (E) To the Executive Office on Aging for the Caregiver's Resource Initiative Project, including the continuation of its efforts to coordinate a statewide system of family caregiver policies and support services; and
 - (F) To the Executive Office on Aging to provide analyses of two different approaches to helping family caregivers with their financial needs; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

Your Committee notes that while the appropriation amounts are unspecified, they recommend that the following be considered:

- (1) \$120,000 for fiscal year 2007-2008, for the Executive Office on Aging to conduct a comprehensive assessment of the needs of care recipients who are age sixty and older with physical or cognitive disabilities and the needs of their family caregivers;
- (2) \$24,000 for fiscal year 2007-2008, for the Executive Office on Aging to conduct an assessment of the needs of grandparents raising grandchildren in Hawaii;
- (3) \$750,000 for fiscal years 2007-2008 and 2008-2009, to expand the Kupuna Care Program's in-home and access services for qualified care recipients;
- (4) \$300,000 for fiscal years 2007-2008 and 2008-2009, to provide direct services to family caregivers;
- (5) \$104,000 for fiscal years 2007-2008 and 2008-2009, for the operation and delivery of the Sage PLUS Program on the neighbor islands;
- (6) \$64,500 for fiscal years 2007-2008 and 2008-2009, for the recruitment, training, and sustaining of volunteers to augment the Sage PLUS Program staff, and for operating costs of the neighbor island Sage PLUS Program staff;
- (7) \$80,000 for fiscal years 2007-2008 and 2008-2009, to the Executive Office on Aging for the Caregiver's Resource Initiative Project, including the continuation of its efforts to coordinate a statewide system of family caregiver policies and support services; and
- (8) \$80,000 for fiscal years 2007-2008 and 2008-2009, to the Executive Office on Aging to provide analyses of two different approaches to helping family caregivers with their financial needs.

Your Committee requests that the Committee on Ways and Means consider making the suggested appropriations for the Kupuna Care Program, the Executive Office on Aging for the Caregiver's Resource Initiative Project, and the Sage PLUS Program part of the base budget.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 825, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 825, 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, 1 (Hooser).

SCRep. 1289 (Joint) Human Services and Public Housing, Commerce, Consumer Protection and Affordable Housing and Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 150

The purpose of this measure is to increase the share of the conveyance tax dedicated to the Rental Housing Trust Fund; and to appropriate funds to repair and renovate state public housing, provide outreach and support services to the homeless, operate emergency and transitional shelters, and for Shelter Plus Care grants.

The Hawaii Housing Finance and Development Corporation; the Hawaii Public Housing Authority; the City and County of Honolulu Department of Community Services; Catholic Charities Hawai'i; Hawaii Family Forum; Neighborhood Board No. 8, Housing and Homelessness

Committee; the Institute for Human Services Emergency Shelter; EAH Housing, Inc.; and four individuals submitted testimony in support of this measure. The Governor's Policy Office, the Department of Taxation, and the Land Use Research Foundation of Hawaii submitted testimony in support of the intent of this measure. The Representative of the 45th District of the State of Hawaii, the Mayor of the County of Hawaii, and the Tax Foundation of Hawaii submitted comments.

Your Committees find that the homeless and affordable housing crises continue to be two of the State's most significant and challenging social problems. Meaningful solutions to Hawaii's housing and homeless problems must be found. Several testifiers noted that the conveyance tax is a good source of revenues, with a sensible nexus, to facilitate the development of affordable rental housing, and opined that the percentage of the tax allocated to the Rental Housing Trust Fund should be increased to sixty-five per cent.

The Governor's Policy Office testified that special purpose revenue bonds that are issued to assist in the development of low- and moderate-income housing projects do not involve the expenditure of public funds. As such, the financing of these projects with special purpose revenue bonds should not be subject to the State's procurement code.

When questioned by your Committees, the Hawaii Housing Finance and Development Corporation opined that it has the administrative capacity to handle an increase in funding and to appropriately monitor existing inventory, as well as the development of new for-sale units and rental units.

It is the Committees' intent to improve access to shelter and support services for the homeless, and to improve and increase the available public housing and affordable housing inventory.

Upon further consideration, your Committees have amended this measure by:

- (1) Deleting all of its provisions and inserting the contents of S.B. No. 1917, S.D. 3, which has similar provisions and also:
 - (A) Requires the Hawaii Housing Finance and Development Corporation to create an affordable housing inventory registry;
 - (B) Authorizes the issuance of general obligation bonds for the construction of four thousand affordable housing units;
 - (C) Authorizes the issuance of general obligation bonds to the Hawaii Public Housing Authority for capital improvement projects, and for the repair and maintenance of elevators in public housing buildings; and
 - (D) Extends the sunset date for the allocation of the conveyance tax revenues to the Rental Housing Trust Fund to June 30, 2012;
- (2) Allocating sixty-five per cent of conveyance tax revenues to the Rental Housing Trust Fund;
- (3) Requiring the Hawaii Housing Finance and Development Corporation to report annually to the Legislature on expenditures from the Rental Housing Trust Fund;
- (4) Exempting special purpose revenue bonds that are issued to assist in the development of low- and moderate-income housing projects from the procurement code;
- (5) Appropriating an unspecified sum to provide matching funds for the United States Department of Housing and Urban Development Homeless Assistance Program, including Shelter Plus Care and other supportive housing programs. This will ensure that all homeless provider recipients of federal Supportive Housing Program funds have access to non-federal cash match resources; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

Your Committees note that while the appropriation amounts are blank, they recommend that the following be considered:

- (1) \$15,000,000 for homeless facilities, emergency shelters, and transitional shelters; and to provide matching funds for the United States Department of Housing and Urban Development Homeless Assistance Program, including Shelter Plus Care and other supportive housing programs;
- (2) \$8,000,000 to provider agencies that offer outreach or support services, or both, to unsheltered homeless, at-risk homeless, and individuals residing in homeless facilities;
- (3) \$50,000,000 to the Rental Housing Trust Fund for the planning, development, and construction of affordable housing;
- (4) \$50,000,000 to the Dwelling Unit Revolving Fund for the planning, development, and construction of four thousand affordable housing units. The Committees further recommend that the appropriation be made out of the general revenues as cash instead of issuing general obligation bonds;
- (5) \$40,000,000 in general obligation bonds to the Hawaii Public Housing Authority for capital improvement projects;
- (6) \$10,000,000 for the repair and maintenance of existing federal and state public housing buildings out of the general revenues as cash, instead of issuing general obligation bonds; and
- (7) \$15,000,000 for the repair and maintenance of elevators in existing federal and state public housing buildings.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Commerce, Consumer Protection, and Affordable Housing and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 150, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 150, 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, 10. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 3 (Espero, Fukunaga, Hooser).

SCRep. 1290 (Joint) Human Services and Public Housing and Public Safety on H.B. No. 457

The purpose of this measure is to appropriate funds for the expansion of parent-child interaction programs, such as the Strengthening Keiki of Incarcerated Parents Project, at state correctional facilities.

The SKIP Partnership, the Community Alliance on Prisons, Parents and Children Together, Child & Family Service, the Hawaii Youth Services Network, and six individuals submitted testimony in support of this measure. The Department of Public Safety submitted testimony in support of the intent of this measure.

Your Committees find that an increased focus needs to be placed on the children of incarcerated individuals to maintain a parent-child bond. Intervention is also needed with parent-child relationships in the non-incarcerated offender population. According to the testimony, studies have indicated that the strengthening of family relationships has a positive effect on recidivism. Studies have also shown that therapeutic involvement with families during incarceration builds better and stronger relationships between the incarcerated parent's children and the incarcerated parent once the parent is released.

It is your Committees' intent to support the continuation and expansion of parent-child interaction programs, such as the Strengthening Keiki of Incarcerated Parents Project, at state correctional facilities and at institutions servicing other offender populations to facilitate appropriate interactions and bonding between offender parents and their children.

Several testifiers stated a preference for the Senate version of this measure, S.B. No. 1174, S.D. 1. The Senate version of this measure includes provisions for:

- (1) Intervention with parent-child relationships in the non-incarcerated offender population;
- (2) More realistic data collection standards on the Department of Public Safety;
- (3) The confidentiality of the demographic data that is collected on the children of incarcerated parents; and
- (4) More flexibility to the Department of Public Safety for the use of the appropriated funds.

Therefore, your Committees have amended this measure by deleting all of its provisions and inserting the contents of S.B. No. 1174, S.D. 1.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Public Safety that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 457, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 457, 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, none. Excused, 3 (Hooser, Hemmings, Whalen).

SCRep. 1291 (Joint/Majority) Intergovernmental and Military Affairs and Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1950

The purpose of this measure is to amend chapter 201H, Hawaii Revised Statutes, housing development provisions to allow county councils to approve certain expedited government housing development projects with modifications, and to extend the county and Land Use Commission approval or disapproval window for these projects from forty-five days to a currently unspecified number of days.

The Maui County Council, the Vice Chair of the Maui County Council, and the Realtors Association of Maui, Inc. submitted testimony in support of this measure. The Hawaii Housing Finance and Development Corporation, the Office of Hawaiian Affairs, the Hawaii County Office of Housing and Community Development, the City and County of Honolulu Department of Community Services, the Kauai County Housing Agency Offices of Community Assistance, and the Land Use Research Foundation of Hawaii submitted testimony in opposition to this measure.

Your Committees find that this measure is intended to amend chapter 201H, Hawaii Revised Statutes, to include certain provisions that would permit the counties to approve certain types of housing projects with or without modification that were apparently left out when the State's Housing Law was recently recodified.

In addition, the measure would extend the time that a county legislative body has to approve a project and that the Land Use Commission has to approve a land use boundary change for the project. Numerous testifiers stated that the proposed extension of time would result in additional costs and actually serve as a disincentive to private developers of affordable housing.

It is your Committees' intent to encourage further discussion of this matter. Therefore, your Committees have amended this measure by:

- (1) Changing the effective date from upon its approval to July 1, 2020; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1950, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1950, H.D. 1, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chairs on behalf of the Committees. Ayes, 4. Noes, 1 (Slom). Excused, 3 (Fukunaga, Hee, Hemmings).

SCRep. 1292 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1628

The purpose of this measure is to enhance consumer awareness regarding the origin of macadamias in food products.

Specifically, this measure requires macadamia nut package labeling to specify the percentage of nuts by weight grown in Hawaii and provides penalties for violations.

Testimony in support of this measure was submitted by the Department of Agriculture, the Office of Hawaiian Affairs, the Hawaii Farm Bureau, and the ILWU Local 142.

Your Committee finds that the macadamia nut industry is a vital component of Hawaii's economy and proper labeling is essential in securing and maintaining the competitiveness of Hawaiian macadamia nuts in the food industry. Your Committee further finds that clarifying the labeling requirements and penalties for violations will enhance the effectiveness of the labeling law in protecting the Hawaiian macadamia nut industry.

Your Committee also finds that it is important to ensure truth in labeling so consumers can make informed choices regarding their purchases.

This measure was amended to delay the effective date to ensure further discussion on this measure. Technical, nonsubstantive changes have also been made for the purposes of clarity, consistency, and grammatical accuracy.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs 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 Commerce, Consumer Protection, and Affordable Housing.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hee).

SCRep. 1293 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 408

The purpose of this measure is to protect and preserve the continued productivity and viability of the State's agricultural industry by creating a buffer zone that prohibits industrial, commercial, or residential development within an unspecified number of feet from the property line of any parcel on which a bona fide farming operation has been in existence for at least an unspecified number of years prior to the development.

Testimony in support of this measure was submitted by the Department of Agriculture, the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, the Hawaii Crop Improvement Association, the Hawaii Agriculture Research Center, and Hawaii's Thousand Friends. Testimony in opposition to this measure was submitted by the Department of Planning and Permitting, City and County of Honolulu; the Hawaii Island Chamber of Commerce; the Land Use Research Foundation of Hawaii; the Hawaii Association of Realtors; and the Kuilima Resort Company.

Agricultural operations continue to be driven out as urbanization encroaches upon farm lands. Farmers are continually faced with complaints and harassment from surrounding neighbors, which ultimately causes these farmers to move their agricultural operations to another agricultural district, or stop their operations completely. Your Committee finds that any loss in agricultural productivity has a detrimental affect on the State's sustainable food productivity and economic activity. Providing measures to protect and preserve agricultural productivity will enable farmers to continue their agricultural operations despite the encroachment of urbanization.

Your Committee notes that establishing a buffer zone that prohibits industrial, commercial, or residential development within an unspecified number of feet from a bona fide farming operation may be too cumbersome and problematic to implement and enforce. Furthermore, the Right to Farm Act under chapter 165, Hawaii Revised Statutes, already provides measures to prevent the declaration that a farming operation is a nuisance.

Your Committee has amended this measure by:

- (1) Replacing its contents with language from S.B. No. 1236, S.D. 1, that requires the Land Use Commission to include the Right to Farm Act under chapter 165, Hawaii Revised Statutes, as a condition to any reclassification of land to an urban or rural district designation that is contiguous to an agricultural district;
- (2) Changing the effective date of this measure from July 1, 2050, to effective upon approval; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to protect and preserve the continued productivity and viability of the State's agricultural industry.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 408, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 408, H.D. 2, S.D. 1, and be referred to the Committee on Intergovernmental and Military Affairs.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hee).

SCRep. 1294 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Education on H.B. No. 1615

The purpose of this measure is to promote the development of a viable, local shellfish aquaculture industry in Hawaii by appropriating funds to conduct a feasibility and cost study to determine the statutory and administrative rule changes, requirements for staffing, laboratory support, and research, and training and technical assistance needs to develop a shellfish aquaculture industry in Hawaii.

Testimony in support of this measure was submitted by the Department of Agriculture, Kona Bay Marine Resources, the Hawaii Aquaculture Association, the Oceanic Institute, and one individual.

Your Committees find that despite Hawaii having clean and high quality coastal waters, there is no local production of shellfish, except for hatchery and early lifestages that are sold to out-of-state producers for growth. An appropriation to the University of Hawaii to conduct a study on the feasibility and costs of developing a shellfish aquaculture industry in Hawaii will assist in diversifying Hawaii's aquaculture industry and overall agricultural industry.

Your Committees have amended this measure by:

- (1) Changing the blank appropriation amount to \$75,000 for the shellfish aquaculture industry feasibility and cost study;
- (2) Adding a part II that appropriates \$168,600 for the University of Hawaii Sea Grant College Program to conduct an `opih restoration program at the Natural Energy Laboratory of Hawaii in Keahole for the purposes of:
 - (A) Obtaining a current baseline population of Hawaii `opih throughout the islands for further management and stocking strategies; and
 - (B) Creating a hatchery-based `opih restocking program; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees believe that this measure, as amended, fulfills the intent of this measure, which is to promote the development of a viable, local shellfish aquaculture industry in Hawaii.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1615, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1615, 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, 3 (Chun Oakland, Fukunaga, Sakamoto).

SCRep. 1295 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1114

The purpose of this measure is to provide the Agribusiness Development Corporation with more independence and ability to fully execute its powers by making extensive amendments to chapter 163D, Hawaii Revised Statutes.

Specifically, this measure:

- (1) Repeals certain powers and requirements of the Agribusiness Development Corporation, including:
 - (A) The requirement to develop the Agribusiness Development Plan;
 - (B) The requirements to use funds from the Hawaii Agricultural Development Revolving Fund for designated purposes; and
 - (C) The power to conduct research and marketing analysis and to develop market strategies;
- (2) Repeals the requirement that all agricultural development plans and project facility programs developed by the Corporation be approved by the Board of Agriculture;
- (3) Exempts the use of Agribusiness Development Corporation funds from the procurement code under chapter 103D, Hawaii Revised Statutes;
- (4) Exempts the Corporation from various provisions governing administrative supervision of boards and commissions with certain exceptions;
- (5) Requests the Governor to review the amendments made to chapter 163D, Hawaii Revised Statutes, and report to the Legislature on:
 - (A) Any necessary staffing, funding, and resources for the Corporation;
 - (B) How much of that staffing, funding, and resources can be reasonably provided through transfers with the Executive Branch; and
 - (C) Whether any public lands need to be withdrawn or set aside to allow the Corporation to carry out its purposes; and
- (6) Appropriates a blank amount to the Corporation for two FTE positions, including a special assistant and an engineer.

Testimony in support of this measure was submitted by the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, the East Kauai Water Users' Cooperative, and one individual. Testimony in opposition to this measure was submitted by the Department of Agriculture, the Agribusiness Development Corporation, the Department of Accounting and General Services, the State Procurement Office, the Hawaii Agriculture Research Center, the Hawaii Crop Improvement Association, and three individuals. The Office of Hawaiian Affairs submitted comments.

The Agribusiness Development Corporation was established for the purposes of coordinating and administering programs to assist agricultural enterprises to facilitate the transition of agricultural infrastructure from plantation operations into other agricultural enterprises, to carry on the marketing analysis to direct agricultural industry evolution, and to provide the leadership for the development, financing, improvement, or enhancement of agricultural enterprises. Your Committee finds that the Corporation will play a larger role in supporting agricultural efforts as Hawaii's agricultural industry becomes more diversified, thus the Corporation will need more independence and ability to fully execute its powers.

Your Committee has amended this measure by:

- (1) Clarifying that the annual report the Corporation is required to submit before each Regular Session under section 163D-19, Hawaii Revised Statutes, be submitted directly to the Governor;
- (2) Reinstating the Corporation's power to carry out surveys, research, and investigations into various aspects of agricultural production in the national and international community under section 163D-4, Hawaii Revised Statutes, and adding demonstration projects;
- (3) Deleting language that exempts the use of Agribusiness Development Corporation funds from the procurement code under chapter 103D, Hawaii Revised Statutes;
- (4) Adding a part II to this measure that adds the language of S.B. No. 1705, S.D.1, that:
 - (A) Makes the Molokai Irrigation System Water Users Advisory Board a governing board, increases the number of members on the board, and allows nominations from Molokai homestead stakeholder organizations; and
 - (B) Establishes the Molokai Irrigation Special Fund for the purpose of repair and maintenance of the Molokai Irrigation System; and
- (5) Making technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committee has concerns with the Governor determining how much necessary staffing, funding, and resources for the Corporation can be reasonably provided through transfers with the Executive Branch. Your Committee is concerned that these needs will be taken from the Department of Agriculture and transferred to the Corporation. Although this measure may cause the Corporation to need more staffing, funding, and resources, your Committee believes that these needs should not be at the expense of the Department of Agriculture. Your Committee further requests that the Governor provide a full assessment to the Legislature of all of the requirements and objectives the Corporation will need to accomplish to become a complete and independent division.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to provide the Agribusiness Development Corporation with more independence and ability to fully execute its powers.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1114, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1114, 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, 1 (Hee).

SCRep. 1296 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1200

The purpose of this measure is to allow the Office of Hawaiian Affairs to continue to work for the betterment of the conditions of Native Hawaiians by appropriating funds to the Office of Hawaiian Affairs' fiscal biennium 2007-2009 budget.

Specifically, this measure requests an appropriation of funds for the Office of Hawaiian Affairs' operating budget and a capital improvements project for the construction of the Kakaako Culture Center and Office Building.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs; the Association of Hawaiian Civic Clubs; the Waimanalo Hawaiian Homes Association; the Partners-In-Development Foundation; the Native Hawaiian Legal Corporation; the Moanalua Gardens Foundation; the Princess Kaiulani Hawaiian Civic Club; the Living Nation; the Institute For Family Enrichment; ALU LIKE, Inc.; Catholic Charities Hawai'i; USTA Hawaii Pacific; the Turning Point for Families, Inc.; Hawaii Habitat for Humanity; Ho'omau Ke Ola; the Hawaiian Community Development Board; the Neighborhood Place of Puna; the Reverend Joel Hulu Mahoe Resource Center; Nā Pua No'eau; the Kamehameha Scholars Program; the Akaku Molokai Media Center; Ala Kuola; Munaleo, Inc.; the Lunalilo Home; the Maui Economic Opportunity, Inc.; one hundred seventy-four individuals; and petitions with a combined total of ninety-six signatures. The Hawaii Community Development Corporation submitted comments.

The Office of Hawaiian Affairs is requesting an appropriation of moneys from the general fund for the Office to provide social services to Office of Hawaiian Affairs beneficiaries, educational enrichment programs for Native Hawaiian children in grades kindergarten to twelfth, and legal services and legal representation to Office of Hawaiian Affairs beneficiaries for quiet title actions and assistance with ahupua'a and kuleana tenant rights. Your Committee finds that appropriating funds to the Office of Hawaiian Affairs will enable the Office to serve the purposes, which are mandated in the state constitution under chapter 10, Hawaii Revised Statutes.

Your Committee has amended this measure by amending the means of financing for the capital improvement project budget for a new three-story building that will serve as a cultural center and office building for the Office of Hawaiian Affairs by appropriating \$3,050,000 from general obligation bond funds for the 2007-2008 fiscal year for the design and planning of the cultural center and office. Your Committee also made technical, nonsubstantive amendments for the purposes of style and consistency.

Your Committee notes that the bill appropriates \$52,990,000 from trust funds for the 2008-2009 fiscal year for the construction of and equipment for the cultural center and office.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1200, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1200, 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. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (Hee).

SCRep. 1297 (Majority) Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1220

The purpose of this measure is to establish a special fund to collect revenues from the Seal of Quality program.

Specifically, this measure requires that all revenues from the Seal of Quality program, donations, and any appropriations made by the Legislature be deposited into this special fund. The deposited funds shall be used for costs relating to the program, including any promotional or advertising activities and materials.

The Seal of Quality program is established pursuant to section 148-61, Hawaii Revised Statutes, to promote and ensure high standards of quality for fresh and processed agricultural products produced in the State. The program generates revenues through licensing and promotional use fees.

Your Committee received testimony in support of this measure from the Department of Agriculture; the Hawaii Farm Bureau Federation; Hawaii Florists & Shippers Association; Green Point Nurseries, Inc.; the Hawaii Agriculture Research Center; Nalo Farms; Hamakua Springs Country Farms; the Kamaooha Foundation; the North Shore Cattle Company, LLC; Paradise Flower Farms; Kamiya Gold Inc.; Ali'i Kula Lavender; and Kona Pacific Farmers Cooperative.

Your Committee believes that this measure is a positive step in creating a self-reliant Seal of Quality program that provides recognizable value to those who participate in it.

Your Committee requests that the Committee on Ways and Means explore and, if feasible, implement an alternative method to disburse revenues from the Seal of Quality program other than through the establishment of a special fund. Your Committee has concerns that too many special funds already exist in the State treasury.

Your Committee has amended the bill by deleting the section that made an unspecified appropriation of the Seal of Quality Special Fund.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1220, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1220, 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, 2. Noes, 1 (Slom). Excused, 2 (Fukunaga, Hee).

SCRep. 1298 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1222

The purpose of this measure is to support agriculture and aquaculture in the State.

Specifically, this measure creates a new aquaculturists program similar to the new farmer program to help establish new aquaculture operations, increases the aquaculture loan limits for Class A & B loans to \$800,000, makes aquaculture loan credit denial requirements identical to those of the agricultural loan program, and combines the aquaculture and agriculture revolving and reserve funds to provide flexibility.

Testimony in support of this measure was submitted by the Department of Agriculture, Office of Hawaiian Affairs, Hawaii Agriculture Research Center, Hawaii Aquacultural Association, and the Hawaii Farm Bureau.

Your Committee finds that the aquaculture industry has undergone tremendous growth within the State. Your Committee notes the significant increase in costs associated with aquaculture including facilities, operating inputs, and transportation. Your Committee finds, therefore, that it is appropriate to raise the loan limit and to establish parity between the aquaculture and agriculture loan programs.

This measure was amended to conform to the language of Senate Bill No. 1308, S.D. 1, which has substantially similar language with the exception of:

- (1) An effective date of July 1, 2007; and
- (2) Various technical and grammatical differences.

Technical, nonsubstantive changes for the purposes of clarity and consistency were also made.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1222, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1222, 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 (Fukunaga, Hee).

SCRep. 1299 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1640

The purpose of this measure is to protect and support a viable and diversified agricultural industry in Hawaii by establishing a priority system for processing permit applications for air pollution controls for operators of agricultural processing facilities that process crops or livestock from an agribusiness where the majority of the lands the agribusiness owns or uses are identified and designated as important agricultural lands.

Testimony in support of this measure was submitted by the Department of Agriculture; the Hawaii Farm Bureau Federation; Alexander and Baldwin, Inc.; the Hawaiian Commercial and Sugar Company; the Kauai Coffee Company, Inc.; the Maui County Farm Bureau; and the Land Use Research Foundation of Hawaii. Testimony in opposition to this measure was submitted by the Sierra Club, Hawaii Chapter; and Hawaii's Thousand Friends. The Department of Health submitted comments.

Your Committee finds that establishing and implementing a procedure for the priority processing of air permit applications and renewals for agricultural processing facilities that process crops or livestock from an agribusiness owning or using important agricultural lands will provide an additional incentive for landowners to designate their lands as important agricultural lands pursuant to chapter 205, part III, Hawaii Revised Statutes. Your Committee notes that the priority processing of permit applications and renewals for agricultural processing facilities that process crops or livestock from agribusinesses on or using important agricultural lands should be extended to all applicable state departments and agencies that issue and renew permits for these types of facilities.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with language that amends chapters 205 and 321, Hawaii Revised Statutes, by requiring any state agency issuing permits that is subject to Title 13 or 19, Hawaii Revised Statutes, to establish and implement procedures to give priority processing of permit applications and renewals for agricultural processing facilities that process crops or livestock from an agribusiness that owns or uses lands that are identified and designated as important agricultural lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1640, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1640, 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 (Fukunaga, Hee).

SCRep. 1300 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1831

The purpose of this measure is to protect native species, the natural environment, public and private land and resources, and public health and safety by amending section 183D-4, Hawaii Revised Statutes, to require the Department of Land and Natural Resources to fence game management areas to prevent game mammals from encroaching on public and private land outside of the game management areas.

Testimony in support of this measure was submitted by the Nature Conservancy; the Sierra Club, Hawai'i Chapter; the Conservation Council for Hawai'i; and a private individual. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources, the Hawaii Forest Industry Association, and the Hawaii Rifle Association.

Feral mammals, including pigs, goats, sheep, deer, and wild cattle, are one of the biggest threats to the health of the State's native ecosystems and critical watershed areas. Although the hunting of these mammals is a popular sport for food and recreation, if left unmanaged, feral mammals can strip large areas of forest bare thereby contributing to erosion, runoff, damage to coastal areas and coral reefs, and impairing the natural absorptive function of watersheds. Your Committee finds that appropriate game management areas should include efforts to enhance hunting opportunities, but should also protect and effectively manage these areas to prevent game mammals from causing further damage to land outside of the management areas.

Your Committee recognizes, however, that requiring the Department of Land and Natural Resources to fence all game management areas may have insignificant results and may be too costly for the Department to accomplish. Thus, your Committee believes that an integrated game management and control plan is a more effective method of providing a better hunting experience while protecting public lands and private property.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with language that:

- (1) Requires the Department of Land and Natural Resources, Division of Forestry and Wildlife, to develop and produce mammal management and control plans for each island, beginning with the island of Oahu, which will include:

- (A) Game management objectives;
 - (B) Provisions to address all areas where game mammals are present to clearly define and map any areas appropriate for sustained-yield hunting;
 - (C) Information to educate the public on game mammal impacts to ensure skilled and effective participation in control activities and public outreach; and
 - (D) Information to educate and work with hunters who use the game mammal management areas to ensure skilled and effective participation in control activities; and
- (2) Strongly encourages the Division of Forestry and Wildlife to collaborate with and seek input from hunters who use the game management areas;
 - (3) Requires the Division of Forestry and Wildlife to periodically update each game management and control plan and provide opportunities for hunters to contribute input and any concerns with respect to the game management areas during the plan update process;
 - (4) Requires the Division of Forestry and Wildlife to submit a written report to the Legislature on an annual basis on the game management and control plans for each island; and
 - (5) Appropriates \$180,000 to the Division of Forestry and Wildlife to support and implement the research and planning for the game management and control plans.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to protect native species, the natural environment, public and private land and resources, and public health and safety.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1831, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1831, 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. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (Hee).

SCRep. 1301 (Joint) Tourism and Government Operations and Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 249

The purpose of this measure is to create a category of hunting license for a three-day period of hunting on a private or commercial shooting preserve.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Hawaii Rifle Association, Palawai Outfitters, and Parker Ranch. Testimony in opposition was received from Animal Rights Hawaii, Animal Care Foundation, and one individual.

Your Committees find that hunting is a popular sport that has been underdeveloped in Hawaii. Hunting game animals is a well-recognized sport on the mainland and around the world. Nationwide, hunters are among the largest contributors of money and support toward the conservation and expansion of natural preserves and wildlife habitats.

The State's existing hunting license law does not permit a short-term license such as embodied in this measure. This measure would remove that impediment and enable visitors to the State to participate in hunting activities.

Your Committees have amended this measure by inserting the provisions of S.B. No. 695, S.D. 1, a similar measure which changes the fee to \$95 for a seven-day license to hunt on private or commercial shooting preserves, accompanied by a licensed hunting guide.

As affirmed by the records of votes of the members of your Committees on Tourism and Government Operations and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 249, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 249, 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, 2 (Fukunaga, Tsutsui).

SCRep. 1302 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Economic Development and Taxation on H.B. No. 1028

The purpose of this measure is to preserve and recognize the cultural significance of the Pi'ilani Trail by appropriating funds for the Department of Land and Natural Resources to reestablish and improve the Pi'ilani Trail.

Specifically, this measure:

- (1) Designates the Pi'ilani Trail as an important Hawaiian coastal cultural heritage corridor; and
- (2) Appropriates a blank amount for the Department of Land and Natural Resources to reestablish and improve the Pi'ilani Trail.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources and Lahaina Bypass Now. Testimony in opposition to this measure was submitted by the Office of Hawaiian Affairs.

Your Committees find and recognize the importance of walking trails and the cultural and historic significance that the Pi'ilani Trail on Maui holds. Started by King Pi'ilani in the fourteenth-century, it is the only ancient highway to encircle the coastline of any of the Hawaiian Islands. The Department of Land and Natural Resources indicated in its testimony, however, that developing and maintaining the trail to its full potential as a coastal cultural heritage corridor will be costly. Furthermore, the Department indicated that parts of the trail have been destroyed due to historic land uses and may be the route of current public highways in many locations.

Accordingly, your Committees have amended this measure by:

- (1) Deleting section 2 of this measure and adding language that:

- (A) Requests the Na Ala Hele program under the Department of Land and Natural Resources to conduct a feasibility and cost study of designating the Pi'ilani Trail as an important Hawaiian coastal heritage corridor and opening the trail for public use;
 - (B) Requests that the Na Ala Hele program use its own funds to conduct the study; and
 - (C) Requests the Na Ala Hele program to submit a written report to the Legislature; and
- (2) Changing the effective date of this measure from July 1, 2020, to July 1, 2007.

Your Committees believe that this measure, as amended, fulfills the intent of this measure, which is to preserve and recognize the cultural significance of the Pi'ilani Trail on Maui.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Economic Development and Taxation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1028, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1028, 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, 6. Noes, none. Excused, 2 (Espero, Hee).

SCRep. 1303 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1221

The purpose of this measure is to support the longevity of a diversified agricultural industry in Hawaii by creating a livestock revitalization and food security program.

Specifically, this measure:

- (1) Creates a livestock revitalization program to administer and disburse funds to qualified dairy, hog, poultry, and egg producers for up to fifty per cent of their feed costs; and
- (2) Appropriates an unspecified amount in each year of the fiscal biennium, for the Department of Agriculture to disburse funds to qualified producers of milk, pork, poultry, or eggs for the costs of feed, and for the administrative costs of the revitalization program.

Testimony in support of this measure was submitted by the Department of Agriculture; the College of Tropical Agriculture and Human Resources, University of Hawaii; the Hawaii Farm Bureau Federation; Nobriga's Ranch, Inc.; Ulehawa Farm, Inc.; the Hawaii Egg Producers Association; the Hawaii Teamsters and Allied Workers Local 996; and three individuals. Testimony in opposition to this measure was submitted by Animal Rights Hawai'i.

Your Committee finds that one of the challenges livestock farms face is the rising cost of feed for livestock. The decrease in operational local dairy, hog, poultry, and egg farms increases the State's reliance on the importation of food and threatens the State's food security. Thus, creating a livestock revitalization and food security program will financially assist farmers with covering the cost of their feed requirements, enable them to remain in business, and continue to provide fresh milk, pork, poultry, and eggs for local consumption.

Your Committee recognizes that the livestock industry also includes cattle for beef. Cattle ranchers emphasized to your Committee that they are also threatened with closure due to rising costs for feed, and expressed interest in being included in a livestock revitalization program.

Accordingly, your Committee has amended this measure by deleting the contents of this measure and inserting the language from S.B. No. 1307, S.D. 3, which also creates a livestock revitalization program to administer and disburse funds to qualified producers for up to fifty per cent of their feed costs, and appropriates an unspecified amount for the Department of Agriculture to disburse funds to qualified producers for the costs of feed, and for the administrative costs of the revitalization program, but expands the scope of the revitalization program to include cattle ranchers as qualified producers.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to support the longevity of a diversified agricultural industry in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1221, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1221, 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 (Fukunaga, Hee).

SCRep. 1304 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1848

The purpose of this measure is to ensure that laws and rules relating to aquatic resources incorporate community input and cultural and traditional practices.

The measure accomplishes this purpose by requiring the Department of Land and Natural Resources to allow opportunities for impacted communities to provide input prior to establishing prohibitions or limitations on fishing in public fishing areas.

Specifically, this measure:

- (1) Requires the Department of Land and Natural Resources, prior to establishing new prohibitions or limitations on fishing in public fishing areas by rule, to demonstrate a scientific-basis for the rule and to fully engage any impacted communities and user groups early in the policy-making phase by amending chapter 190, Hawaii Revised Statutes;
- (2) Establishes a Fishery Policy Advisory Task Force to review the current rulemaking process of the Department of Land and Natural Resources and to develop recommendations for changes and improvements; and
- (3) Appropriates funds for operations of the Fishery Policy Advisory Task Force.

Testimony in support of this measure was submitted by the Association of Hawaiian Civic Clubs, the Hawaii Boaters Political Action Association, the Hawaii Kai Boat Club, the Hawaii Nearshore Fishermen, the Island Shorecasters, the Kakaako Kasting Club, Nico's at Pier 38, eighty-three individuals, and a number of petitions with a combined total of eight hundred seventy-four signatures. Testimony in opposition to

this measure was submitted by the Department of Land and Natural Resources; the Office of Hawaiian Affairs; the Nature Conservancy; the Sierra Club, Hawaii Chapter; the Sierra Club, Hawaii Chapter, Maui Group; the Hawaii Audubon Society; Mālama Maunaloa; the Kailua Hawaiian Civic Club; the Limahuli Garden and Preserve of the National Tropical Botanical Garden; the Maui Coastal Land Trust; Mālama Hawai'i; KAHEA: The Hawaiian-Environmental Alliance; the Conservation Council for Hawai'i; the Ocean Law and Policy Institute of the Pacific Forum CSIS; the Community Conservation Network; the Environmental Defense; and one hundred fifty-seven individuals.

A number of communities that rely on Hawaii's aquatic resources are disenfranchised with the current administrative rulemaking process used to develop marine management policies. These impacted communities and user groups of public fishing areas indicated to your Committee that there are limited opportunities for community input and engagement during the rulemaking process. Thus, your Committee finds that community engagement is an essential element when enacting rules that have an effect on community lifestyle, livelihood, culture, and tradition.

Over the past several years, many local communities have expressed interest in assisting in managing and restoring Hawaii's near shore reefs and marine habitats, and have initiated discussions regarding management, enforcement, and monitoring of the marine resources surrounding their communities. The Miloli'i community-based effort established the Maka'i O Ke Kai program, which is a partnership in marine resource enforcement, education, outreach, monitoring, and surveillance between local community members and the Department of Land and Natural Resources. Your Committee finds that community-based programs, like the Maka'i O Ke Kai program, serve as vehicles for engaging local communities in the management of marine resources, and is a more appropriate approach to addressing community concerns regarding rules affecting fishing in public fishing areas.

Accordingly, your Committee has amended this measure by deleting the contents of this measure and replacing it with language that:

- (1) Adds a new part to chapter 188, Hawaii Revised Statutes, that establishes a Maka'i O Ke Kai program under the Department of Land and Natural Resources, Division of Aquatic Resources, which:
 - (A) Allows the Department to provide matching grants to any Maka'i O Ke Kai program to implement community-based marine management initiatives designed to restore, protect, sustainably manage, and apply traditional Hawaiian resource management to near shore reefs and marine habitats;
 - (B) Allows the Department and a Maka'i O Ke Kai program to partner with local communities to train volunteers on marine resource management, education, and enforcement;
 - (C) Provides guidelines and criteria for communities interested in establishing a Maka'i O Ke Kai project; and
 - (D) Establishes a Community-Based Marine Resource Management Advisory Committee to advise the Department of Land and Natural Resources on matters relating to community-based near shore resource management and fisheries rules with members representing Maka'i O Ke Kai projects, Native Hawaiian fishing practitioners, recreational fishers, the National Oceanic and Atmospheric Administration, and a marine scientist.
- (2) Appropriates \$50,000 for the Community-Based Marine Resource Management Advisory Committee to carry out its responsibilities;
- (3) Appropriates \$250,000 for the Maka'i O Ke Kai program; and
- (4) Makes technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee recognizes the overwhelming testimony in support of and opposition to this measure, and particularly notes the concerns indicated in testimony about the recently enacted lay gill net fishing rules. Your Committee urges the Department of Land and Natural Resources to provide opportunities for community input and engagement in amending these rules, especially with respect to fishing prohibitions of fish populations that are thriving in certain areas, such as the menpachi.

Your Committee believes that this measure, as amended, fulfills its intent, which is to ensure that laws and rules relating to marine resources incorporate community input and cultural practices.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1848, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1848, 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, 1 (Hee).

SCRep. 1305 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1899

The purpose of this measure is to require the City and County of Honolulu to transfer to the State parcels of land that constitute the Kawai Nui Marsh.

Testimony in support of this measure was submitted by the City and County of Honolulu, Department of Facility Maintenance, the Environmental Center of the University of Hawaii at Manoa, the Office of Hawaiian Affairs, the Hawaii Audubon Society, Hawaii's Thousand Friends, and two individuals. Testimony in opposition of this measure was submitted by the Department of Land and Natural Resources, 'Ahaui Mālama I Ka Lōkahi, and the Windward Ahupua'a Alliance.

Your Committee finds that pursuant to Act 314, Session Laws of Hawaii 1990, the City and County of Honolulu was required to transfer specific parcels of land that constitute the Kawai Nui Marsh, of which both parties own portions, to the State. Your Committee further finds that since the enactment of Act 314, the parties have largely disputed their respective management responsibilities over the Kawai Nui Marsh, which has resulted in the delayed restoration and rehabilitation of the marsh placing the marsh in critical condition.

The existing law has caused a great deal of problems and confusion with regard to responsibilities over the marsh. Your Committee believes that clarity in the law is necessary to allow for the transfer of the appropriate lands, while also providing some degree of flexibility in the specific terms of the agreements of the parties involved to accomplish the transfer and ensure responsibilities, including the maintenance of the marsh, are clearly delineated. Your Committee recognizes that negotiations between the City and County of Honolulu and the State are ongoing and amendments should be made in the future to reflect these changes.

Accordingly, your Committee has amended this measure by:

- (1) Repealing Act 314, Session Laws of Hawaii 1990;
- (2) Requiring the transfer of the Kawai Nui Marsh, lot 3, as shown on Land Division Parcel Map File No. 18-3-3-13, from the City and County of Honolulu to the State, pursuant to a sub-agreement executed in compliance with the Local Cooperation Agreement executed between the City and County of Honolulu and the U.S. Department of the Army for construction of the Kawai Nui Marsh Flood Control Project, dated October 3, 1993, as amended by Amendment #1 dated March 10, 2004, and the Operation and Maintenance Manual for Kawai Nui Marsh Flood Protection Works, prepared by the United States Army Corps of Engineers;
- (3) Including language that provides that the State's responsibility over the Kawai Nui Marsh shall be subject to agreement by the City and County of Honolulu to remain responsible as the principal party to and responsible for the Local Cooperation Agreement, the Operation and Maintenance Manual for Kawai Nui Marsh Flood Protection Works, and all other matters provided for therein;
- (4) Clarifying that sums appropriated for the Department of Land and Natural Resources shall be to conduct or to contract for educational, ecological, cultural, and environmental services for Kawai Nui Marsh and its adjoining state areas;
- (5) Specifying that funds in the amount of \$500,000 for fiscal year 2007-2008 and \$420,000 for fiscal year 2008-2009 be appropriated for the Department of Land and Natural Resources to maintain the Kawai Nui Marsh or to contract with the City and County of Honolulu or any other public or private entity to maintain the Kawai Nui Marsh; and
- (6) Removing provisions that:
 - (A) Authorized the State and City and County of Honolulu from entering into an agreement for maintenance or operations of any part of Kawai Nui Marsh;
 - (B) Provided the State an easement in perpetuity over parcels identified in the Act for the purpose of permitting the Department of Land and Natural Resources to manage the economic, ecological, and cultural resources of the Kawai Nui Marsh in the event of a dispute between the State and the City and County of Honolulu; and
 - (C) Provided a savings clause regarding the validity of the Act or provisions thereof.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1899, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1899, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Vice Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hee).

SCRep. 1306 (Joint) Education and Economic Development and Taxation on H.B. No. 1268

The purpose of this measure is to increase innovation in education by establishing programs designed to fill current workforce needs in the areas of science, technology, engineering, and math.

Specifically, this measure:

- (1) Establishes the Hawaii Excellence through Science and Technology (HiEST) Academy Program to increase preparedness for post-secondary education and the workforce and provides funding therefor;
- (2) Establishes the Fostering Inspiration and Relevance through Science and Technology (FIRST) Pre-academy Program and provides funding therefor;
- (3) Establishes the Robotics and Space Contextual Learning Program to develop science, technology, engineering, and math (STEM) skills and provides funding therefor;
- (4) Establishes the Business/Education Internship and Mentorship Program to increase opportunities for high school and college students to gain work experience and provides funding therefor;
- (5) Establishes the Research Experiences for Teachers (RET) Certificate Program and provides funding therefor;
- (6) Establishes a professional development program to provide practicing elementary, middle, and high school teachers of science and mathematics with opportunities to increase their knowledge and understanding in science, technology, engineering, and mathematics (STEM) subjects and provides funds for such professional development;
- (7) Appropriates funds for STEM stipends under the U.S. Department of Labor's Transition to Teaching Program;
- (8) Establishes the Eminent Scholars Program; and
- (9) Establishes the State Akamai Investment Matching Special Fund and appropriates moneys therefor.

Testimony in support of this measure was submitted by the Governor of Hawaii; the Department of Education; the Department of Business, Economic Development, and Tourism; the University of Hawaii; the Workforce Development Council; the Hawaii Association of Independent Schools; CTA Solutions; Benefit Capital Financial Services, Inc.; the High Technology Development Corporation; the Waimanalo Hawaiian Homes Association; the American Society of Civil Engineers; the Coalition of Hawaii Engineering and Architectural Professionals; Applied Marine Solutions; the Hawaii Crop Improvement Association; SEE/RESCUE Corporation; 3D Innovations, LLC; and seven individuals. Comments on the measure were also submitted by the Hawaii State Teachers Association.

Your Committees find that both education and workforce development are necessary in order for Hawaii to not only survive but also excel in today's economy. Concerted efforts must be made to educate and train our students for challenging careers in this global society where science, technology, engineering, and math (STEM) disciplines have become prominent. This measure addresses many aspects involved in developing a comprehensive approach to promoting the STEM disciplines, including establishing STEM academies, growing and fostering a STEM teaching workforce through the provision of stipends and scholarships, and providing additional work experience opportunities for students.

However, your Committees also understand that existing efforts to educate and grow a highly qualified and skilled workforce must also continue to be supported to meet all of the changing workforce needs of the State. Current efforts include the establishment of smaller learning

communities, including schools within schools and applied learning academies, as well as scholarship and other programs such as the B-Plus Scholarship Program and GEAR UP Hawaii, which present effective methods for addressing specific areas of student interest and workforce needs in the community. Your Committees believe that these and other programs should not be superseded by, but should instead be pursued in conjunction with, STEM-specific programs.

To support and enhance existing career academy programs, your Committees believe that a comprehensive Applied Learning High School Academy Program should be established to link the curriculum, including STEM subjects, of a particular school with the mission of a particular agency or University of Hawaii campus to support workforce development in Hawaii.

Accordingly, your Committees have amended this measure by:

- (1) Including a new part that establishes the Applied Learning High School Academy Program and appropriating funds therefor;
- (2) Codifying the Hawaii Excellence Through Science and Technology Academy Program, the Fostering Inspiration and Relevance Through Science and Technology Pre-academy Program, the Robotics and Space Contextual Learning Program, the Research Experiences for Teachers Program, and the Professional Development Program as a new part in chapter 302A, Hawaii Revised Statutes;
- (3) Altering the Hawaii Excellence Through Science and Technology Academy Program to be a component of the Applied Learning High School Academy Program;
- (4) Changing the Research Experiences for Teachers Certificate Program to the Research Experiences for Teachers Program and removing any references to licensing, certification, or step increases relating to certification under the program;
- (5) Specifying that the Fostering Inspiration and Relevance Through Science and Technology Pre-academy Program, the Robotics and Space Contextual Learning Program, and the Research Experiences for Teachers Program shall be administered by the College of Engineering of the University of Hawaii;
- (6) Clarifying that part of the mission of the Fostering Inspiration and Relevance Through Science and Technology Pre-academy Program, with respect to middle schools, shall be to prepare students, beginning in the sixth grade, for entry into the Hawaii Excellence Through Science and Technology Program;
- (7) Clarifying that one of the goals of the Fostering Inspiration and Relevance Through Science and Technology Pre-academy Program shall be to serve students between sixth and eighth grades with contextual learning experiences in science, technology, engineering, and math disciplines;
- (8) Clarifying that the appropriation for the Applied Learning High School Academy is for planning and start-up grants for the program;
- (9) Including an appropriation for the operations of Applied Learning High School Academies; provided that the funds shall be allocated on a per pupil basis;
- (10) Clarifying that the Department of Business, Economic Development, and Tourism shall coordinate with the Department of Education in the establishment and implementation of the business/education internship and mentorship program;
- (11) Removing the State Akamai Investment Matching Special Fund and the Eminent Scholars Program;
- (12) Changing the effective date of the measure from July 1, 2034, to July 1, 2007; and
- (13) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Economic Development and Taxation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1268, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1268, H.D. 3, 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 (Chun Oakland, Hee, Taniguchi).

SCRep. 1307 (Joint/Majority) Economic Development and Taxation and Education on H.B. No. 1670

The purpose of this measure is to establish the Ingenuity Company to facilitate the development of intellectual property, uphold high labor and environmental standards, and provide funds for instruction in the public schools that encourages innovation by Hawaii's students.

Testimony in support of this measure was received from the American Federation of Television and Radio Artists, International Federation of Professional and Technical Engineers AFL-CIO and CLC, Professional Inventors Alliance, Hawaii State AFL-CIO, Hawaii State Teachers Association, Hawaii Teamsters and Allied Workers Local 996, Unite Here! Local 5 Hawaii, Vivalog Technologies, and four individuals. The Department of Budget and Finance submitted testimony in opposition to this measure. The Department of Commerce and Consumer Affairs and the Department of Education submitted comments.

Your Committees find that the ingenuity company, which will be governed by a board of directors representing both the creators of intellectual property and educational or labor beneficiaries, provides an opportunity to focus the financial rewards of ingenuity on education and workforce development that will in turn lead to additional inventions and innovations. In this way, it will create a continuing incentive for seasoned inventors and for developing new talent in Hawaii.

Your Committees have amended this measure by:

- (1) Adding language to clarify the purpose of the Act;
- (2) Stating that the ingenuity company is a body corporate;
- (3) Requiring that any share of the profits distributed to labor union members shall be expended for training of workers or safety and health related practices;
- (4) Deleting the references to the Department of Commerce and Consumer Affairs in the reporting requirements;

- (5) Clarifying that the company shall be limited liability company within the meaning of chapter 428, Hawaii Revised Statutes (HRS), and not subject to the registration requirements of the Department of Commerce and Consumer Affairs;
- (6) Deleting the language regarding any conflict between the new chapter and chapter 428, HRS; and
- (7) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1670, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1670, 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, 1 (Slom). Excused, 3 (Chun Oakland, Hee, Taniguchi).

SCRep. 1308 (Joint/Majority) Economic Development and Taxation and Energy and Environment on H.B. No. 200

The purpose of this measure is to:

- (1) Direct the Auditor to conduct a financial and management audit of the Natural Energy Laboratory of Hawaii Authority's (NELHA) deep seawater pumping system and establish a reasonable rate structure that includes consideration of NELHA's effect on the economy; and
- (2) Freeze rates until the audit is complete.

Testimony in support of this measure was received from the Natural Energy Laboratory of Hawaii Authority and the Hawaii Aquaculture Association.

Your Committees previously heard and approved S.B. No. 853, which is a substantially similar measure.

Your Committees have amended this measure to reflect the language in S.B. No. 853, by deleting the requirement that the Auditor consider the effect of NELHA on the local and state economy.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 200, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 200, 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 (Trimble). Excused, 2 (Ihara, Kokubun).

SCRep. 1309 (Joint) Economic Development and Taxation and Tourism and Government Operations on H.B. No. 1719

The purpose of this measure is to extend the current general excise tax exemption for condominium common expenses paid by managers and hotel employee expenses paid by hotel operators, to include expenses paid by submanagers and suboperators and to include employee expenses in timeshare projects.

Testimony in support of this measure was received from Outrigger Hotels and Wyndham Vacation Ownership, Inc. The Department of Taxation (Department) and the Tax Foundation of Hawaii submitted comments.

The Department stated in written testimony that the revenue impact for this measure would be a revenue loss of approximately \$1,500,000 each year. The Department did not submit the methodology used to determine this fiscal impact.

Your Committees find that changes in visitor accommodations, such as more timeshares, resort condos, or condominium-hotels, have led to differences in how these less traditional facilities are managed. This measure would extend equitable treatment to these newer forms of management and operations, which currently are in place for hotels under more traditional management.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Tourism and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1719, 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, 2 (English, Ige).

SCRep. 1310 (Joint) Economic Development and Taxation and Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1923

The purpose of this measure is to:

- (1) Provide that qualifying agricultural businesses shall remain eligible for tax incentives under the enterprise zone (EZ) program in the event of force majeure; and
- (2) Allow agricultural businesses to meet gross revenue requirements if they are unable to meet the full-time employment requirements of the EZ program.

Testimony in support of this measure was received from the Department of Agriculture; Department of Business, Economic Development, and Tourism; Office of Planning; County of Kauai Office of Economic Development; County of Hawaii Department of Research and Development; Hawaii Agriculture Research Center; Hawaii Farm Bureau; Maui County Farm Bureau; and Hawaii Crop Improvement Association. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committees find that Hawaii's EZ program has very low participation by agricultural businesses. This measure would begin to address that by providing for additional flexibility in meeting EZ requirements for agricultural businesses, particularly in the case of major natural disasters.

Your Committees have amended this measure by:

- (1) Changing the effective date to upon approval; and
- (2) Making technical, nonsubstantive amendments to conform the measure to the preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1923, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1923, 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, 2 (Espero, Hee).

SCRep. 1311 (Joint/Majority) Judiciary and Labor, Tourism and Government Operations and Intergovernmental and Military Affairs on H.B. No. 1561

The purpose of this measure is to establish labor representation procedures in developments in which the State or counties have an ongoing proprietary interest.

Testimony in support was received from Local 5 Hawaii, Hawaii State AFL-CIO, and Hawaii Teamsters and Allied Workers, Local 996. Opposing testimony was received from Department of Labor and Industrial Relations, Office of Collective Bargaining, Associated Builders and Contractors, Hawaii.

Concerns related to Special Purpose Revenue Bond Projects and the impact this measure may have on these types of projects were raised. Therefore, your Committee has amended this measure by excluding Special Purpose Revenue Bond projects. The Office of the Collective Bargaining stated that this measure was circumventing provisions in Chapter 89, Hawaii Revised Statutes. However, Chapter 89 pertains to public employees and therefore would not have any impact on or be affected by this measure.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Tourism and Government Operations and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1561, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1561, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs and Majority Leader on behalf of the Committees. Ayes, 6. Noes, 2 (Hemmings, Trimble). Excused, 1 (Kim).

SCRep. 1312 Judiciary and Labor on H.B. No. 162

The purpose of this measure is to authorize the Child Support Enforcement Agency to impose an annual fee of \$25 in those cases in which no public assistance has been paid to the custodial parent and at least \$500 has been collected from the absent parent.

Your Committee received testimony in support of this measure from the Attorney General and the Corporation Counsel for the City and County of Honolulu.

Your Committee notes that the fee proposed by this measure is necessary to comply with federal requirements imposed by the federal Deficit Reduction Act of 2005. Because of recent proposed rulemaking by the United States Department of Health and Human Services clarifying the requirements of the Deficit Reduction Act of 2005, your Committee has amended this measure to require that the fee be collected and expended in accordance with the requirements of federal Title IV-D.

Your Committee has also amended this measure to transfer the family support divisions of the City and County of Honolulu and the County of Hawaii whose functions, duties, responsibilities, and activities relate to child support enforcement to the Department of the Attorney General, effective October 1, 2007. These twenty-four positions, ten from the City and County of Honolulu and fourteen from the County of Hawaii, have long been funded by the State pursuant to contract. As amended, the bill will protect the transferred employees from loss of salary, benefits, and, where applicable, civil service status.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 162, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 162, 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, 1 (Nishihara).

SCRep. 1313 Judiciary and Labor on H.B. No. 859

The purpose of this measure is to allow collective bargaining agreements relating to public employees, in effect on or after July 1, 2007, to include certain permissible and certain required provisions, the contents of section 89-9, Hawaii Revised Statutes, notwithstanding.

Specifically, this measure directs collective bargaining agreements for public employees in effect on or after July 1, 2007, to:

- (1) Allow negotiated provisions relating to the procedures and criteria on promotions, transfers, assignments, demotions, layoffs, suspensions, terminations, discharge, or other disciplinary actions; and
- (2) Require negotiated provisions relating to the impact of transfers, assignments, and layoffs.

Your Committee received testimony in opposition to this measure from the Department of Human Services; the Hawaii State Judiciary; the Department of Human Resources, County of Hawaii; the Honolulu Fire Department, City and County of Honolulu; the Fire Department, County of Hawaii, and the Fire Department, County of Kauai.

Your Committee has amended this measure by deleting its contents and inserting in its place the contents of Senate Bill No. 1642, S.D.1, which has the effect of removing the mandatory requirement that negotiations relating to a collective bargaining agreement for public employees include negotiations over the impact of transfers, assignments, and layoffs.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 859, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 859, 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, 1 (Nishihara).

SCRep. 1314 Judiciary and Labor on H.B. No. 1292

The purpose of this bill is to protect the status of the Employees' Retirement System (ERS) as a tax-qualified retirement plan under the Internal Revenue Code. The bill accomplishes this purpose by:

- (1) Repealing provisions that allow elective officers to exercise an option to join the ERS at any time during their term of office;
- (2) Repealing provisions that allow elective officers and judges who have reached the 75 percent statutory cap on retirement benefits from terminating their ERS membership while remaining in office;
- (3) Requiring elective officers to exercise their one-time irrevocable option to join or not join the ERS when they are elected for the first time; and
- (4) Setting forth the circumstances under which retirants may return to service as elective officers without suspension of their retirement benefits.

The Department of Budget and Finance, Office of Hawaiian Affairs, Attorney General, Board of Trustees of the ERS, and the Hawaii State Teachers Association, testified in support of this bill.

Your committee notes that the bill allows retirants to serve as elective officers without suspension of their retirement benefits if:

- (1) They retired under section 88-73(d);
- (2) They have been retired at least twelve consecutive months; or
- (3) Their elective office is not the position from which they retired;

however, if the elective officer does not elect to continue to receive the elective officer's retirement benefits, the elective officer will be automatically re-enrolled in the ERS and will earn additional service credit and gain additional retirement benefits under provisions applicable to all other ERS retirants who return to service.

Your Committee finds that this bill is intended to repeal all provisions for optional membership in the ERS that are not permitted by the Internal Revenue Code, but that this bill is not intended to affect the rights of any ERS members or retirants except to the extent required to protect the ERS's status as a tax-qualified retirement plan.

After careful consideration, your committee amended this bill by revising the first sentence of subsection (b) of the new section added by section 1 of the bill to read as follows: "Unless the elective officer is already a member of the system, a former member with vested benefit rights, or a retirant, an elective officer shall make an election to become a member or not become a member no later than the later of the elective officer's taking office, or thirty days following the elective officer's election or appointment to office." The purpose of the revision is to clarify that the option to decide whether or not to become an ERS member applies only to those elective officers who are not already in the ERS as a member, a former member who has the right to a pension upon retirement, or a retirant.

"An elective officer includes but not limited to those persons elected to the county councils, Office of Hawaiian Affairs and the legislature." was added to clarify the term elective officer.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1292, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1292, 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. 1315 Judiciary and Labor on H.B. No. 760

The purpose of this measure is to reduce from \$25,000 to \$5,000 the applicability threshold of service contract wage, hour, and working condition requirements. This measure provides certain exemptions for nonprofits; requires wages providing an annual income of at least the U.S. poverty guideline for Hawaii for a family of four and includes provisions enhancing employees' ability to organize.

Testimony in support of this measure was received from ILWU Local 142, Hawaii State Teachers Association, and the Hawaii State AFL-CIO. Opposing Testimony was received from the Department of Labor and Industrial Relations and the Arc in Hawaii. The Arc is sympathetic with the measure's intent but was wary of its affect on their organization which receives state funds for its operations.

Your Committee has amended this measure by excluding non-profit organizations, such as ARC, that qualify as community rehabilitation programs under Chapter 103D, Hawaii Revised Statutes (H.R.S) or under Chapter 103F, H.R.S.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 760, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 760, 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. 1316 Judiciary and Labor on H.B. No. 1290

The purpose of this measure is to eliminate confusion and/or misinterpretations regarding which "beneficiaries" of an employee killed in the performance of duty or of a deceased retiree are eligible to become EUTF employee-beneficiaries including reciprocal beneficiaries.

Testimony in support of this measure was received from HGEA/AFSCME Local 152, AFL-CIO and one private citizen. ILWU Local 142 submitted testimony in support of the original intent. Opposing testimony was received from The Gay Lesbian, Bisexual and Transgendered Caucus of the Democratic Party; the GLEA Foundation and the Department of Department of Budget and Finance and the Hawaii Employer-Union Health Benefits Trust Fund.

Based on the testimony presented, your Committee finds that including reciprocal beneficiaries, although well intended, may have a negative impact on the fund. Until, the EUTF can analyze the impact of adding this new category may have on the EUTF, your Committee will not advance this proposal. The Committee has amended the bill to revert to the original provisions and added several amendments to prevent discrimination to

any present class of beneficiaries by diminishing their benefits and to provide protection to the EUTF beneficiaries against any breaches of fiduciary duty. These protections mirror the protections that EUTF imposed on the VEBA.

Your Committee further amended the bill by adding a provision that when there is a default in the selection of a plan, that the default would revert to the lowest bidder. This would provide savings for the member and EUTF.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1290, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1290, 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. Ayes with Reservations, 1 (Gabbard). Noes, none. Excused, 1 (Nishihara).

SCRep. 1317 Economic Development and Taxation on H.B. No. 1631

The purpose of this measure is to require qualified high technology businesses claiming the High Technology Business Investment or Research Tax Credit to file with the Department of Taxation an annual survey about employment positions in the State.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism. The Department of Taxation, Hawaii Science & Technology Council, Hawaii Aquaculture Association, Novasol, PacifiCap Group, and one individual submitted testimony in opposition. Enterprise Honolulu and the Tax Foundation of Hawaii submitted comments on this measure.

Your Committee previously heard and approved S.B. No. 898, S.D. 1, which is also a reporting measure.

Given the concerns expressed regarding this measure, your Committee has amended H.B. No. 1631, H.D. 2, by deleting its contents and inserting the language from S.B. No. 898, S.D. 1. As amended, this bill:

- (1) Requires the Department of Taxation to report annually on information collected from July 1, 2004, and thereafter on qualified high technology businesses and related tax incentives to properly evaluate their effectiveness; and
- (2) Appropriates unspecified amounts for the Department of Taxation to initiate and begin implementation.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1631, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1631, 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, Espero).

SCRep. 1318 Economic Development and Taxation on H.B. No. 310

The purpose of this measure is to:

- (1) Establish a statewide Internet Access Task Force to study the feasibility of creating a statewide Internet access network; and
- (2) Require the Auditor to develop a plan for a high-speed Internet access system.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; and City and County of Honolulu Police Department. The Department of Accounting and General Services submitted comments on this measure.

Your Committee has also heard support for S.C.R. No. 62, which would have established a comparable task force with similar goals. Your Committee has incorporated concepts from S.C.R. No. 62 in this measure, and has amended it by:

- (1) Changing the name of the task force to the Hawaii Broadband Task Force;
- (2) Adding two representatives from county police departments or other first-responder agencies;
- (3) Requiring the task force to create a Hawaii statewide Internet access plan for the development of a high-speed, Internet broadband system, with assistance from the Auditor; and
- (4) Making technical, nonsubstantive amendments to conform the measure to the preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 310, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 310, 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. 1319 Economic Development and Taxation on H.B. No. 1799

The purpose of this measure is to provide for a state earned income tax credit (EITC).

Testimony in support of this measure was received from the Department of Taxation; Hawai'i Alliance for Community Based Economic Development; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and 3Point. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee received a statement of fiscal impact from the Department of Taxation (Department) that the legislation would result in a revenue loss of approximately \$24,000,000 annually, assuming twenty per cent conformity to the federal EITC. The Department further noted that this estimate was based on a weighted sample of 2004 individual returns.

Your Committee previously heard and approved S.B. No. 1493, S.D. 1, Relating to Increasing the Standard Deduction for Individual Income Taxation.

Your Committee has amended this measure by deleting the contents of the bill and replacing its contents with the language from S.B. No. 1493, S.D. 1. As amended, this measure increases the Hawaii standard deduction rates by unspecified amounts.

Your Committee notes that this measure has an effective date of July 1, 2025, for the purposes of continued discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1799, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1799, 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. 1320 Economic Development and Taxation on H.B. No. 1735

The purpose of this Act is to establish a temporary Waiomina Centennial Celebration Commission, within the Office of the Governor, to have charge of all arrangements for the commemoration of the centennial anniversary of the Cheyenne Frontier Days Championship of 1908.

Your Committee received testimony in support of this measure from the Waimea Community Association and one individual.

Your Committee notes that the Hawaii ranching community has made significant and substantial contributions to Hawaii's economic and cultural vitality. Since the arrival of cattle and horses in 1793 and 1803, respectively, the multiethnic culture and proud heritage of the livestock industry has been, and will continue to be, a positive influence upon life in Hawaii.

In 1908, Eben Low, a Hawaii rancher, picked three of the best Hawaiian cowboy ropers, known as paniolo, that he could find and entered them in the Frontier Days Rodeo at Cheyenne, Wyoming ("Waiomina" in the Hawaiian language). They took first, third, and sixth places in steer roping, and the cowboy world on the continental United States was stunned.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to continue the discussion on its merits.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1735, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1735, 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, Espero).

SCRep. 1321 Economic Development and Taxation on H.B. No. 1435

The purpose of this measure is to support the Honolulu Symphony's fundraising efforts by allowing pledges to be used to meet the matching requirements for the fiscal year 2006-2007 appropriation to the State of Hawaii Endowment Fund, with unexpended or unencumbered appropriated funds to lapse on June 30, 2009.

Testimony in support of this measure was received from the State Foundation on Culture and the Arts; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; ILWU Local 142; Honolulu Symphony; and ten individuals associated with, or supporters of the Honolulu Symphony.

Your Committee is strongly supportive of the Honolulu Symphony and its efforts to raise private matching funds for the state moneys appropriated in 2006.

Your Committee has amended this measure by clarifying what is considered as private funds, for the purposes of the matching requirement.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1435, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1435, 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, none. Excused, 2 (English, Espero).

SCRep. 1322 Economic Development and Taxation on H.B. No. 338

The purpose of this measure is to:

- (1) Establish the Hawaii innovations partnership corporation to provide research and development grants and to invest in enterprises in advanced technology, life sciences, and renewable energy fields;
- (2) Improve the State's ability to measure productivity and growth of the economy;
- (3) Support the operations and programs of a State operated technology incubator and innovation center in Kakaako;
- (4) Establish a local incubator facility for digital media infrastructure for film and TV productions and interactive game development;
- (5) Establish a music industry program at Honolulu Community College (MELE); and
- (6) Provide funds that allow the University of Hawaii Office of Technology Transfer and Economic Development to enter into a partnership with a private sector entity.

Testimony in support of this measure was received from the Governor; the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; University of Hawaii; Honolulu Community College; Enterprise Honolulu; Hawaii Science & Technology Council; Hawaii Venture Capital Association; and Kamehameha Schools. The Department of Budget and Finance submitted testimony in opposition. The Department of Accounting and General Services; State Procurement Office; Office of Information Practices; Tax Foundation of Hawaii; Mountain Apple Company; Honolulu Seawater Air Conditioning, LLC; and one individual submitted comments.

Your Committee previously heard and approved S.B. No. 1365, S.D. No. 1, further amended by the Committee on Ways and Means as S.B. No. 1365, S.D. 2.

Your Committee has amended this measure by deleting its contents and inserting the language contained in S.B. No. 1365, S.D. 2. As amended, this measure:

- (1) Requires the Employees' Retirement System, as of January 1, 2008, to give preference to Hawaii venture capital investments of equal risk and return to out-of-state investments and caps these investments at three per cent of system funds;
- (2) Appropriates funds to the University of Hawaii Office of Technology Transfer and Economic Development to enter into a partnership with a private sector entity; and
- (3) Takes effect on July 1, 2050.

Your Committee is very supportive of many of the components of this measure, particularly those for the advancement of digital media opportunities and the MELE program at Honolulu Community College. Your Committee notes that these initiatives are contained in other measures and Committee members will have additional opportunities to review and discuss them.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 338, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 338, 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, Espero).

SCRep. 1323 Economic Development and Taxation on H.B. No. 317

The purpose of this measure is to:

- (1) Exempt from the general excise tax amounts that a client company pays to a professional employment organization that will be expended to pay the wages, salaries, payroll taxes, and benefits of the employees hired by a client company; and
- (2) Provide that the exemption shall not apply if the professional employment organization has received written notification of any violations or has failed to pay withholding for any employee taxes.

Your Committee received testimony in opposition to this measure from Altres, Inc., and one individual. The Tax Foundation of Hawaii submitted comments.

Your Committee received a statement of revenue impact from the Department of Taxation that the annual revenue loss would be \$600,000, and that the methodology for this loss was based on actual case settlements.

Your Committee finds that this legislation would lend clarity to the administration of and the compliance with the general excise tax law for both the Department of Taxation and taxpayers.

Your Committee has amended this measure by:

- (1) Adding the tax exemption amendments language to section 237-24.75, rather than section 237-24.7, Hawaii Revised Statutes;
- (2) Deleting the provision related to written notification by any union or the Department of Labor and Industrial Relations of any violation; and
- (3) Making technical amendments to conform this measure to the preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 317, H.D. 2, as amended herein, and recommends 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 Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 1324 Economic Development and Taxation on H.B. No. 312

The purpose of this measure is to make an appropriation to the Department of Business, Economic Development, and Tourism for the Hawaii Community-Based Economic Development Technical and Financial Assistance Program (Program).

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Office of Planning; Office of Hawaiian Affairs; Maui Office of Economic Development; Kauai Office of Economic Development; Kaua'i Community College; National Kidney Foundation; Hawai'i Alliance for Community-Based Economic Development; Hawai'i Small Business Development Center; Garden Island Resource Conservation & Development, Inc.; Kaua'i Planning & Action Alliance, Inc.; The Arc of Kauai; Empower Oahu; Wai'anae Coast Coalition; Kona Pacific Farmers Cooperative; and three individuals.

Your Committee finds that the business community, nonprofit organizations, and other entrepreneurs require a functional, service-oriented agency that is readily available to provide business counseling, financial backing, and general support to foster real community-based economic development of the various products and services demonstrating and embracing Hawaii's diversified economy. The Program was established for this purpose by Act 111, Session Laws of Hawaii (SLH) 1990, codified as chapter 210D, Hawaii Revised Statutes (HRS), which states in part in section 210D-1, HRS, that "[i]t is in the best interest of the State to bring about a diversification of opportunities in all aspects of life for the residents and communities of the State. Community-based enterprises play an important part in providing a diversification of opportunities for Hawaii's residents and communities."

Your Committee finds that this measure is in keeping with the State's stated commitment under Act 211, SLH 1990.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to continue the discussion in its merits.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 312, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 312, 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, Espero).

SCRep. 1325 Economic Development and Taxation on H.B. No. 1083

The purpose of this measure is to:

- (1) Authorize the High Technology Development Corporation to negotiate a ten-year lease to construct the Asia Pacific International Research Center for High Technology in Kakaako; and
- (2) Appropriate an unspecified amount for this purpose.

Testimony in support of this measure was received from the High Technology Development Corporation; Hawaii Community Development Authority; University of Hawaii, John A. Burns School of Medicine; the Office of Technology Transfer and Economic Development; Hawaii Science and Technology Council; The Pacific Resource Partnership; Kamehameha Schools; KUD International and Phase 3 Properties; Cardax Pharmaceuticals, Inc.; and Honolulu Seawater Air Conditioning, LLC.

Your Committee is supportive of the development of incubator and specialized laboratory space, particularly near the medical school. Your Committee members are concerned, however, about potential costs to the State related to the ten-year lease guaranty and a potentially large-scale financial commitment.

Your Committee previously heard and approved S.B. No. 896, S.D. 1, which is a substantially similar measure. Your Committee has amended this measure to incorporate provisions of S.B. No. 896, S.D. 1, by:

- (1) Substituting the language in sections 1 and 2 with the language in sections 1 and 2 of S.B. No 896, S.D. 1, which:
 - (A) Replaces all references to the named developers of the complex with the generic term “developers”;
 - (B) Replaces all references to the “Asia Pacific International Research Center” with “life sciences research complex”; and
 - (C) Clarifies that the State’s portion would be for a “high technology incubator and innovation center” in Kakaako; and
- (2) Deleting section 3, which details issues to be considered in the negotiations; and
- (3) Changing the lease agreement from ten years to five years throughout.

Your Committee has also inserted an effective date of July 1, 2050, for the purposes of furthering discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1083, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1083, 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. Ayes with Reservations, 2 (Ige, Slom). Noes, none. Excused, none.

SCRep. 1326 Judiciary and Labor on H.B. No. 861

The purpose of this measure is to require that the Department of Labor and Industrial Relations be the responsible agency for ensuring compliance with Hawaii’s prevailing wage law for public work projects not directly caused by a governmental contracting agency and require the issuance of special purpose revenue bonds for these projects be reported to the Department of Labor and Industrial Relations.

Your Committee received testimony in support of the bill from the International Brotherhood of Electrical Workers Local 1186 and from the Hawaii State AFL-CIO. Testimony in opposition to the bill was received from Hawaiian Electric Company and the Department of Labor and Industrial Relations.

Your Committee amended the bill where a project party enters into a project agreement involving special purpose revenue bonds and the project party has a collective bargaining agreement with a bona fide labor union, the terms of the collective bargaining agreement and associated provisions shall be deemed the prevailing wages. Your Committee also made some technical non-substantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 861, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 861, 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. 1327 Judiciary and Labor on H.B. No. 989

The purpose of this measure is to allow public employees to donate accumulated sick leave credits, in addition to vacation credits, to assist other employees who are on extended leave because of serious personal illness or injury.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, the United Public Workers, and a concerned individual. The Department of Health, Department of Human Resources Development, Department of Human Resources of the City & County of Honolulu, and Department of Human Resources of the County of Hawaii submitted testimony in opposition to this measure. The Judiciary offered comments in support of the intent but expressing concerns.

Your Committee finds it appropriate to authorize one employee to donate a portion of the employee’s accumulated sick leave to another employee, as a humane and compassionate act, to alleviate the stress and hardship occasioned by a serious illness or injury.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.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, none.

SCRep. 1328 Judiciary and Labor on H.B. No. 1746

The purpose of this measure by the House of Representatives is to extend the sunset date of Act 245, SLH 2005, to 2013. The measure also requires employee organizations that establish VEBA trusts to report to the legislature after two full years of implementation and annually thereafter.

Testimony in support of this measure was received from the Hawaii State Teachers Association, Hawaii State Teachers Association – Retired and numerous teachers. Opposing testimony was received from the Attorney General and the HGEA - Retirees.

Moreover, the Hawaii Employer-Union Health Trust Fund (EUTF) testified against the measure because it asserts that VEBA has cost the EUTF actives over 4% or approximately 8.5 million dollars.

The Hawaii State Teachers' Association (HSTA) stated that VEBA has saved money for its teachers and have also provided new benefits that have been adopted by the EUTF. HSTA further asserts that the extension will provide a truer picture of the savings of the VEBA plan established in March, 2006. HSTA also stated that having another health plan provides competition in prices and benefits that help all public employees.

Your Committee has amended this measure by changing the proposed extension of the repeal of Section 8 of Act 245, Session Laws of Hawaii 2005 from 2013 to 2009. Your Committee also amended this measure by limiting VEBA to only those plans that began in March, 2006.

The following concerns were raised by:

1. the Attorney General that the bill in its present form would create a legal ambiguity whether there will be a thorough evaluation of the costs and benefits of a VEBA trust compared to the Hawaii Employer-Union Health Benefits trust Fund as provided for in section 1 of Act 245, 2005 Session Laws of Hawaii;
2. the HGEA – Retirees that the loss of HSTA retirees would have a negative impact on the remaining EUTF retirees' cost for health benefits; and
3. the Hawaii Employer-Union Health Trust Fund also testified in writing that the HSTA VEBA has resulted in an increase to the actives of over 4% or approximately 8.5 million dollars.

Further discussion with the House of Representatives is necessary regarding this measure and moving it forward would achieve this end.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1746, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1746, 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 (Kokubun, Nishihara).

SCRep. 1329 Judiciary and Labor on H.B. No. 1500

The purpose of this measure is to raise the maximum weekly unemployment benefit to 80% of the average weekly wage. The measure changes the employer's contribution rates for the fiscal year 2007-2008 to 65% of amount and thereafter to 75% of the amount and reduces the adequate reserve fund amount after 2007.

Testimony opposing this bill was received from the Department of Labor and Industrial Relations, ILWU Local 142, The BIA-Hawaii, the Attorney General, the Society for Human Resource Management- Hawaii Chapter, the Chamber of Commerce of Hawaii, NFIB, and Hidano Construction. The Hawaii State AFL-CIO provided comments.

Your Committee requested that the employers, unions and state agencies work on proposed language that will meet each of their needs. Proposed language was submitted by this consortium.

The measure was amended by adopting the proposed language that amended the bill by the following:

- (1) lowered the percentage for the maximum weekly benefit from eighty percent to seventy-five percent;
- (2) increased the offset from \$50 to \$150,
- (3) provided relief for employers to their contributions by lowering the adequate reserve fund from 18 months to 12 months and the amount of contributions; and
- (4) requires the Department of Labor and Industrial Relations to provide a study to the Legislature on the effects of the temporary increase in benefits, lowering the adequate reserve from 18 months to 12 months, make recommendations to the legislature, provide historical data and economic analysis from 1970 to the present on the fund.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1500, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1500, 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, 1 (Nishihara).

SCRep. 1330 Judiciary and Labor on H.B. No. 1212

The purpose of this measure is to provide the judiciary budget for the 2007-2009 biennium.

Testimony in support of this measure was received by the Judiciary, MADD-Hawaii and the Maui County Library Association.

Your Committee has reviewed the information obtained from the Judiciary and has amended this measure accordingly.

The measure was amended by the following highlights:

- (1) Added \$27,500,000 for the construction of the new Kapolei Judiciary Complex and to complete the original purchase of land.
- (2) Added six Juvenile Detention Worker I positions for the Juvenile Detention Home to comply with current collective bargaining provisions.
- (3) Provided funds for Project Hope to purchase three "pupilometers" for drug testing and converted temporary positions to permanent positions.
- (4) Provided \$100,000 each for the drug courts on Maui and Oahu to combat substance abuse.
- (5) Provided funds for Na Loio, Volunteer Legal Services Hawaii, Legal Aid Society, Hawaii Family Law Clinic, Catholic Charities, Parents and Children Together and the Children's Alliance of Hawaii to continue their services to immigrants, indigents and abused children and their families.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1212, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1212, 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, 1 (Nishihara).

SCRep. 1331 Economic Development and Taxation on H.B. No. 92

The purpose of this measure is to promote the fair application of the general excise tax (GET) by allowing securities professionals to pay the general excise tax only on their respective share of commissions divided among a number of persons.

Your Committee received testimony in support of this measure from the National Association of Insurance and Financial Advisors; Brookstreet Securities Corporation; Linsco/Private Ledger Corp.; and one individual. The Department of Taxation (Department) and the Hawaii Tax Foundation submitted comments on this measure.

The Department submitted testimony that the fiscal impact of this measure would be a revenue loss of \$1,400,000 annually. In its methodology, the Department stated that data on GET collected on non-insurance commissions was used to make the estimates, with adjustments made to remove real estate and other commissions.

Your Committee finds that where two or more securities professionals share compensation, each should only be required to pay taxes on their respective portions, rather than on the entire compensation. This measure would address a long-standing inequity in Hawaii tax law.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 92, H.D. 1, S.D. 1, and recommends that it 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, Espero).

SCRep. 1332 Commerce, Consumer Protection and Affordable Housing on H.B. No. 272

The purpose of this measure is to allow captive insurance companies to be formed as limited liability companies, to clarify the minimum capital and surplus requirements, and increase the investment flexibility for pure captives.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Willis Management (Hawaii), and one individual.

Your Committee finds that while Hawaii is the second largest captive insurance domicile in the United States, it is facing increasing competition from other states that have recognized the value of implementing captive insurance enabling regulations.

Your Committee further finds that the Hawaii Revised Statutes do not currently allow for the formation of captive insurance companies to form as limited liability companies, while other states do. This leaves Hawaii unable to compete with other captive domiciles for this type of business. This measure will help Hawaii to continue to be a leading captive insurance domicile by maintaining captive insurance companies already domiciled in Hawaii and attracting new captive insurance companies in the future.

Your Committee has amended this measure by:

- (1) Clarifying that the captive investment requirements found in section 431:19-110, Hawaii Revised Statutes, do not apply to class 3 risk retention captive insurance companies;
- (2) Inserting new language to require the captive insurance administrator, who is currently appointed by the Insurance Commissioner and approved by the Director of Commerce and Consumer Affairs, to also be designated as a deputy commissioner; and
- (3) Making other technical, nonsubstantive changes for purposes of clarity and style.

Your Committee notes that these amendments were agreed upon by the Department of Commerce and Consumer Affairs and the Hawaii Captive Insurers' Council.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 272, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 272, 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, 2 (Ige, Ihara).

SCRep. 1333 (Joint) Intergovernmental and Military Affairs, Transportation and International Affairs and Economic Development and Taxation on H.B. No. 349

The purpose of this measure is to authorize the counties to regulate both guided and unguided bicycle tour businesses on state and county highways.

Your Committees received testimony in support of this measure from the Department of Transportation, the Mayor of the County of Maui, and the Kula Community Association's Sub-Committee on Commercial Bicycle Tours. Testimony in opposition to this measure was submitted by the Small Business Regulatory Review Board and Cruiser Phil's Volcano Riders.

Your Committees find that there have been many safety concerns expressed by the public regarding commercial bicycle tours. In certain areas of the State, the current volume of commercial bicycle tour operations, both guided and unguided, pose significant safety concerns for vehicles and bicycle traffic alike. The popularity of these tours has grown substantially over the years, as has the population in certain residential areas. This growth of sometimes competing interests has led to alleged incidents of volatile confrontations between commercial bicycle tour operators and residents, thereby exacerbating the safety issues raised by the public.

Your Committees further find that this measure addresses these concerns by permitting the council of any county in the State to adopt and provide for the enforcement of ordinances that will improve roadway safety where commercial bicycle tours are conducted. This measure is of particular significance in areas currently without laws or rules governing commercial bicycle tour operations on state and county highways.

Your Committees amended this measure by changing the effective date in order to foster further discussion and by requiring that bicycle tours beginning from federal or state parks and into state highways follow federal regulations in order to provide consistency in the regulations governing both guided and unguided bicycle tour businesses.

It is the intent of your Committees to provide the counties with the authority to regulate both guided and unguided bicycle tour businesses on State and county highways in accordance with Federal guidelines in order to improve safety conditions for both bicyclists and motorists in the State.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Transportation and International Affairs and Economic Development and Taxation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 349, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 349, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees. Ayes, 9. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Hooser, Taniguchi).

SCRep. 1334 Intergovernmental and Military Affairs on H.B. No. 1756

The purpose of this measure is to authorize the counties to exempt nonprofit corporations from the fifteen year limit on the grant of county concessions or concession space.

Your Committee received testimony in support of this measure from the Office of the Mayor of the County of Maui and the County Council of the County of Maui.

Your Committee finds that the Maui County Council's Parks and Economic Development Committee recently conducted lengthy deliberations regarding problems associated with the existing fifteen-year limit on county leases to nonprofit organizations and found that limited leases often prohibit worthy nonprofit organizations from securing grants that are needed to fund capital improvement projects.

As such, it is the intent of your Committee to assist nonprofit organizations to secure grant funds and perform capital improvements for programs that provide substantial community benefits by authorizing counties to exempt nonprofit corporations from the fifteen-year limit on the grant of county concessions or concession space.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1756, 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, 2. Noes, none. Excused, 1 (Tsutsui).

SCRep. 1335 Ways and Means on H.B. No. 1672

The purpose of this measure is to authorize increases to the salaries of legislative service agency deputies and first assistants.

Specifically, the measure authorizes the increase of the maximum allowable salaries of the deputies and first assistants of the Offices of the Auditor, Ombudsman, and the Legislative Reference Bureau from eighty-seven to ninety-two per cent of the salaries of their respective agency heads.

Your Committee received testimony in support of the measure from the Office of the Auditor, the Office of the Ombudsman, and the Legislative Reference Bureau.

Your Committee finds that, generally, Act 225, Session Laws of Hawaii 2005 made the salaries of legislative agency heads comparable to executive department heads. The salaries for deputies and first assistants, however, were not comparable, and the law allowed executive department deputies to command more pay than their legislative agency counterparts.

This measure remedies this problem by providing equity to legislative agency deputies and first assistants by increasing their allowable salaries to equal those of their executive agency counterparts. The measure will also assist legislative agencies with recruitment and job retention efforts and will more accurately compensate legislative agency deputies and first assistants for the duties and responsibilities that they perform.

As affirmed by the record of votes of the members 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. 1672, 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, 8. Noes, none. Excused, 3 (Fukunaga, Menor, Whalen).

SCRep. 1336 Ways and Means on H.B. No. 1226

The purpose of this measure is to provide emergency funding for electricity payments for facilities managed by the Department of Accounting and General Services statewide.

Specifically, the measure appropriates \$626,000 for fiscal year 2006-2007, to be expended by the Department of Accounting and General Services.

Testimony in support of this measure was submitted by the Department of Accounting and General Services.

Your Committee finds that world oil prices have fluctuated at unpredictable levels and have directly contributed to this funding shortfall. Your Committee further finds that without an emergency appropriation for electricity costs, the State would have to defer payment and would incur late payment interest charges.

As affirmed by the record of votes of the members 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. 1226, 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, 8. Noes, none. Excused, 3 (Fukunaga, Menor, Whalen).

SCRep. 1337 Transportation and International Affairs on Gov. Msg. No. 279

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION

G.M. No. 279 BARRY A. FUKUNAGA, for a term to expire 12-6-2010

Your Committee received testimony in support of the nominee from the Harbors Division of the Department of Transportation; Airport Division of the Department of Transportation; Department of Defense; Aloha Tower Development Corporation; United Public Workers; Airport Concessionaires Committee; American Society of Civil Engineers; Hawai'i Ship Agents Association; Aloha Cargo Transport; Hawai'i Transportation Association; Hawai'i Superferry; Horizon Lines; Coalition of Hawai'i Engineering & Architectural Professionals; kya design group; Young Brothers; McCabe, Hamilton & Renny Co., Ltd.; PLA Incorporated; Hawaiian Dredging Construction Company; Hawai'i Public Policy Advocates, LLC; KFC Airport, Inc.; Matson Navigation Company; Hawai'i Bicycling League; Hawai'i Ship Agents Association; Maui County Farm Bureau; Hawai'i Farm Bureau; Imperium Hawai'i; Hawai'i Stevedores, Inc.; Watanabe Ing & Kawashima; Airlines Committee of Hawai'i; Aloha Airlines; Cement and Concrete Products Industry of Hawai'i; Hawai'i Firefighters Association; a State Representative; and seven individuals.

Barry Fukunaga is currently serving as an interim appointment as the Director of the Department of Transportation, effective January 5, 2007. From September 2004 to January 2007, he served as the Deputy Director, Harbors Division, Department of Transportation, where he managed Hawai'i's commercial harbors system, comprised of ten commercial harbors located on O'ahu, Kaua'i, Maui, Moloka'i, Lana'i, and Hawai'i.

Previously, Mr. Fukunaga served as the Director of the Department of Enterprise Services for the City and County of Honolulu, where he administered and managed the Neal S. Blaisdell Center, Waikiki Shell, Honolulu Zoo, and various golf courses. Prior to that, he served as Deputy Director of the Honolulu Department of Environmental Services, where he was responsible for wastewater treatment facilities, solid refuse collection, and disposal functions, and other programs.

In addition, Mr. Fukunaga has served in various capacities in the past twenty-five years with the Department of Transportation as airports manager, airports operations manager, and airports services supervisor. He received a Masters' Degree in Public Administration and a Bachelor's Degree in Business Administration from the University of Hawai'i. Mr. Fukunaga is a former U.S. Air Force pilot.

Although not educated or trained in the technical field of engineering, Mr. Fukunaga has effectively involved himself in managerial roles dealing with engineering work, as well as planning, design, and construction activities associated with capital improvement projects. Exerting a great degree of effort throughout his government career, he has acquainted and familiarized himself with technical issues from the standpoint of becoming a better, more effective manager. He has the knowledge, awareness, and understanding of capital improvement project requirements. More particularly, your Committee was satisfied with Mr. Fukunaga's long-range master plans for highways, harbors, and airports.

Your Committee notes the nominee's testimony that he will focus on the implementation of improvements that have been long sought but subject to continuing delay. There are major highway projects underway to address and alleviate congestion. There is a major modernization program to upgrade airport terminal facilities. The Department of Transportation (DOT) has begun the process of relocating tenants for the development of the new container terminal at Honolulu Harbor and will be pursuing improvements at Kahului, Kawaihae, and Hilo Harbors, by finalizing the major planning and the initial development stages for improvements. This will set the stage for completion by subsequent administrations of the major initiatives.

More specifically, with regard to the Hawai'i Superferry, Mr. Fukunaga stated that, as the DOT is currently undertaking an environmental impact statement (EIS) process for the Kahului Harbor master plan, which includes Hawai'i Superferry. With regard to his decision that an EIS was not required for the Hawai'i Superferry two years ago, he stated that he based his decision on the facts and information he had before him and consulted with others in the DOT, including the then director, to arrive at a mutually agreed upon decision.

Mr. Fukunaga also plans to establish an environmental planning unit in the DOT to guide major DOT projects in order to facilitate greater environmental considerations into planning and construction of projects.

With regard to his autonomy, Mr. Fukunaga stated that he would not relinquish his decision-making authority to the Governor, but in case of a difference of opinion, the Governor makes the ultimate decision. Nonetheless, he assured your Committee that he would explain his views to the Governor and would rely upon his deputies in the DOT to make recommendations in any decision.

Mr. Fukunaga's guiding vision as Director of Transportation is to recognize a sense of urgency in the way the DOT does its work; to be open and communicative to the public concerning DOT projects; to deliver DOT projects sooner and to do them well; to strive for excellence in the work of the DOT; and to give professional support to DOT employees.

Your Committee believes that the nominee's vast experience in all aspects of transportation; his managerial experience and education; unanimous support from testifiers; ready responses to legislators inquiries; and provision of complete information to the Legislature, qualifies him to be the Director of Transportation.

attached to this report, your Committee, after full consideration of the background, 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 (Hooser, Taniguchi).

SCRep. 1338 (Majority) Economic Development and Taxation on H.B. No. 252

The purpose of this measure is to increase conveyance tax rates for sales of condominiums or single-family residences where the purchaser is ineligible for a county homeowner's property tax exemption.

Testimony in support of this measure was received from The Nature Conservancy, Sierra Club Hawai'i Chapter, and one individual. The Department of Taxation, National Federation of Independent Businesses, Hawaii Association of REALTORS, and Wyndham Vacation Ownership, Inc., submitted testimony in opposition. The Tax Foundation of Hawaii submitted comments on this measure.

The measure proposes to raise the conveyance tax as follows:

- (1) For properties valued at less than \$600,000, from fifteen cents to thirty-five cents per \$100;
- (2) For properties valued at \$600,000 but less than \$1,000,000, from twenty-five cents to forty cents per \$100,000; and
- (3) For properties valued at more than \$1,000,000, from thirty-five cents to seventy cents per \$100.

The Department of Taxation submitted a revenue impact statement that the revenue gain to the general fund is estimated to be less than \$566,000, and noted that the following distributions are made to the conveyance tax related funds:

- Rental Housing Trust Fund: \$1,800,000
- Land Conservation Fund: \$377,000
- Natural Area Reserve Fund: \$943,000

Your Committee has heard a number of concerns as to the effectiveness of this measure in curbing speculative sales and the particular impact this measure will have for homes selling for less than \$1,000,000. Sales of homes in the under \$1,000,000 range are far less likely to be “speculative” in nature, given Hawaii housing prices, and including them is unlikely to address the problem of affordable housing.

Your Committee has amended this measure accordingly, by deleting the proposals to raise the tax amounts for properties with a value of less than \$1,000,000.

Your Committee notes that this measure already has an effective date of July 1, 2034, which will allow for further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 252, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.B. No. 252, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Ige). Noes, 1 (Slom). Excused, none.

SCRep. 1339 Economic Development and Taxation on H.B. No. 902

The purpose of this measure is to establish the important agricultural land (IAL) agricultural business tax credit.

Testimony in support of this measure was received from the Department of Agriculture; Agribusiness Development Corporation; Hawaii Farm Bureau; Hawaii Agriculture Research Center; Land Use Research Foundation of Hawaii; Alexander & Baldwin, Inc.; Hawaii Crop Improvement Association; and Hawaiian Electric Company, Inc. One individual submitted testimony in opposition. The Department of Taxation (Department) and Tax Foundation of Hawaii submitted comments on this measure.

The Department submitted a fiscal impact statement that the revenue loss to the State would be approximately \$27,800,000 annually. In its methodology, the Department stated that qualifying inflation-adjusted farm expenses totals about \$70,600,000, based on 2002 Bureau of Census data, and estimated that one-half of farm land would qualify as IAL. In 2006, allocations from the Irrigation Repair and Maintenance Special Fund were approximately \$15,000,000, and an estimated fifty per cent of that would be designated as IAL. (\$35,300,000 - \$7,500,000 = \$27,800,000).

Your Committee previously heard and approved S.B. No 1221, S.D. 2, a comparable measure that established the tax credit over a five-year period.

Your Committee has amended this measure accordingly, by staggering the percentage of costs claimable under the tax credit over a five-year period as follows:

- (1) Fifty per cent of qualified agricultural costs up to an unspecified maximum dollar amount in the first year;
- (2) Twenty per cent of qualified agricultural costs up to an unspecified maximum dollar amount in the second year; and
- (3) Ten per cent of qualified agricultural costs up to an unspecified maximum dollar amount in the third, fourth, and fifth years.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 902, H.D. 2, 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 H.B. No. 902, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 1340 Economic Development and Taxation on H.B. No. 1289

The purpose of this measure is to:

- (1) Clarify that all energy technology systems must be installed and placed in service in the State of Hawaii to obtain the State’s income tax energy tax credit; and
- (2) Amend tax credits applicable to shareholder pro rata shares in S corporations.

Testimony in support of this measure was received from the Department of Taxation, Hawaii Energy Policy Forum, and Hawaii Renewable Energy Alliance. The Tax Foundation of Hawaii submitted comments.

Your Committee received a fiscal impact statement from the Department of Taxation that the revenue gain would be approximately \$29,000.

Your Committee has amended this measure by changing the effective date from upon approval to July 1, 2007, for systems installed after June 30, 2007.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1289, H.D. 2, 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 H.B. No. 1289, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 1341 Economic Development and Taxation on H.B. No. 1639

The purpose of this measure is to:

- (1) Exclude rental income derived from agricultural leases on important agricultural lands (IAL) from gross and adjusted gross income, and taxable income for income tax purposes, under certain conditions; and
- (2) Exempt rental income derived from agricultural leases on important agricultural lands from the general excise tax law, under certain conditions.

Testimony in support of this measure was received from the Department of Agriculture, Department of Taxation, Hawaii Farm Bureau, Land Use Research Foundation of Hawaii, and Alexander & Baldwin, Inc. The Tax Foundation of Hawaii submitted comments on this measure.

S.B. No. 1877, S.D. 2, which is also an IAL tax credit measure, was previously heard and approved by the Senate. In order to consider all options, your Committee has amended this measure by adding the language from S.B. No. 1877, S.D. 2. As amended, this measure:

- (1) In part II, establishes a reimbursable real property income tax credit for one hundred per cent of the actual amount of real property tax paid by taxpayers real property tax assessed on lands designated as important agricultural lands; and
- (2) In part III, provides farmer and employee housing on lands designated as important agricultural lands.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1639, H.D. 2, 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 H.B. No. 1639, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (English, Espero).

SCRep. 1342 Economic Development and Taxation on H.B. No. 506

The purpose of this measure is to extend the tax credit for qualified ethanol production facilities for five years from January 1, 2012, to January 1, 2017.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism and Alexander & Baldwin, Inc. The Department of Taxation (Department) and the Tax Foundation of Hawaii submitted comments on this measure.

Your Committee received a revenue impact statement from the Department that the projected average revenue loss for fiscal year 2012 through fiscal year 2017 is less than \$11,000 annually. In their methodology, the Department stated that the total amount claimed in 2004 was \$8,078, and inflation rates were applied to determine these projections. The Department also stated that should additional ethanol production facilities be developed, the revenue loss would increase. Your Committee has not heard, however, that any additional facilities have moved beyond the "possible" stage.

Your Committee notes that the effective date of this measure is July 1, 2050, which will allow for continuing discussion as additional information may become available.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 506, H.D. 1, S.D. 1, 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, none.

SCRep. 1343 Economic Development and Taxation on H.B. No. 149

The purpose of this measure is to create a one-time tax credit for victims of the October 15, 2006, earthquakes.

The Department of Defense and the Department of Taxation (Department) submitted comments on this measure.

Your Committee has reviewed a number of concerns raised by the Department, particularly the issue of taxpayers who would not be able to claim the credit because they were unable to repair or replace the damaged property. Your Committee agrees with this concern and has addressed it in the amended measure.

Your Committee has amended this measure by:

- (1) Clarifying that a qualifying taxpayer may claim a credit equal to either a percentage of the repair costs, or a percentage of the loss, under certain conditions;
- (2) Restricting the credit to residential structures located in the County of Hawaii;
- (3) Ensuring that the taxpayer may not claim a credit under both provisions, repair costs or loss incurred;
- (4) Establishing a process to determine loss, as determined by a qualified appraiser;
- (5) Clarifying that any excess of the tax credit over liability may be carried forward until exhausted; and
- (6) Changing the end of the applicable period for the tax credit from before January 1, 2007, to before January 1, 2009.

Your Committee received a statement of revenue impact from the Department that based on these amendments, the measure could cost \$15,000,000, with seventy per cent of the cost occurring in the first year. In its methodology, the Department estimated that the earthquake has caused \$200,000,000 in damages. Based on preliminary reports, it is estimate that ten per cent of the total damage was to homes. It is assumed that homeowners recouped twenty-five per cent of damages from insurance. Thus, the estimated legitimate residential claims are estimated to be about \$15,000,000 if the credit were set at one hundred per cent of damages.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 149, H.D. 2, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.B. No. 149, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, none.

SCRep. 1344 Economic Development and Taxation on H.B. No. 1096

The purpose of this measure is to assist low- and moderate-income home buyers by providing a state income tax credit up to twenty per cent of the annual mortgage interest paid per year.

Testimony in support of this measure was received from the Hawai'i Alliance for Community Based Economic Development and the Hawaii Association of REALTORS. The Department of Taxation; UniDev Hawai'i, LLC, and the Tax Foundation of Hawaii submitted comments on this measure.

Your Committee has heard a number of concerns raised about the provisions of this measure, but Committee members believe it merits continuing dialogue.

Your Committee has amended this measure by:

- (1) Deleting all references to "certificate credit rate" throughout;
- (2) Deleting the specific percentage and maximum dollar amount for the tax credit and leaving the percentage and dollar amount unspecified;
- (3) Specifying that the residence shall become the principal residence of the mortgagor within one year;
- (4) Deleting the requirement that each person who issues a state mortgage certificate shall file a report;
- (5) Directing the Hawaii Housing Finance and Development Corporation to administer and enforce the state mortgage certificate and certify eligibility; and
- (6) Inserting an effective date of July 1, 2050, for the purposes of continuing legislative discussions.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1096, H.D. 1, 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 H.B. No. 1096, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 3. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (English, Espero).

SCRep. 1345 Economic Development and Taxation on H.B. No. 1277

The purpose of this measure is to revitalize the Leeward coast by:

- (1) Establishing a \$75,000,000 income tax credit for affordable rental housing and educational and training facilities constructed on the leeward coast of Oahu; and
- (2) Repealing the unused \$75,000,000 Ko Olina Resort and Marina and Makaha Resort tax credit.

Testimony in support of the intent of this measure was received from the Department of Business, Economic Development, and Tourism; Department of Taxation; Office of Planning; and Ko Olina Resort and Marina. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee is in strong support of expanding the economic and housing opportunities for residents of the Leeward coast, and believes that a range of options should be considered before final decisions are made.

Your Committee has amended this measure by:

- (1) Adding commercial projects and specifying what shall be included in the qualified costs for commercial projects;
- (2) Changing the maximum dollar limit for the three tax credit project categories to unspecified amounts;
- (3) Changing the definition of "Leeward coast" to encompass unspecified state senatorial districts, with first preference for qualified projects on lands owned by the Department of Hawaiian Home Lands;
- (4) Providing that the Act shall apply to taxable years beginning after December 31, 2050, for the purposes of further discussion; and
- (5) Making technical amendments for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1277, H.D. 2, 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 H.B. No. 1277, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 1346 Education on Gov. Msg. No. 463

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

G.M. No. 463 JOELLE SEGAWA KANE, for a term to expire 6-30-2011

Upon review of background information submitted by the nominee, your Committee finds that Joelle Segawa Kane holds a Bachelor of Arts degree in Political Science from the University of Washington and a Juris Doctor degree from the William S. Richardson School of Law. She is a partner in the law firm of Henderson Gallager & Kane and is being nominated for reappointment to the Board of Directors of the Research

Corporation of the University of Hawaii. Ms. Kane's prior work experience includes the practice of law in the areas of civil litigation, insurance defense and coverage, personal injury, no-fault insurance law, casualty liability, bad faith, premises liability, and construction defects, as well as service as a law clerk for a Circuit Court judge and as a legislative aide. She is also a member of Sisters Offering Support, the William S. Richardson School of Law Alumni Association, the American Bar Association, the Hawaii State Bar Association, Hawaii Women Lawyers, the Native Hawaiian Bar Association, the Iolani School Alumni Association, Daughters of Hawaii, and Delta Theta Phi.

Testimony in support of the nominee was submitted by the Hawaii Government Employees Association, the State Council of Hawaiian Homestead Associations, the Waimanalo Hawaiian Homes Association, and ten individuals.

Your Committee questioned the nominee regarding the nominee's desire to serve, perception of the role and responsibilities of membership, qualifications for membership, and goals for the nominee's term of service on the Board of Directors of the Research Corporation of the University of Hawaii. Your Committee believes that the nominee adequately responded to the Committee's inquiries and demonstrated adequate knowledge of and a commitment to work towards the goals 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, 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 (Hee, Tokuda).

SCRep. 1347 Education on Gov. Msg. No. 498

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII TEACHER STANDARDS BOARD

G.M. No. 498 CAROL E. SEIELSTAD, for a term to expire 6-30-2010

Upon review of background information submitted by the nominee, your Committee finds that Carol E. Seielstad holds an Artium Baccalaureus degree, with honors, from the University of California at Berkeley and Master's Equivalent degree from McGill University in Montreal, Quebec. She has also earned her fifth year teaching credential from the College of Notre Dame in Belmont, California and has completed certification under Project R.I.S.E. Ms. Seielstad currently serves as a special education teacher at Hanalani and Kapaa Elementary Schools and is being nominated for reappointment to the Hawaii Teacher Standards Board. She has also served as a special education teacher for preschool students, a resource coordinator/resource teacher, a reading specialist, a kindergarten teacher, and as a Peace Corps volunteer teacher. Ms. Seielstad is a National Board Certified Teacher who is also a member of many professional and community organizations.

Testimony in support of this nominee was submitted by the Hawaii State Teachers Association and two individuals.

Your Committee questioned the nominee regarding the nominee's desire to serve, perception of the role and responsibilities of membership, qualifications for membership, and goals for the nominee's term of service on the Hawaii Teacher Standards Board. Your Committee believes that the nominee adequately responded to the Committee's inquiries and demonstrated adequate knowledge of and a commitment to work towards the goals of the Board, including addressing the teacher shortage problem in 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, 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 (Hee, Tokuda).

SCRep. 1348 Intergovernmental and Military Affairs on S.R. No. 21

The purpose of this measure is to condemn the proposed fee increase by the United States Citizenship and Immigration Services and request a halt on the fee increase for all naturalization applications.

Your Committee did not receive testimony regarding this measure.

Your Committee finds that our Nation's and State's newcomers are making valuable contributions to the social, cultural, and economic life of the United States of America and the State of Hawaii.

Your Committee further finds that the United States Citizenship and Immigration Services proposed a sixty-seven per cent fee increase to begin the naturalization process, raising the fee from \$400 to \$675. This proposed fee increase would place a significant financial barrier in the path of many legal permanent residents who seek to naturalize.

Your Committee further finds that the United States Citizenship and Immigration Services' proposed fee increase is contrary to the spirit of our Nation's and State's tradition of welcoming and integrating immigrants, and sends legal permanent residents the wrong message at a time when they are seeking to embrace U.S. citizenship. To this end, it is the intent of your Committee to:

- (1) Condemn the proposed fee increase;
- (2) Request a halt on the fee increase for all naturalization applications;
- (3) Request that the United States Citizenship and Immigration Services provide President George W. Bush and the United States Congress with accurate information in order to ascertain the amount of federal appropriations needed for the United States Citizenship and Immigration Services to modernize its operations and enhance its naturalization services, without raising the naturalization fee; and
- (4) Request that President George W. Bush and the United States Congress provide appropriations to supplement fee revenues to cover costs of major United States Citizenship and Immigration Services' expenses.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 21 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Tsutsui).

SCRep. 1349 (Joint) Intergovernmental and Military Affairs and Health on S.R. No. 34

The purpose of this measure is to request that the State Civil Defense designate a lead staff person to address the disaster preparedness needs of individuals with disabilities and special health needs.

Your Committees received testimony in support of this measure from the Director of Civil Defense of the State Department of Defense, State Council on Developmental Disabilities, Disability and Communication Access Board, Center on Disability Studies, Hawaii Disability Rights Center, and five individuals.

Your Committees find that given the recent disasters, such as hurricanes Katrina and Rita of 2005, and more recently, the earthquakes affecting Hawaii, the needs of individuals with disabilities and other special health needs became more apparent as a part of the overall community emergency preparedness.

Your Committees further find that it is important to expand and improve Hawaii's emergency management operations by supporting the equipping of emergency shelters and designating a statewide coordinator to address and plan for specific and specialized needs of individuals with disabilities and special health needs. To this end, it is the intent of your Committees to:

- (1) Request that a lead staff person address the disaster preparedness needs of individuals with disabilities and special health needs; and
- (2) Request that the State Department of Defense report the designation of its lead staff person to address the disaster preparedness needs of individuals with disabilities and special health needs to the Legislature no later than twenty days prior to the convening of the 2008 Regular Session.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 34 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Noes, none. Excused, 1 (Whalen).

SCRep. 1350 (Joint) Intergovernmental and Military Affairs and Health on S.C.R. No. 58

The purpose of this measure is to request that the State Civil Defense designate a lead staff person to address the disaster preparedness needs of individuals with disabilities and special health needs.

Your Committees received testimony in support of this measure from the Director of Civil Defense of the State Department of Defense, State Council on Developmental Disabilities, Disability and Communication Access Board, Center on Disability Studies, Hawaii Disability Rights Center, and five individuals.

Your Committees find that given the recent disasters, such as hurricanes Katrina and Rita of 2005, and more recently, the earthquakes affecting Hawaii, the needs of individuals with disabilities and other special health needs became more apparent as a part of the overall community emergency preparedness.

Your Committees further find that it is important to expand and improve Hawaii's emergency management operations by supporting the equipping of emergency shelters and designating a statewide coordinator to address and plan for specific and specialized needs of individuals with disabilities and special health needs. To this end, it is the intent of your Committees to:

- (1) Request that a lead staff person address the disaster preparedness needs of individuals with disabilities and special health needs; and
- (2) Request that the State Department of Defense report the designation of its lead staff person to address the disaster preparedness needs of individuals with disabilities and special health needs to the Legislature no later than twenty days prior to the convening of the 2008 Regular Session.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 58 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Noes, none. Excused, 1 (Whalen).

SCRep. 1351 (Joint) Transportation and International Affairs and Intergovernmental and Military Affairs on S.R. No. 12

The purpose of this measure is to request the State Department of Transportation and the Department of Transportation Services of the City and County of Honolulu to cooperate and coordinate efforts to harmonize pedestrian walk signal lights and traffic stop lights with pedestrian's right of way in the crosswalk law.

Your Committees received testimony in support of this measure from the Department of Transportation and Disability and Communication Access Board.

The recent spate of pedestrian fatalities arising from traffic accidents has aroused public concern over the safety of streets and roads, particularly for elderly citizens who generally need more time to complete crossing the street. The State and the City and County of Honolulu need to cooperate and coordinate the timing of traffic signals, as well as the timing of pedestrian walk signals in order to enhance pedestrian safety. Pedestrian walk signal lights and traffic stop lights should allow sufficient time for all pedestrians, particularly the elderly, to complete their crossing in a crosswalk.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 12 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 2 (Hooser, Taniguchi).

SCRep. 1352 (Joint) Transportation and International Affairs and Intergovernmental and Military Affairs on S.C.R. No. 30

The purpose of this measure is to request the State Department of Transportation and the Department of Transportation Services of the City and County of Honolulu to cooperate and coordinate efforts to harmonize pedestrian walk signal lights and traffic stop lights with pedestrian's right of way in the crosswalk law.

Your Committees received testimony in support of this measure from the Department of Transportation and Disability and Communication Access Board.

The recent spate of pedestrian fatalities arising from traffic accidents has aroused public concern over the safety of streets and roads, particularly for elderly citizens who generally need more time to complete crossing the street. The State and the City and County of Honolulu need to cooperate and coordinate the timing of traffic signals, as well as the timing of pedestrian walk signals in order to enhance pedestrian safety. Pedestrian walk signal lights and traffic stop lights should allow sufficient time for all pedestrians, particularly the elderly, to complete their crossing in a crosswalk.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 30 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 2 (Hooser, Taniguchi).

SCRep. 1353 (Joint) Public Safety and Human Services and Public Housing on H.B. No. 1358

The purpose of this measure is to clarify the purpose of the Hawaii Youth Correctional Facilities.

Specifically, the measure changes the purpose of the Hawaii Youth Correctional Facility from a place where a youth is punished to one where the youth is rehabilitated.

The Attorney General, the Department of Human Services Office of Youth Services, the Community Alliance on Prisons, the American Civil Liberties Union of Hawai'i, and the Hawaii Youth Services Network submitted testimony in support of this measure.

According to the testimony, this measure is consistent with best practices in juvenile corrections and will assist staff to carry out the modern purposes of a youth correctional facility, which is to rehabilitate and prepare youth for reentry into the community.

Your Committees find that the change in language marks a change in philosophy that will help guide the protocols that are applied at the Hawaii Youth Correctional Facilities.

It is your Committees' intent to help ensure that youth receive the services they need for successful and productive reentry into the community. According to the Attorney General, a technical, corresponding amendment is necessary to section 571-48(1)(A), Hawaii Revised Statutes. Therefore, your Committees have amended this measure by:

- (1) Amending section 571-48(1)(A), Hawaii Revised Statutes, to replace the term "incarceration" with the term "custody"; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Public Safety and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1358, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1358, 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, 5. Noes, none. Excused, 3 (Hooser, Hemmings, Whalen).

SCRep. 1354 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 266

Recommending that the Senate advise and consent to the nomination of the following:

CHAIRPERSON OF THE BOARD OF AGRICULTURE

G.M. No. 266 SANDRA LEE KUNIMOTO, for a term to expire 12-31-2010

Your Committee reviewed the personal statement and resume submitted by the nominee, and finds Sandra Lee Kunimoto to have the necessary qualifications to be nominated as the Chairperson of the Board of Agriculture.

Your Committee received testimony in support of the nomination of Sandra Lee Kunimoto from the Department of Defense; the Agribusiness Development Corporation; the Nature Conservancy; the Hawaii Farm Bureau Federation; the Maui County Farm Bureau; the Hawaii Association of Conservation Districts; the Hawaii Agriculture Research Center; the Hawaii Crop Improvement Association; the Hawaii Coffee Association; Maui Pineapple Company, Ltd.; the Hawaii Aquaculture Association; the Hawaii Cattlemen's Council, Inc.; Mycogen Seeds; Green Point Nurseries; the Hawaii Egg Producers Association; the Lalamilo Farm Lots Association; the Hawaii Forest Industry Association; the Molokai Irrigation System Water Users Advisory Board; the Hawaii Papaya Industry Association; the Waimanalo Agricultural Association; the Trust for Public Land; and thirty-eight individuals.

Sandra Lee Kunimoto was appointed as the Chairperson of the Board of Agriculture in 2003. Previously, Ms. Kunimoto was the Administrator of the Business Development and Marketing Division at the Department of Business, Economic Development, and Tourism from 2001 to 2002 where she oversaw three areas, including investment and business analysis, service trade, and product trade, and served as the Acting Director of the Department during the Administration transition in December 2002. As the Director of Marketing and Business Development for the Hawaii Agriculture Research Center, from 1995 to 2001, she developed an emerging business segment for the center for the purpose of attracting new businesses into the State, and was part of a collaborated effort to build a multi-industry coalition to work with government agencies and advance the agricultural sector. All together, Ms. Kunimoto has twenty-five years of professional experience in agriculture and its related fields, which has allowed her to blend her knowledge of agriculture with the business of agriculture.

Ms. Kunimoto received her Bachelor of Science in the Biology of Natural Resources from the University of California at Berkeley and her Master of Business Administration from the University of Hawaii at Manoa. She later completed a professional internship at CI Foods Systems Co., Ltd. in Tokyo, Japan through the Japan-America Institute of Management Science, which provided her valuable insights and experience in expanding the global marketplace and the opportunities and challenges this expansion imposes on Hawaii's agricultural industry.

Overwhelming testimony indicates that Ms. Kunimoto has dedicated her career and life to the advancement and expansion of Hawaii's agricultural industry and is a committed and driven advocate for agriculture. Her management style consists of inclusiveness, cooperation, and

respect and she has built valuable partnerships within and outside of the Department of Agriculture that have resulted in many cooperative projects, such as the protection of important agricultural lands, agricultural-related biosecurity initiatives, emergency and disaster response, farm labor assistance, financial assistance for farmers, marketing alliances, and animal quarantine initiatives.

Your Committee finds that under Ms. Kunimoto's tenure as the Chairperson of the Board of Agriculture, the Department of Agriculture has made comprehensive amendments to the State's animal quarantine rules, has established and implemented a state biosecurity program and a seal of quality program, has begun to address agri-terrorism concerns, and has effectively responded and provided assistance to agricultural producers affected by the floods and earthquake in 2006. After the spring floods and the October 15, 2006, earthquake, Ms. Kunimoto was a visible and reassuring presence for the affected farmers as the Department of Agriculture was diligently working on solutions to address their concerns.

Your Committee further finds that Ms. Kunimoto is dedicated to accomplishing further goals for the Department of Agriculture. First, she hopes to develop additional initiatives to ensure the future continued use and viability of agricultural lands through the identification and designation of important agricultural lands. It is vital to relieve the pressures of and provide incentives for residential developers who are using agricultural lands for residential purposes to build elsewhere, such as on rural or mixed-use districts, and keep agricultural districts for agricultural purposes only. Secondly, she firmly believes in providing further opportunities for community engagement to promote agriculture and ensure a future workforce for the agricultural industry, especially when many farmers are beginning to retire without any interested individuals to succeed them and continue their farming operations. Lastly, she is committed to strengthening the Department's biosecurity program, which she believes requires ongoing discussion and guidance.

Your Committee recognizes and notes concerns with the current management and operational status of the irrigation systems statewide, especially with respect to the Molokai Irrigation System. Ms. Kunimoto believes further discussion and community input and engagement are necessary to effectively tackle repair and maintenance and user fee issues. She fully recognizes the concerns the water users have with respect to the Molokai Irrigation System and is currently working with the Department of Hawaiian Home Lands in that department's regional planning study, which is expected to be completed soon. Your Committee urges the Department of Agriculture to consider the issues relating to the Molokai Irrigation System as a top priority in order to achieve an adequate level of satisfaction with the system users.

To this end, your Committee further finds that Ms. Kunimoto's evidenced commitment to the ideals and values of integrity, duty, respect, loyalty, and public service combined with her rich experience and heightened understanding of the multi-faceted components of the agricultural industry make her the best nominee to fulfill the duties and responsibilities of Chairperson of the Board of Agriculture.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, 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. 1355 Education on H.B. No. 17

The purpose of this measure is to provide continuity in funding for schools by requiring the Committee on Weights of the Department of Education to meet biennially and make recommendations for changes to the weighted student formula.

Testimony in support of this measure was submitted by the Department of Education. Testimony in opposition of this measure was submitted by the Hawaii State Teachers Association.

Your Committee finds that pursuant to Act 51, Session Laws of Hawaii 2004, as amended, the weighted student formula was established to provide equity in funding for public school students by utilizing weighted cost factors. Act 51, as amended, also established the Committee on Weights to recommend student characteristics, assign weights to those characteristics, and establish an allocation formula for the Board of Education to consider and adopt. Since its implementation, it has become apparent that the weighted student formula requires changes to ensure that public school students with certain characteristics will not suffer funding deficiencies.

Currently, the Committee on Weights is required to meet annually and submit recommended changes to the weighted student formula to the Board of Education not less than annually. Your Committee understands the concern that schools require some degree of assurance as to the level of funding they will receive on an annual basis. However, your Committee also believes that, particularly in the early stages of the implementation of the weighted student formula, it is prudent for the Committee on Weights to continue to meet annually, although recommendations for changes may not be necessary every year. Additionally, your Committee believes that it is important for the Committee on Weights to provide rationale and reasoning for any findings and recommendations made, including suggested changes to the weighted student formula and its components, as well as information on costs and impacts of proposed changes in order to allow the Board of Education, the Department of Education, the public schools, and policy makers to better understand and analyze those recommendations to determine their propriety and effectiveness.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the change that required the Committee on Weights to meet biennially;
- (2) Requiring the Committee on Weights to provide the Board of Education and the Legislature with:
 - (A) Rationale for any findings and recommendations made, including changes to the weighted student formula and weighted student formula characteristics or weights for those characteristics; and
 - (B) The effects and costs associated with any recommended changes; and
- (3) Making technical, nonsubstantive changes for 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. 17, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 17, 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 (Hee, Nishihara, Taniguchi).

SCRep. 1356 Judiciary and Labor on H.B. No. 987

The purpose of this measure is to clarify the types of acts, for which a police officer is being prosecuted or sued, that would entitle the officer to be represented by legal counsel provided by the county.

The bill provides for three actions that would be “acts done in the performance of the officer’s duty as a police officer” to qualify for legal counsel. The three actions are:

- (1) Any action while in a duty status or while on duty;
- (2) Any action performed while off duty and effecting an arrest or any other police duty; and
- (3) Any action performed while on special duty status.

Your Committee received testimony in support of the bill from the State Organization of Police Officers. The Corporation Counsel testified against the bill.

Your Committee amended the bill by:

1. Adding a fourth action of “under the color of law”;
2. Requiring a recommendation from the corporation counsel or county attorney within seven days of the Police Commission’s request; and
3. Changing the effective date to “upon approval” from January 1, 2050.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 987, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 987, 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. 1357 Judiciary and Labor on H.B. No. 1153

The purpose of this measure is to discourage the illegal use of chemicals used to manufacture controlled substances by providing that the following are subject to seizure and forfeiture:

- (1) All aircraft, vehicles, vessels, or other conveyances used to transport or facilitate the transport of these chemicals; and
- (2) (a) All moneys, securities, and other things of value given in exchange for these chemicals;
- (b) All proceeds traceable to such an exchange; and
- (c) All moneys, negotiable instruments, and securities,

which are used or intended to be used to facilitate: the unlawful manufacture of any controlled substance, or the furnishing of any of these chemicals with the knowledge or intent that the recipient of any such chemicals will use them to unlawfully manufacture any controlled substance.

Your Committee received testimony in support of the bill from the Department of Public Safety and the Honolulu Prosecutor’s Office.

Your Committee amended the bill by changing the effective date to July 1, 2060.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1153, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Nishihara).

SCRep. 1358 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 24

The purpose of this measure is to seek legislative approval for the authorization of a grant of a term, non-exclusive easement for a dive site for commercial submarine tours on portions of State-owned submerged lands in Lahaina, Maui.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources and the Department of the Attorney General.

Atlantis Submarines Hawaii, LLC operates a forty-eight passenger submarine in the Twin Peaks area that consists of four natural reefs. Atlantis sunk, with approval from the Board of Land and Natural Resources, the replica whaling ship Carthaginian to create an artificial reef approximately three thousand one hundred feet offshore of Paumana Beach Park and approximately one hundred and one-fourth miles south of Lahaina Harbor. Studies have shown that artificial reefs alleviate pressure on existing natural reef systems from overuse, promote reef and fish biomass, and provide educational opportunities to study the increase of reef and fish biomass over time.

Your Committee finds that under section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources is required to seek prior approval of the Governor and prior authorization of the Legislature by concurrent resolution to issue a non-exclusive easement for state-owned submerged lands. This measure will provide the required prior legislative approval for an easement for a dive site for commercial submarine tours on portions of State-owned submerged lands in Lahaina, Maui.

Your Committee has amended this measure by:

- (1) Adding the President and Chief Executive Officer of Atlantis Submarines Hawaii, LLC to the list of recipients to receive a certified copy of this measure; and
- (2) Requesting that the Department of Land and Natural Resources submit a written report to the Legislature on the appraised value of the portion of the state-owned submerged lands the non-exclusive easement will cover, and the compensation for the easement.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 24, 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. 24, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 1359 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 176

The purpose of this measure is to obtain a baseline fiscal and management status of the Molokai Irrigation System by requesting the Auditor to perform a financial and management audit of the Department of Agriculture's operation of the Molokai Irrigation System.

Specifically, this measure requests that the Auditor determine:

- (1) The total annual revenues generated from users and the total annual costs of operation and maintenance of the irrigation system for the past three years;
- (2) The anticipated major costs for upkeep and any anticipated costs for capital improvements of the irrigation system over the next three years;
- (3) How funds generated from the users of the irrigation system are being diverted by the Department of Agriculture to subsidize other irrigation systems throughout the State; and
- (4) What measures may be implemented to improve the physical facilities and reduce user costs; and

submit a written report to the Legislature prior to the convening of the 2008 Regular Session.

Testimony in opposition to this measure was submitted by the Department of Agriculture.

The Molokai Irrigation System is the largest irrigation system operated by the Department of Agriculture. The irrigation system extends twenty-five miles, delivers 1.2 billion gallons of water annually, and serves three thousand one hundred sixty acres of land. The revenues and expenses for all irrigation systems, including the Molokai Irrigation System, are deposited into and paid out of a single revolving fund, the Irrigation Revolving Fund, established under section 167-22, Hawaii Revised Statutes.

Your Committee finds that a portion of the revenues generated by the Molokai Irrigation System may be diverted by the Department of Agriculture through the Irrigation Revolving Fund to subsidize other irrigation systems throughout the State. Terminating this diversion could result in lower fees and rates for the users of the irrigation system and additional funds for repairs and improvements of the irrigation system. Thus, a financial and management audit of the Molokai Irrigation System will provide a valuable baseline status of the current fiscal operations and management of the irrigation system.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 176 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, 1 (Fukunaga).

SCRep. 1360 Economic Development and Taxation on Gov. Msg. No. 435

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

G.M. No. 435 JOHN H. DELONG, for a term to expire 6-30-2011

Upon review of the testimonies and the statement submitted by the nominee, your Committee finds that John H. DeLong has the necessary character, experience, and qualifications to serve on the Board of Directors of the Natural Energy Laboratory of Hawaii Authority.

Testimony in support of the nominee was received from the Department of Business, Economic Development, and Tourism; the Natural Energy Laboratory of Hawaii Authority, the current Chair and a former member of its Board of Directors; Maritime Consultants of the Pacific, and one individual.

John H. DeLong is President of Hawaiian Cement and West Hawaii Concrete, a position he has held since 2005. He is responsible for overall management of two construction materials companies with combined revenues of over \$180,000,000 and more than three hundred employees. This is his second term with the company, where he served in executive positions from 1992 to 2000. Mr. DeLong holds a Bachelor of Science in Chemical Engineering from the University of Utah, and a Masters in Business Administration from the University of Hawaii. Mr. DeLong filled a vacancy on the Board created by the retirement of a previous director, and he is currently Vice-Chair and head of the Finance Committee. His experience will be particularly important as the Authority continues its quest for self-sufficiency in the face of rapidly rising costs and other challenges.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee, after full consideration of the background, 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. 1361 Economic Development and Taxation on Gov. Msg. Nos. 474 and 520

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII HISTORIC PLACES REVIEW BOARD

G.M. No. 474 NAOMI CLARKE LOSCH, for a term to expire 6-30-2010; and

G.M. No. 520 JOYCE NAOMI CHINEN, Ph.D., for a term to expire 6-30-2011

Upon review of the testimonies and the statements submitted by the nominees, your Committee finds that Naomi Clarke Losch and Joyce Naomi Chinen have the necessary character, experience, and qualifications to serve on the Hawai'i Historic Places Review Board.

Testimony in support of Naomi Clarke Losch was received from the Department of Land and Natural Resources and two individuals.

Naomi Clarke Losch is both the Chair and an Associate Professor of Hawaiian in the Department of Hawaiian and Indo-Pacific Languages and Literatures. She has taught in the University of Hawai'i system for thirty-seven years and is a graduate of the University, with a B.A. in Anthropology and a M.A. in Pacific Island Studies. Before joining the faculty at Leeward Community College, Ms. Losch worked as an Assistant in Anthropology in the Anthropology Department at Bernice Pauahi Bishop Museum for several years, and her work in the ethnological collection has proven invaluable in her field of Hawaiian language and culture. In addition to her academic work, Ms. Losch is currently a Trustee of the Native Hawaiian Culture and Arts Program at Bishop Museum; Assistant Editor of *Ka Ho'oilina*, the *Legacy*, *Journal of Hawaiian Language*; and has served as a member of the Hawai'i Historic Places Review Board since 2002.

Testimony in support of Joyce Naomi Chinen, Ph.D., was received from the Department of Land and Natural Resources.

Joyce Naomi Chinen, Ph.D., is Professor of Sociology, Division of Social Sciences, University of Hawai'i, West Oahu, and a Full Cooperative Graduate Faculty, Department of Sociology, University of Hawai'i at Manoa. Dr. Chinen holds a Doctorate in Sociology, as well as Masters and undergraduate degrees from the University of Hawai'i. She has been a faculty member in the University of Hawai'i system since 1974, and has published an extensive body of academic papers and other scholarly materials. Dr. Chinen has also received numerous awards during her academic career, and served on a wide range of faculty committees. She is a member of the American Sociological Association, Sociologists for Women in Society, and Hawaii Sociological Association, among other professional organizations. In addition, Dr. Chinen is active in community service organizations and has served on the Hawai'i Historic Places Review Board since 2003. She previously served two terms on the Board in the 1990s.

As affirmed by the records of votes of the members of your Committee on Economic Development and Taxation that are attached to this report, your Committee, after full consideration of the background, 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, 1 (English).

SCRep. 1362 Health on Gov. Msg. Nos. 343, 344, 345 and 417

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, HONOLULU SUBAREA

G.M. No. 343 EMMET WHITE, for a term to expire 6-30-2011;

HEALTH PLANNING COUNCIL, TRI-ISLE SUBAREA

G.M. No. 344 GLENN SOICHI IZAWA, for a term to expire 6-30-2011;

G.M. No. 345 ELAINE JULIA SLAVINSKY, for a term to expire 6-30-2011; and

HEALTH PLANNING COUNCIL, HAWAII COUNTY SUBAREA

G.M. No. 417 THOMAS O. BROWN, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Emmet White, Glenn Soichi Izawa, Elaine Julia Slavinsky, and Thomas O. Brown to have the necessary qualifications to be nominated to the Health Planning Council for their respective subareas.

Your Committee received testimony in support of Emmet White's nomination for the Honolulu Subarea from the Department of Health, Cades Schutte LLP, the Hawaii long term Care Association, Sisters of the Sacred Hearts, and one individual.

Mr. White holds a Juris Doctor degree from the College of William and Mary School of Law and a Bachelor of Arts degree from Lafayette College. He practiced as an attorney in Hawaii for over twenty years. Mr. White has been the president and chief executive officer of Arcadia Retirement Residence since 1995. He is a retired Colonel with the United States Army Reserve. Mr. White's community service includes several positions of leadership with the Central Union Church of Honolulu, and serving as a member and past chair of the board of directors of the Hawaii Long Term Care Association. Your Committee finds that Mr. White's experience and knowledge in the areas of long term care, senior health care, and end of life care are valuable to the Honolulu Subarea Health Planning Council, and that he should be reappointed for a second term.

Your Committee received testimony in support of Glenn Soichi Izawa's nomination for the Tri-Isle Subarea from the Department of Health, Moloka'i General Hospital, and one individual.

Mr. Izawa holds a Bachelor of Arts degree in Psychology and a Masters degree in Social Work from the University of Hawaii. He has been a social worker for the State Adult Mental Health Division for over thirty years. Prior to that, he served in the United States Army. Mr. Izawa is the board chair of the Molokai Health Foundation and the Molokai Community Service Council. He is a member of the Selective Service Board and the National Association of Social Workers, Hawaii Chapter. Mr. Izawa is currently serving a first term on the Subarea Council, and served on the Council in the 1980s. Your Committee finds that Mr. Izawa's experience and knowledge is an asset to the Council and that he should be reappointed for a second term as a provider representative.

Your Committee received testimony in support of Elaine Julia Slavinsky's nomination for the Tri-Isle Subarea from the Department of Health.

Ms. Slavinsky has a Masters degree in Public Health and a Masters degree in Education from the University of Hawaii, a Bachelor of Arts degree in Political Science from the University of Massachusetts, and an Associate degree in Nursing from Massachusetts Bay Community College. She is the Maui program coordinator for the Alzheimer's Association. Her past work experience includes serving as the clinical director for Hospice Maui, the director of nursing for Maui Memorial Medical Center, and in various positions in several hospitals and health centers in Hawaii. She is a member of the Hawaii Nurses Association, Hawaii Public Health Association, American Association of Nurse Executives - Hawaii Chapter, Hospice and Palliative Nurses Association, and the American Association of Hypnotherapists. Your Committee notes that Ms.

Slavinsky has a great deal of experience in community service and has held office in several organizations. She is currently serving her first term on the Tri-Isle Subarea Health Planning Council and has recently taken on the position of chair. Your Committee finds that Ms. Slavinsky's experience, knowledge, and leadership are assets to the Council and that she should be reappointed as a provider representative for a second term.

Your Committee received testimony in support of Thomas O. Brown's nomination for the Hawaii County Subarea from the Department of Health.

Mr. Brown is a graduate of the University of Hawaii at Hilo. He is the Transit Administrator for the County of Hawaii Mass Transit Agency, for which he has worked since 1980. He is a member of the Rotary Club of Hilo, of which he is a past president, and the Aloha Exchange Club. His knowledge of the Hawaii County transit system and understanding of its impact on the health system has been a real asset to the Council during his first term. Your Committee finds that he should be reappointed as a business representative for a second term.

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, 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 (Menor, Whalen).

SCRep. 1363 Health on Gov. Msg. Nos. 361, 362, 363, 364 and 365

Recommending that the Senate advise and consent to the nominations of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, HAWAII SERVICE AREA BOARD

G.M. No. 361 ANDREW DAVID BISSET, Ph.D., M.D., for a term to expire 6-30-2010;

MENTAL HEALTH AND SUBSTANCE ABUSE, KAUAI SERVICE AREA BOARD

G.M. No. 362 JANA HERKES, for a term to expire 6-30-2011;

G.M. No. 363 MARY ANN MORISHIGE, for a term to expire 6-30-2011;

MENTAL HEALTH AND SUBSTANCE ABUSE, MAUI SERVICE AREA BOARD

G.M. No. 364 VIRGINIA RUTH SHAW, Ph.D., for a term to expire 6-30-2011;

G.M. No. 365 PHIL E. KAY, for a term to expire 6-30-2011;

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Dr. Andrew David Bisset, Jana Herkes, Mary Ann Morishige, Virginia Ruth Shaw, and Phil E. Kay, to have the necessary qualifications to be nominated to the Mental Health and Substance Abuse Service Area Board of their respective areas.

Your Committee received testimony in support of Dr. Andrew David Bisset's nomination for the Hawaii Service Area Board from the Department of Health; the Mental Health and Substance Abuse, Hawaii Service Area Board; and two members of Department of Veterans Affairs.

Dr. Bisset has nearly twenty years of experience in psychiatry, most notably in the treatment of post-traumatic stress disorder and war related disorders at the Veterans Administration and Regional Office Center in Hilo, where he has worked since 1994. He is the Director of Behavioral Health and one of the developers of the Lokahi Treatment Centers, which provide substance abuse treatment at several sites on the island of Hawaii. Dr. Bisset concluded his residency in psychiatry at the Medical College of Georgia, Augusta; received his Medical Doctorate from the Universidad Autonoma de Guadalajara, Mexico; and his Bachelor of Arts in Chemistry from Oxford University, England. Dr. Bisset has served on several committees, the most relevant of which is his service on the Augusta, Georgia Mayor's Task Force on Alcoholism and Drug Addiction from 1989-1992. He has numerous presentations and publications on topics relating to substance abuse and mental health. Your Committee finds Dr. Bisset has already shown to be a valuable contributor since his interim appointment and that his continued service as a provider representative would be an asset to the Board.

Your Committee received testimony in support of Jana Herkes' nomination for the Kauai Service Area Board from the Department of Health, Kauai Community Health Center, National Alliance on Mental Illness in Hawaii (NAMI), and two individuals.

Ms. Herkes is a graduate of Punahou School and the University of California at Berkeley, where she received a Bachelors of Arts in Psychology. She is a reservationist with Jack Harter Helicopters and worked with Sweet Wind Bookstore and the Kauai Economic Development Board. She is a member of NAMI Oahu and the Kauai Jail Diversion Committee, and a volunteer with the Adult Day Care Program. Her personal experience with her dual diagnosis son has given the Board a valuable perspective of the mental health service system. Your Committee finds Ms. Herkes to have been a valuable contributor as a stakeholder representative in her first term on the Kauai Service Area Board and that her continued service would be an asset to the Board.

Your Committee received testimony in support of Mary Ann Morishige's nomination for the Kauai Service Area Board from the Department of Health, and two individuals with the Kauai Community Health Center.

Miss Morishige has a Bachelor of Arts in Mathematics from Western Michigan University. She is a retired Bridges Education and Support Group facilitator, in which she assisted mentally ill consumers in recovering from their illnesses. Her community service includes serving as the senior member and sergeant-at-arms of the Lihue Neighborhood Center and volunteering with the RSVP Seniors Volunteer Program. She has dealt with her schizophrenia for over ten years and has successfully left group care to live on her own. Her contributions and responsible nature have served the Board well in her first term. Your Committee finds that her reappointment to a consumer position on the Board would be in the public interest.

Your Committee received testimony in support of Dr. Virginia Ruth Shaw's nomination for the Maui Service Area Board from the Department of Health and the Maui Service Area Board on Mental Health and Substance Abuse.

Dr. Shaw received a Doctorate of Clinical Psychology from the University of Southern Mississippi, a Master of Arts in Clinical-Community Psychology from Wichita State University, and her Bachelor of Arts in Psychology and Sociology from Kansas Wesleyan University. She has specialized training in the Mandt System, and Disaster Mental Health Services. Dr. Shaw is a member of numerous prestigious organizations and

has served in several positions of leadership. Your Committee notes she has received numerous honors and awards and has made numerous paper and seminar presentations. Your Committee finds that Dr. Shaw's knowledge, skills, and expertise are an asset to the Board and recommends that she be reappointed for a second term as a provider representative.

Your Committee received testimony in support of Phil E. Kay's nomination for the Maui Service Area Board from the Department of Health, Maui Service Area Board on Mental Health and Substance Abuse, and one individual.

Mr. Kay is a retired investigator with the Equal Employment Opportunities Commission. He is a board member of the Molokai Aquaculture Alliance and a manager of the Kikai Drop-in Center. Mr. Kay has a Bachelors' of Arts in Social Sciences and was a reservist with the United States Navy. Your Committee finds that his reappointment to a consumer position on the Board would be in the public interest. Your Committee finds that his familiarity with advocacy and his motivation to confront the stigma and prejudice associated with mental illness are important to the Board and recommend that he be confirmed for a second term.

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, 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 (Menor, Whalen).

SCRep. 1364 Judiciary and Labor on Gov. Msg. Nos. 315, 316 and 462

Recommending that the Senate advise and consent to the nominations of the following:

DEFENDER COUNCIL

G.M. No. 315 JULIE KAI BARRETO, for a term to expire 6-30-2011.;

G.M. No. 316 MICHELLE L. DREWYER, for a term to expire 6-30-2011.; and

G.M. No. 462 MICHAEL KAIPOLEIMANU SOONG, for a term to expire 6-30-2011

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the government functions related to the Defender Council. Your Committee further finds that the nominees have been appointed based upon their credentials, integrity, and a desire to make Hawaii better through their participation on the Defender Council to which they have been nominated.

Your Committee received testimony in support of all three nominees from the Public Defender, John Tonaki. There was no opposition to the nominees.

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, 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 (Inouye, Kokubun).

SCRep. 1365 Judiciary and Labor on Gov. Msg. No. 424

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII LABOR RELATIONS BOARD

G.M. No. 424 JAMES BURTON NICHOLSON, for a term to expire 6-30-2012

Upon review of the statement submitted by the nominee, your Committee finds that the nominee will work with compassion and commitment to assist in administering the government functions related to the Hawaii Labor Relations Board as its chairman. Your Committee finds that the nominee graduated from St. Louis High School and was an all star athlete in basketball and football. He then went to Michigan State University where he excelled in football and upon graduating played professional football in the National Football League for eight years. The nominee then returned to Hawaii and entered the University of Hawaii's Richardson School of Law. Upon graduating from law school, the nominee worked at the Hawaii Employers Council. The nominee represented both the employer and the union during his career in labor law. He then became an arbitrator in resolving disputes between management and labor. His integrity and fairness earned him the respect of both management and labor.

Your Committee received testimony in support of the nominee from the Attorney General's Office, the Department of Labor and Industrial Relations, the State of Hawaii Organization of Police Officers, the Hawaii Firefighters Association Local 1463, United Public Workers, Hawaii Electric Company, Sause Brother Inc., Iron Workers Stabilization Fund, Iron Workers Union Local 625, First Hawaiian Bank, Hawaii Teamsters and Allied Workers Local 996, ILWU Local 142, Business Diagnostics, Hawaii Government Employees Association, International Union of Painters and Allied Trades, Weyerhaeuser, 5 attorneys, retired judge Patrick Yim, and several private citizens.

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, 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, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1366 Judiciary and Labor on Gov. Msg. No. 495

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION TO PROMOTE UNIFORM LEGISLATION

G.M. No. 495 KEN HIDESHI TAKAYAMA, for a term to expire 6-30-2011

Upon review of the application, resume, and letter of the nominee, and testimony, your Committee finds Ken H. Takayama eminently qualified for reappointment to the Commission to Promote Uniform Legislation, on which he has served since 1995.

Ken H. Takayama received a J.D. degree from the University of California School of Law (Boalt Hall), and an A.B. in Political Science from Occidental College where he graduated Cum Laude and as a member of Phi Beta Kappa.

Mr. Takayama joined the State of Hawaii Legislative Reference Bureau as a staff attorney in 1979, became Assistant Director for Research in 1986, and since 2003 has served as its Acting Director. Mr. Takayama's numerous publications include the Hawaii Legislative Drafting Manual, 8th and 9th Editions, and the Hawaii Administrative Rules Drafting Manual, 1st and 2nd Editions.

In addition to his duties at the Legislative Reference Bureau, Mr. Takayama has also served as Staff Judge Advocate for the State Headquarters of the Hawaii Army National Guard, most recently holding the rank of Colonel in the U.S. Army Judge Advocate General's Corps.

All of the commissioners on the Commission on Uniform State Laws also serve as commissioners to the National Conference of Commissioners on Uniform State Laws (NCCUSL), an entity dedicated to developing proposed legislation on subjects inappropriate for Congressional action, but for which uniformity among states is desirable. Reappointment to the Commission on Uniform State Laws will enable Mr. Takayama to continue his important contributions to the NCCUSL, including his ongoing participation in the Drafting Committee for the proposed Uniform Misuse of Genetic Information in Insurance and Employment Act.

Your Committee received testimony in support of the nominee from the Attorney General and from four attorneys who also serve on the Commission to Promote Uniform Legislation. The testimony describes him as a conscientious, dedicated, skilled, intelligent, attorney with a tremendous amount of experience in the preparation and review of legislation.

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 Labor that is attached to this report, your Committee, after full consideration of the background, 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 (Inouye, Kokubun).

SCRep. 1367 (Joint) Economic Development and Taxation and Ways and Means on Gov. Msg. No. 278

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF THE DEPARTMENT OF TAXATION

G.M. No. 278 KURT K. KAWAFUCHI, for a term to expire 12-6-2010

Upon review of the testimony and statement submitted by the nominee, your Committees find that Kurt K. Kawafuchi has the necessary character, experience, and qualifications to serve as the Director of Taxation.

Your Committees received testimony in support of Kurt K. Kawafuchi from the Department of Defense; Department of Human Resources Development; Tax Executives Institute, Inc.; Tax Committee of the Hawaii Society of Certified Public Accountants; Hawaii Association of Public Accountants; Hawaii Society of Enrolled Agents; Hawaii State Bar Association Tax Section, and its Probate and Planning Section; Hawaii State Teachers Association; Hawaii Science and Technology Council; Hawaii Venture Capital Association; Hawaii Association of REALTORS; Retail Merchants of Hawaii; Building Industry Association of Hawaii (BIA-Hawaii); Subcontractors Association of Hawaii; and the Chinese Chamber of Commerce of Hawaii. Twelve current and former employees of Mr. Kawafuchi submitted testimony in support of his nomination; along with forty-four tax practitioners, including certified public accountants, attorneys, and others; and an additional two dozen business people, colleagues, and friends.

Kurt K. Kawafuchi has served as Director of Taxation since February 2003, and is responsible for all aspects of tax administration, including audits, collections, criminal tax investigations, legislation, administrative guidance, operations, taxpayer services, and research and planning. Prior to this, Mr. Kawafuchi was Supervisor, Tax Division, State of Hawaii Department of the Attorney General from 1999 to 2003; a tax attorney with Goodwill Anderson Quinn & Stifel from 1994 to 1999; and with Damon Key Bocken Leon & Kupchak from 1992 to 1994. He also served as Trial Attorney, United States Department of Justice, Tax Division, Washington, D.C., from 1986 to 1992.

A graduate of the University of Redlands, Mr. Kawafuchi holds a LL.M. in Taxation from Georgetown University Law Center, and a J.D. and M.B.A. from Santa Clara University. He is licensed to practice as an attorney and as a certified public accountant in both Hawaii and California, and is a Certified Specialist in Taxation Law in California.

In a lengthy written statement, Mr. Kawafuchi responded to questions from your Committees on a range of tax-related issues. He stressed his commitment to a Department that is efficient, service-oriented, and fair to taxpayers and practitioners, and outlined Department efficiencies to meet this commitment. He discussed his qualifications, his experiences during his first term, and his goals for the future. Mr. Kawafuchi also cited the work of the employees of the Department and outlined his response to the need for increased staffing.

Your Committees received testimony in strong support of Mr. Kawafuchi's professional qualifications from dozens of Hawaii tax practitioners. They stressed his commitment, his integrity, and his willingness to work with them in implementing new or revised tax law provisions. Your Committees also heard many favorable comments from former and current employees about his role as a mentor, educator, and "cheerleader" for staff working in a stressful environment with an often unhappy public.

While your Committees may not always agree with Mr. Kawafuchi on tax policy implementation, Committee members commend him for his accessibility and his commitment to the collaborative process of crafting tax laws for the benefit of Hawaii taxpayers.

Your Committees do agree with the comment of one testifier, that Kurt Kawafuchi "exemplifies the concept of public service" in his role as Director of Taxation.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Ways and Means that are attached to this report, your Committees, after full consideration of the background, 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, 10. Noes, none. Excused, 4 (Hooser, Ige, Kim, Whalen).

SCRep. 1368 Judiciary and Labor on H.B. No. 1157

The purpose of this measure is to delete an obsolete reference in the law pertaining to the offense of promoting a dangerous drug in the second degree.

Your Committee finds that the Legislature repealed Section 712-1240.6 with Act 230 of 2006. However, inadvertently, reference to that section was not deleted from Section 712-1242. This bill rectifies the oversight.

Your Committee received testimony in support of the bill from the Honolulu Prosecutor's Office. There was no opposition to the bill.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1157, 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, none. Excused, 2 (Inouye, Nishihara).

SCRep. 1369 Public Safety on Gov. Msg. No. 314

Recommending that the Senate advise and consent to the nomination of the following:

CRIME VICTIM COMPENSATION COMMISSION

G.M. No. 314 LISA ANN ASCHENBRENNER DUNN, for a term to expire 6-30-2011

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Lisa Ann Aschenbrenner Dunn to have the necessary qualifications to be nominated to the Crime Victim Compensation Commission.

Your Committee received testimony in support of Lisa Ann Aschenbrenner Dunn's nomination from the Department of Public Safety, the Crime Victim Compensation Commission, and one individual.

Ms. Dunn has a Master of Social Work degree with a concentration in social development from the University of Hawaii, and a Bachelor of Arts degree in Political Science and Sociology from Humboldt State University.

Ms. Dunn is a project coordinator and social worker for the Hawaii and American Samoa Anti-Trafficking Services of the Salvation Army, adjunct instructor at Hawaii Pacific University, and an adjunct practicum instructor at the School of Social Work of the University of Hawaii. She is currently serving on the State Council for Interstate Adult Offender Supervision, representing victims groups; the Hawaii State Coalition Against Domestic Violence; and Partners in Care, for which she has served as interim chair of the Organizational Development Committee since December 2005. She is also currently serving her first term on the Crime Victim Compensation Commission.

Her previous work experience includes serving as a program director of Child and Family Services, director of operations of Waikiki Health Services, consultant for Mothers Against Drunk Driving, coordinator of the Hawaii State Coalition Against Domestic Violence, volunteer program director of the Hawaiian Humane Society, and administrative assistant for the United Cerebral Palsy Association of Hawaii.

Her prior community service experience includes serving as a PFA Volunteer Chairperson for LaPietra, Hawaii School for Girls; board member of AIDS Community Care Team and The Baby Hui, Inc.; board member and past president of Sunshine School; consultant for Fairness for Abused Women; volunteer monitor for The Hawaii State Planning Council on Developmental Disabilities; Oahu Planning Committee Member of the First Lady's Outstanding Volunteer of the Year Awards; and member of the Hawaii State Coalition Against Domestic Violence.

Your Committee finds that given Ms. Dunn's extensive experience, training, and leadership in restorative justice, her continued service on the Crime Victim Compensation Commission would be of great benefit to the State.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee, after full consideration of the background, 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, none.

SCRep. 1370 (Majority) Public Safety on Gov. Msg. No. 277

Recommending that the Senate not advise and consent to the nomination of the following:

DIRECTOR OF THE DEPARTMENT OF PUBLIC SAFETY

G.M. No. 277 IWALANI D. WHITE, for a term to expire 12-6-2010

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, Iwalani D. White, in consideration of her nomination for the position of Director of Public Safety.

Your Committee finds Ms. White's professional experience to include serving as the Interim Director of the Department of Public Safety, the First Prosecuting Attorney and Deputy Prosecuting Attorney with the Department of the Prosecuting Attorney, District Family Judge of the First Circuit, and an instructor at the University of Hawaii School of Social Work. She has a Juris Doctorate from the William S. Richardson School of Law, University of Hawaii, and a Bachelor of Arts in Sociology from the University of Hawaii. She was admitted to the Hawaii State Bar in October 1981.

Your Committee finds that Ms. White is a member of the Board of Bar Examiners; the Hawaii State Bar Association, of which she is a former member of the Board of Directors; and the Friends of the Judiciary History Center, of which she is the current President and a former board

member. She is a former member of the Domestic Violence Working Group; the Queen Liliuokalani Children's Center, of which she is a former director; the Juvenile Justice Information Center; Gender and Fairness Committee; and the Hawaii Literacy Executive Committee.

Your Committee received testimony in support of Iwalani White's nomination from the Department of the Attorney General and its Crime Prevention and Justice Assistance Division; the State Department of Defense; Office of Hawaiian Affairs; the Department of the Prosecuting Attorney; the Hawaii Paroling Authority; the Crime Victim Compensation Commission; Momilani Elementary School; the Representatives for the Fourth and Forty-eighth Districts of the State House of Representatives; the Office of the Prosecuting Attorney for the County of Hawaii; the Office of the Prosecuting Attorney for the City and County of Honolulu; the City Councilmember representing the Fourth District of the City and County of Honolulu; Iron Workers Local Union 625's Stabilization Fund; Maui Economic Opportunity, Inc.; The Sex Abuse Treatment Center; Tihati Productions, Ltd.; and United Public Workers, AFSCME, Local 646, AFL-CIO; and seventy-three individuals. Testimony in opposition of her nomination was submitted by Pacific Rim Weddings, and sixty-five individuals, nine of whom testified pursuant to subpoena. Your Committee received comments from three individuals.

Your Committee has concerns with the nomination of Ms. White for Director of the Public Safety due to her communication skills, decision making, failure to follow procedures, and lack of experience in the corrections industry. In reaching the difficult decision to reject the nominee, your Committee focused on the nominee's decision making and communication skills, rather than the departmental accomplishments under the nominee's seven months as interim director.

Your Committee heard testimony from individuals who hold or have held positions of various rank within the Department of Public Safety that Ms. White shows a lack of communication skills and questionable decision making ability. Nine of these individuals testified under oath pursuant to subpoena. Examples of poor communication skills include a failure to meet with and communicate the nominee's vision to the wardens and mental health staff; whether or how to move forward with the plans for Maui Community Correctional Center; and the bases and resolutions, or lack thereof, of personnel investigations, both criminal and administrative.

Your Committee notes the effect internal investigations have on staff morale and ability to function properly. Your Committee finds that such investigations should be done swiftly, with as little inference as possible and with timely communication of the results of the investigation. Your Committee heard testimony from several individuals who had been or currently were under investigation claiming that they had no or insufficient knowledge as to why they were under investigation, the status of the investigation, and whether or not they had been exonerated. In fact, the nominee testified that no letter of exoneration had been issued to one individual because she no longer worked with the Department. Ms. White further testified that she was considering shredding a document that documented that individual's exoneration, pursuant to what Ms. White thought was proper policy.

Your Committee received testimony regarding an investigation relating to equipment at Women's Community Correctional Center in which the nominee violated a collective bargaining agreement against the advice of senior staff. In cases of administrative investigations, employees are to be given notice, including the specific reasons for being placed on leave of absence without pay, pending investigation and the available facts supporting the investigation. Ms. White chose not to give the required notice due to the criminal investigation. Your Committee learned that the criminal investigation was found to have no basis within two days; however, the individuals under investigation have yet to receive the required information relating to the administrative investigation and information that they have been exonerated of criminal wrongdoing. Your Committee is also concerned with the nominee's use of "Leave Without Pay Pending Investigation" in this case given the fact that these individuals were quickly cleared of criminal suspicion and that less severe alternatives, including transfer, were immediately available for use by the nominee while conducting the investigations. Furthermore, a decision to possibly spend over \$25,000 to hire an outside investigator to complete an administrative investigation is troublesome, considering the fact that the Department is capable of completing the investigation with internal affairs staff.

Your Committee finds that investigations into personnel wrongdoing are important to the credibility and sustainability of the Department of Public Safety; however, given that these investigations can put careers in jeopardy and disrupt the Department's staffing structure, they must be handled with the utmost care. Based on these two examples, and others given by testifiers both under and not under oath, your Committee finds Ms. White has not properly handled personnel investigations.

Your Committee heard testimony relating to decisions that were hastily made with incomplete information on the part of the nominee. One example is the nominee's changes to the complaint reporting procedures that interfered with the chain of command and other policies within the Department of Public Safety that has resulted in confusion amongst the staff. Ms. White testified that she recently formed a committee to rewrite the new policy; however, your Committee is concerned that such important procedures were not properly reviewed and tested before implementation.

Your Committee also heard testimony regarding the nominee's questioning of senior staff decision making that was done in compliance with the Department's policies and procedures, such as the transfer of an inmate by the Corrections Division Administrator. Your Committee is further concerned with the nominee's decision to ban the Mental Health Branch Administrator from entire facilities and from communicating with mental health staff, where it seems clear that other options were readily available. Although your Committee acknowledges the Mental Health Branch Administrator is under administrative investigation, your Committee finds the Mental Health Administrator needs access to the facilities in which her subordinates work in order to properly supervise them and to adequately carry out the mental health reform plan so as to avoid further federal court actions. Ironically, a mental health inmate at the facility from which the Mental Health Administrator is banned recently committed suicide.

Your Committee notes with great concern that the Department of Public Safety is under scrutiny by the federal government concerning the mental health care of inmates and that communication relating to improvement planning and prioritization is vital to avoid further lawsuits. These skills are also necessary to deal with other challenges facing the Department, including overcrowding and a high rate of recidivism. It is crucial, therefore, that the Director of Public Safety is able to effectively communicate the Department's vision and goals, as well as lead with the confidence of the staff.

Your Committee finds that the nominee has created an environment of fear, distrust, uncertainty, and low morale in certain segments of the Department. Her lack of communication with key staff and management, inability to articulate goals and objectives on certain initiatives, mistreatment of employees, weak team building skills, use of investigative powers, and a series of questionable decisions have generated a wave of discontent and opposition within the Department of Public Safety.

Given Ms. White's demonstrated weakness in these key areas, your Committee believes she is not the right individual for the position of Director of Public Safety.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee not qualified for the position to which nominated and recommends that the Senate does not advise and consent to the nomination.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Whalen). Excused, none.

SCRep. 1371 Economic Development and Taxation on S.C.R. No. 115

The purpose of this measure is to enable both the Department of Taxation and tax practitioners to correctly assist taxpayers, by codifying outdated provisions of the Internal Revenue Code in section 235-110.7, Hawaii Revised Statutes.

The Department of Taxation (Department) and one individual submitted testimony in support of this measure.

Your Committee finds that this measure will address a recommendation made in Part II, Section K, Item 1, of the Report of the 2001-2003 Tax Review Commission: Overhaul and Update the Capital Goods Excise Tax Credit.

Your Committee has heard that the Department may request that the proposed legislation be included in the Department's bill package for 2008, but that the Governor makes the final decision on inclusion. Therefore, your Committee has amended this measure to request that the Department submit proposed legislation directly to the Legislature for introduction in the Regular Session of 2008.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation 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 that it be referred to the Committee on Ways and Means, 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, 1 (English).

SCRep. 1372 (Joint) Intergovernmental and Military Affairs and Transportation and International Affairs on S.C.R. No. 109

The purpose of this measure is to request that the United States Congress create a replacement for the outdated Fast Track Trade Authority system.

Your Committees received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committees find that despite the indisputable fact that international trade agreements have a far-reaching impact on state and local laws, federal government trade negotiators have not respected states' rights by failing to ensure the states' prior informed consent before binding them to conform state law and authority to trade agreement requirements.

Your Committees further find that the Fast Track Trade Authority, which was established by President Richard Nixon when trade agreements were limited to traditional matters such as tariffs and quotas, is now woefully outdated and inappropriate given the diverse range of nontrade issues now included in trade agreements that broadly affect federal and state nontrade regulatory authority.

Your Committees further find that the Fast Track Trade Authority eliminates vital checks and balances established in the United States Constitution by broadly delegating Congress' exclusive Constitutional authority to set the terms of trade to the Executive Branch, empowering it to negotiate broad-ranging trade agreements and to sign them before Congress votes on the agreements.

To this end, it is the intent of your Committees to request that the United States Congress create a replacement for the outdated Fast Track Trade Authority by ensuring the prior informed consent of state legislatures before states are bound to the nontariff terms of any trade agreement that affects state regulatory authority, to make certain that the United States Trade Representative respects the decisions made by states.

Your Committees have amended the measure for purposes of clarity.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 109, as amended herein, and recommend that it be referred to the Committee on Judiciary and Labor, in the form attached hereto as S.C.R. No. 109, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 3 (Hooser, Taniguchi, Hemmings).

SCRep. 1373 (Joint) Intergovernmental and Military Affairs and Transportation and International Affairs on S.R. No. 66

The purpose of this measure is to request that the United States Congress create a replacement for the outdated Fast Track Trade Authority system.

Your Committees received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committees find that despite the indisputable fact that international trade agreements have a far-reaching impact on state and local laws, federal government trade negotiators have not respected states' rights by failing to ensure the states' prior informed consent before binding them to conform state law and authority to trade agreement requirements.

Your Committees further find that the Fast Track Trade Authority, which was established by President Richard Nixon when trade agreements were limited to traditional matters such as tariffs and quotas, is now woefully outdated and inappropriate given the diverse range of nontrade issues now included in trade agreements that broadly affect federal and state nontrade regulatory authority.

Your Committees further find that the Fast Track Trade Authority eliminates vital checks and balances established in the United States Constitution by broadly delegating Congress' exclusive Constitutional authority to set the terms of trade to the Executive Branch, empowering it to negotiate broad-ranging trade agreements and to sign them before Congress votes on the agreements.

To this end, it is the intent of your Committees to request that the United States Congress create a replacement for the outdated Fast Track Trade Authority by ensuring the prior informed consent of state legislatures before states are bound to the nontariff terms of any trade agreement that affects state regulatory authority, to make certain that the United States Trade Representative respects the decisions made by states.

Your Committees have amended the measure for purposes of clarity.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 66, as amended herein, and recommend that it be referred to the Committee on Judiciary and Labor, in the form attached hereto as S.R. No. 66, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 3 (Hooser, Taniguchi, Hemmings).

SCRep. 1374 Judiciary and Labor on S.C.R. No. 178

The purpose of this measure is to request the Legislative Auditor to conduct a study on the impact of Voluntary Employees' Beneficiary Association Trusts on public employees and employers and to provide a basis for the Legislature to decide whether to extend Act 245, Session Laws of Hawaii 2005.

The measure requests the Auditor to conduct a comprehensive study on the impact of Act 245, Session Laws of Hawaii 2005 on:

- (1) Hawaii State Teachers Association members and retirees;
- (2) Members and retirees of other bargaining units who have remained with the Hawaii Employer-Union Health Benefits Trust Fund;
- (3) Public employers;
- (4) The operations and finances of the Hawaii Employer-Union Health Benefits Trust Fund;
- (5) Public employees who would be ineligible to join a Voluntary Employees' Beneficiary Association Trust due to their lack of membership in a public sector union; and
- (6) Any other persons or areas that may be identified by the Auditor.

The Auditor is requested to conduct the study on both a historical and prospective basis, including what would be the future financial viability of the Hawaii Employer-Union Health Benefits Trust Fund if Act 245, Session Laws of Hawaii, were to become permanent and more unions were to establish Voluntary Employees' Beneficiary Association Trusts.

Finally, the Auditor is requested to study the impact of Voluntary Employees' Beneficiary Association Trusts on compliance with Governmental Accounting Standards Board Statement Numbers 43 and 45 and the possibility of employers pre-funding retiree health benefit costs.

Testimony in support of this measure was received from the Director of Budget and Finance, the Administrator of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) and the Director of Budget and Fiscal Services of the City and County of Honolulu (County). The Board of the EUTF voted unanimously to seek passage of this resolution.

The County requested that the measure be expanded to include the impact on GASB 45 financial reporting requirements on Other Post-Employment Benefits (OPEB) for the State and the counties as such impact is unknown. This concern is addressed in this measure.

Your Committee recognizes that House Bill 1746, SD1 extends the repeal date of Act 245, SLH 2005 and has been referred to your Committee on Ways and Means. However, the information that is requested in this measure will be helpful for the Legislature in future deliberations on requests that impact the EUTF.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 178 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Kokubun, Nishihara).

SCRep. 1375 Transportation and International Affairs on S.C.R. No. 6

The purpose of this measure is to request the President of the Senate and the Speaker of the House of Representatives to convene a task force to recommend a process to create a Citizen Road Watch program.

Your Committee received testimony in support of this measure from the Department of Transportation and Oahu Metropolitan Planning Organization.

The task force would be composed of one member of the Senate appointed by the President of the Senate; one member of the House of Representatives appointed by the Speaker of the House; one representative of the Department of Transportation; the City and County of Honolulu Prosecuting Attorney or the Prosecuting Attorney's designee; the Public Defender or the Public Defender's designee; one representative of the City and County of Honolulu Police Department; one representative of the Oahu Metropolitan Planning Organization; one representative of the Oahu Neighborhood Boards appointed by the President of the Senate; and one representative of the Oahu Neighborhood Boards appointed by the Speaker of the House. The task force would report to the 2009 Legislature.

Your Committee is informed that there is a similar Road Watch program in Richmond Hill, California, gives residents an opportunity to report aggressive and unsafe driving in their neighborhoods to the police through the use of Citizen Report forms. This information assists the police in identifying unsafe driving acts or "hot spots" that are traffic problem areas, particularly speeding. This measure engages local residents in changing driving behavior on their neighborhood streets.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 6 and recommends that it be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Hooser, Taniguchi, Tsutsui).

SCRep. 1376 Transportation and International Affairs on S.C.R. No. 98

The purpose of this measure is to request the Auditor to conduct a performance audit of the traffic safety function of the Department of Transportation (DOT) to determine how traffic safety information is collected and used, and to make recommendations on improving the traffic safety functions of the DOT.

No testimony was received by your Committee.

It is the obligation of the State to provide for highway and pedestrian safety to the greatest possible extent for the health and well-being of all the State's residents and visitors. Section 26-19, Hawaii Revised Statutes, provides that the DOT has the responsibility to plan, develop, promote, and coordinate various transportation management programs, which includes traffic safety. The DOT should be collecting traffic safety information, including but not limited to, traffic accident location, frequency, and severity; pedestrian accident frequency and location; speed limit violations; and traffic signal light timing.

The State's worsening transportation problems are imposing substantial costs on the State's residents and businesses. The frequency and severity of traffic accidents and pedestrian accidents cause public concern over whether the State can do more to prevent accidents. As such, your Committee believes this audit is necessary.

Your Committee has amended this measure by adding a reference to the DOT's current handling of access to traffic accident information.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs 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 that it be referred to the Committee on Ways and Means, 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 (Hooser, Taniguchi, Tsutsui).

SCRep. 1377 Commerce, Consumer Protection and Affordable Housing on S.C.R. No. 35

The purpose of this measure is to request a sunrise review on the registration of providers of debt-management services.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation and Legal Aid Society of Hawai'i.

Your Committee finds that the use of debt-management services by consumers is increasing and these services have been criticized for attempting to steer debtors away from bankruptcy when bankruptcy might be more advantageous and less costly to the debtor. Concern has been raised as to whether some type of regulation or registration requirement should apply to providers of debt-management services.

During the 2007 Regular Session, S.B. No. 159 was introduced and sought to prohibit persons from holding themselves out as providers of debt-management services unless they are registered with the Department of Commerce and Consumer Affairs.

This measure, in compliance with section 26H-6, Hawaii Revised Statutes, requests the Auditor to perform a sunrise review on the registration of providers of debt-management services with the Director of Commerce and Consumer Affairs as provided in S.B. No. 159.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 35 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, 2 (Espero, Ige).

SCRep. 1378 Commerce, Consumer Protection and Affordable Housing on S.C.R. No. 75

The purpose of this measure is to request the Auditor to perform a sunrise analysis of the regulation of destination clubs and those who market them.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and the Destination Club Association. ARDA-Hawaii submitted comments on this measure.

Your Committee finds that over the past few years, a new luxury vacation option, called destination clubs, has emerged. These destination clubs offer members a unique way to gain access to a private club's portfolio of fully furnished, luxury residences that provide five-star services and amenities.

Your Committee notes that the destination club industry provides numerous economic benefits for the State and infuses capital into the state economy. However, currently, there are no specific regulatory statutes governing destination clubs.

Your Committee also notes that during 2006, the Department of Commerce and Consumer Affairs created a working group, which included members of the destination club and timeshare industries, to discuss the creation of a regulatory scheme for destination clubs.

During the 2007 Regular Session, S.B. No. 697 was introduced, the purpose of which was to regulate destination clubs and those who market them. This measure, in compliance with section 26H-6, Hawaii Revised Statutes, requests the Auditor to conduct a sunrise review to determine if some type of regulation of destination clubs and those who market them are necessary.

Your Committee has amended this measure to add language to authorize the Auditor to contact those parties, including the Department of Commerce and Consumer Affairs and ARDA-Hawaii, who were involved with the initial meetings regarding the regulation of destination clubs.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 75, 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. 75, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Espero, Ige).

SCRep. 1379 Commerce, Consumer Protection and Affordable Housing on S.C.R. No. 127

The purpose of this measure is to request the Auditor to conduct a sunrise review of the regulation of bail bonding agents and the bail bond industry.

Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that the bail bond industry and bail bonding agents provide an extraordinarily valuable service to both law enforcement and accused persons.

Your Committee further recognizes that to protect against abuses in the bail bond industry, several states have enacted laws regulating the conduct of persons who apprehend bail fugitives. However, Hawaii currently has no laws regulating the conduct of persons who apprehend bail fugitives in the State.

During the Regular Session of 2007, S.B. No. 1961 was introduced and proposed the regulation of bail bonding agents and the bail bond industry.

In compliance with section 26H-6, Hawaii Revised Statutes, this measure requests the Auditor to conduct a sunrise review of the proposed regulations in S.B. No. 1961.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 127 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, 2 (Espero, Ige).

SCRep. 1380 Commerce, Consumer Protection and Affordable Housing on S.C.R. No. 160

The purpose of this measure is to request a sunrise review of the regulation of entities governed by chapter 514B, Hawaii Revised Statutes (HRS), and the enforcement of policies relating to condominiums in the State through the creation of a condominium commission.

Your Committee received testimony in support of this measure from the Hawaii Council of Association of Apartment Owners, the Hawaii Independent Condominium and Co-op Owners, and six individuals. The Real Estate Commission provided comments on this measure.

Your Committee finds that condominium owners face many important issues and that, with the changes made to the condominium law over the last few years, clarity needs to be provided and there must be a method to ensure that the current condominium law is being executed properly.

Your Committee also finds that section 1 of S.B. No. 1837, introduced during the 2007 Regular Session, proposed the creation of a condominium commission to oversee the implementation and regulation of chapter 514B, HRS, and to develop, implement, and enforce policies relating to condominiums in the State. This measure, in compliance with section 26H-6, HRS, requests the Auditor to conduct a sunrise review on the regulation of entities governed by chapter 514B, HRS, as well as the creation of a condominium commission, as proposed in section 1 of S.B. No. 1837.

Your Committee notes that a concern was raised as to the duplicative costs that may arise if a condominium commission is created, as there is already an existing Real Estate Commission that is tasked with addressing condominium issues. Your Committee notes that although this concern may be valid, it may be premature as this measure merely requests the Auditor to conduct a sunrise review.

Your Committee has amended the title and text of this measure, on the recommendation of the Real Estate Commission, to include chapter 514A, Hawaii Revised Statutes, in the sunrise review to be conducted by the Auditor.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 160, 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. 160, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Espero, Ige).

SCRep. 1381 Health on S.C.R. No. 209

The purpose of this measure is to reduce the number of preventable deaths and injuries that occur in hospitals due to inadequate monitoring of patient respiration and blood pressure rates.

Specifically, this measure requests the Auditor to study the social and financial impact of mandatory health insurance coverage for use of the LG1 Intelligent Medical Vigilance System.

Your Committee received testimony in support of this measure from Hoana Medical, Inc. and Hawaii Health Systems Corporation.

Your Committee finds that innovative monitoring technology, such as the LG1 Intelligent Medical Vigilance System, which is designed to alert hospital staff of any abnormalities or changes to a patient's respiration rate, heart rate, or mobility will help to ensure that quality health care is provided in a time efficient manner. The current shortage of hospital nurses in conjunction with the time sensitive issues resulting from abnormal respiration and heart rates and unattended bed exits of patients, creates opportunities for preventable deaths and injuries.

Your Committee further finds that the LG1 Intelligent Medical Vigilance System will provide hospital staff with tools necessary to provide patients with early intervention health care. As a result, health care costs will be lowered without compromising quality health care and the working conditions of the already overburdened nursing and medical staff will be enhanced.

Your Committee further finds that when mandating health insurance coverage for specific health services, specific diseases, or certain providers of health care services as part of an individual or group health insurance policy, section 23-51, Hawaii Revised Statutes, requires a concurrent resolution to be adopted requesting an Auditor's impact assessment report.

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. 209 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1382 Health on S.C.R. No. 211

The purpose of this measure is to improve patient safety and reduce other possible negative outcomes of medical care.

Specifically, this measure requests the Legislative Reference Bureau to study legislation and existing laws from other states relating to reducing negative medical outcomes.

Testimony in support of this measure was submitted by the Consumer Lawyers of Hawaii and the Hawaii Medical Association. The Legislative Reference Bureau submitted comments.

Your Committee finds that patient safety is of the utmost importance. Your Committee further finds that an examination of legislation of other States targeted at reducing negative medical outcomes could help the efforts of local health care stakeholders to continue improvements in patient safety measures in 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. 211 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1383 Health on S.R. No. 135

The purpose of this measure is to reduce the number of preventable deaths and injuries that occur in hospitals due to inadequate monitoring of patient respiration and blood pressure rates.

Specifically, this measure requests the Auditor to study the social and financial impact of mandatory health insurance coverage for use of the LG1 Intelligent Medical Vigilance System.

Your Committee received testimony in support of this measure from Hoana Medical, Inc. and Hawaii Health Systems Corporation.

Your Committee finds that innovative monitoring technology, such as the LG1 Intelligent Medical Vigilance System, which is designed to alert hospital staff of any abnormalities or changes to a patient's respiration rate, heart rate, or mobility will help to ensure that quality health care is provided in a time efficient manner. The current shortage of hospital nurses in conjunction with the time sensitive issues resulting from abnormal respiration and heart rates and unattended bed exits of patients, creates opportunities for preventable deaths and injuries.

Your Committee further finds that the LG1 Intelligent Medical Vigilance System will provide hospital staff with tools necessary to provide patients with early intervention health care. As a result, health care costs will be lowered without compromising quality health care and the working conditions of the already overburdened nursing and medical staff will be enhanced.

Your Committee further finds that when mandating health insurance coverage for specific health services, specific diseases, or certain providers of health care services as part of an individual or group health insurance policy, section 23-51, Hawaii Revised Statutes, requires a concurrent resolution to be adopted requesting an Auditor's impact assessment report.

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. 135 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1384 (Joint) Education and Transportation and International Affairs on S.C.R. No. 66

The purpose of this measure is to make post-secondary education more accessible by requesting the Board of Regents of the University of Hawaii to charge resident tuition to all Pacific Island students, including those from islands that support degree-granting public institutions of higher education.

Testimony in opposition of this measure was submitted by the University of Hawaii.

Your Committees find that until recently, students from Pacific Islands that have historical ties to the United States benefited from being charged resident tuition. However, the policy was changed and now requires students from Pacific Islands that have historical ties to the United States and do not have their own degree-granting public higher education institution to pay non-resident tuition in the amount of one hundred fifty per cent of the resident tuition amount. Your Committees further find that although these affected students are paying a reduced non-resident tuition rate, many come from lower-income families or communities whose per capita incomes do not equal to their American counterparts who must also pay non-resident tuition rates.

Your Committees believe that because these Pacific Islander students do not significantly impact the revenues of the University of Hawaii, and due to the long-standing relationship between Hawaii and these island jurisdictions, the University of Hawaii should reinstate its policy of allowing these students to pay resident tuition rates; provided that the rate is offered on a needs-based basis. This change will facilitate a greater number of Pacific Islander students receiving post-secondary education, improve ties between the jurisdictions, and develop highly-educated and highly qualified individuals for the workforce in Hawaii and throughout the Pacific.

Accordingly, your Committees have amended this measure by:

- (1) Changing its language to accurately reflect the current tuition rates charged to Pacific Island students, based upon testimony provided by the University of Hawaii; and
- (2) Requesting the Board of Regents of the University of Hawaii to charge resident tuition to Pacific Island students; provided that the rate is offered on a needs-based basis and changing the language of the measure, including its title, to reflect this request.

As affirmed by the records of votes of the members of your Committees on Education and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 66, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 66, S.D. 1.

Signed by the Chair and the President on behalf of the Committees. Ayes, 7. Noes, none. Excused, 5 (Hee, Hooser, Nishihara, Taniguchi, Tsutsui).

SCRep. 1385 Education on S.C.R. No. 224

The purpose of this measure is to improve services to Pacific Islanders by requesting the Center for Pacific Island Studies at the University of Hawaii at Manoa to establish a task force to identify and address the needs of Pacific Islanders in Hawaii.

Testimony in support of this measure was submitted by the University of Hawaii.

Your Committee finds that the Center for Pacific Island Studies of the University of Hawaii at Manoa is a Congressionally-recognized national resource center for the study of the Pacific Islands. The Center largely serves the Pacific and its residents by providing the active exchange of knowledge on the region. Your Committee further finds that as a result of the State's geographic location, Hawaii supports a large percentage of Pacific Islander residents throughout the State and must work toward identifying their needs and providing appropriate services therefor. Your Committee believes that the convening of a task force to study and provide recommendations for meeting the needs of the Pacific Islander community, including individuals from Micronesia, in Hawaii is necessary to properly care for members of this community and that the Center for Pacific Island Studies is the appropriate body to consider these issues.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that the task force's purview includes studying the needs of individuals from Micronesia in Hawaii; and
- (2) Removing language that related to numbers for the Pacific Islander population in Hawaii because those numbers also include Native Hawaiians and are thereby erroneous.

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. 224, as amended herein, and recommends that it be referred to the Committee on Transportation and International Affairs, in the form attached hereto as S.C.R. No. 224, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Hee, Nishihara, Taniguchi).

SCRep. 1386 Education on S.R. No. 147

The purpose of this measure is to improve services to Pacific Islanders by requesting the Center for Pacific Island Studies at the University of Hawaii at Manoa to establish a task force to identify and address the needs of Pacific Islanders in Hawaii.

Testimony in support of this measure was submitted by the University of Hawaii.

Your Committee finds that the Center for Pacific Island Studies of the University of Hawaii at Manoa is a Congressionally-recognized national resource center for the study of the Pacific Islands. The Center largely serves the Pacific and its residents by providing the active exchange of knowledge on the region. Your Committee further finds that as a result of the State's geographic location, Hawaii supports a large percentage of Pacific Islander residents throughout the State and must work toward identifying their needs and providing appropriate services therefor. Your Committee believes that the convening of a task force to study and provide recommendations for meeting the needs of the Pacific Islander community, including individuals from Micronesia, in Hawaii is necessary to properly care for members of this community and that the Center for Pacific Island Studies is the appropriate body to consider these issues.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that the task force's purview includes studying the needs of individuals from Micronesia in Hawaii; and
- (2) Removing language that related to numbers for the Pacific Islander population in Hawaii because those numbers also include Native Hawaiians and are thereby erroneous.

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. 147, as amended herein, and recommends that it be referred to the Committee on Transportation and International Affairs, in the form attached hereto as S.R. No. 147, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Hee, Nishihara, Taniguchi).

SCRep. 1387 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 25

The purpose of this measure is to seek prior legislative approval for the Board of Land and Natural Resources to issue a term, non-exclusive surface easement for encroachments on state-owned submerged lands in Kahaluu, North Kona.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources and the Department of the Attorney General.

According to certain Hawaii Supreme Court cases regarding shoreline boundaries, it was held that foundation pilings were installed on state-owned submerged lands during the construction of the original Keauhou Beach Hotel in Kahaluu, North Kona. The Board of Land and Natural Resources granted a term, non-exclusive surface easement for the encroachment to Island Holidays, Ltd. in 1969. Since then, the easement has been assigned to various entities, and most recently to KBH, Inc., a subsidiary of Bishop Holdings, Inc., which is the for-profit development arm of Kamehameha Schools. KBH, Inc. is seeking to simultaneously cancel the original easement and enter into a new, term, non-exclusive surface easement for sixty-five years from the Board of Land and Natural Resources to run concurrently with the sixty-five year ground lease KBH, Inc. is in negotiations to attain from Kamehameha Schools for the fast land portion of the property the hotel sits on.

Your Committee finds that under section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources is required to seek prior approval of the Governor and prior authorization of the Legislature by concurrent resolution to issue an easement for state-owned submerged lands. This measure will fulfill this requirement and allow the Board of Land and Natural Resources to issue a term, non-exclusive surface easement to KBH, Inc.

Your Committee recognizes that negotiations are still in progress and requests that the Department of Land and Natural Resources communicate with the Senate President and the Speaker of the House of Representatives as negotiations proceed.

Your Committee has amended this measure by:

- (1) Requesting that the Department of Land and Natural Resources submit a written report to the Legislature on the appraised value of the portion of State-owned submerged lands the non-exclusive easement will cover, and the compensation for the easement; and
- (2) Making technical, nonsubstantive amendments for the purposes of consistency and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 25, 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. 25, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 1388 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 152

The purpose of this measure is to encourage the Office of Hawaiian Affairs and the Executive Branch to negotiate a settlement of all outstanding claims regarding income and proceeds from the public land trust.

Specifically, this measure:

- (1) Encourages the Office of Hawaiian Affairs and the Executive Branch to continue their negotiations to develop a settlement of all outstanding claims regarding income and proceeds from the public land trust; and
- (2) Requests that upon reaching a settlement, the Office of Hawaiian Affairs and the Executive Branch include in the settlement report:
 - (A) The legal foundation for the State's obligation to allocate a pro rata portion of the income and proceeds from the public land trust to the Office of Hawaiian Affairs;
 - (B) A narrative history and summarized chronology of the efforts to implement and satisfy this obligation; and
 - (C) The proposed key elements of the settlement; and

submit the report to the Legislature prior to the 2008 Regular Session.

Testimony in support of this measure was submitted by the Department of the Attorney General and the Office of Hawaiian Affairs.

Under article XII, section 6 of the State Constitution, the Board of Trustees of the Office of Hawaiian Affairs is required to manage and administer the income and proceeds from a pro rata portion of the public land trust, which contains certain ceded lands returned to Hawaii pursuant to the Admissions Act. For many years, determining the pro rata share of the income and proceeds has been the subject of debate, controversy, legislation, and litigation.

Act 178, Session Laws of Hawaii 2006, was a significant step forward in resolving the Office of Hawaiian Affairs' claims to the income and proceeds of the public land trust. Act 178 established a pro rata portion of the public land trust to the Office of Hawaiian Affairs at \$15,100,000 annually beginning with fiscal year 2005-2006, until further action is taken by the Legislature, and appropriated the sum of \$17,500,000 to the Office of Hawaiian Affairs for amounts received from the use of public trust lands that the Legislature determined were underpaid between July 1, 2001, and June 30, 2005.

The members of the Executive Branch and the Office of Hawaiian Affairs have regularly continued negotiations for the purposes of developing a permanent solution for implementing the requirements of article XII, section 6 of the State Constitution, and settling all claims to income and proceeds from the public land trust. This measure encourages the continuance of further discussion on these matters so that a settlement can finally be reached after years of controversy and litigation.

The Office of Hawaiian Affairs and the Department of the Attorney General indicated to your Committee that they are confident that a settlement will be reached in the near future. Although your Committee recognizes the confidential nature of the ongoing negotiations, it encourages the Office of Hawaiian Affairs to brief the Senate President and the Speaker of the House of Representatives if any potential settlements are reached so that appropriate plans can be made for state budgetary purposes for the next fiscal year.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 152 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, 1 (Fukunaga).

SCRep. 1389 Water, Land, Agriculture and Hawaiian Affairs on S.R. No. 105

The purpose of this measure is to encourage the Office of Hawaiian Affairs and the Executive Branch to negotiate a settlement of all outstanding claims regarding income and proceeds from the public land trust.

Specifically, this measure:

- (1) Encourages the Office of Hawaiian Affairs and the Executive Branch to continue their negotiations to develop a settlement of all outstanding claims regarding income and proceeds from the public land trust; and
- (2) Requests that upon reaching a settlement, the Office of Hawaiian Affairs and the Executive Branch include in the settlement report:
 - (A) The legal foundation for the State's obligation to allocate a pro rata portion of the income and proceeds from the public land trust to the Office of Hawaiian Affairs;
 - (B) A narrative history and summarized chronology of the efforts to implement and satisfy this obligation; and
 - (C) The proposed key elements of the settlement; and

submit the report to the Legislature prior to the 2008 Regular Session.

Testimony in support of this measure was submitted by the Department of the Attorney General and the Office of Hawaiian Affairs.

Under article XII, section 6 of the State Constitution, the Board of Trustees of the Office of Hawaiian Affairs is required to manage and administer the income and proceeds from a pro rata portion of the public land trust, which contains certain ceded lands returned to Hawaii pursuant to the Admissions Act. For many years, determining the pro rata share of the income and proceeds has been the subject of debate, controversy, legislation, and litigation.

Act 178, Session Laws of Hawaii 2006, was a significant step forward in resolving the Office of Hawaiian Affairs' claims to the income and proceeds of the public land trust. Act 178 established a pro rata portion of the public land trust to the Office of Hawaiian Affairs at \$15,100,000 annually beginning with fiscal year 2005-2006, until further action is taken by the Legislature, and appropriated the sum of \$17,500,000 to the Office of Hawaiian Affairs for amounts received from the use of public trust lands that the Legislature determined were underpaid between July 1, 2001, and June 30, 2005.

The members of the Executive Branch and the Office of Hawaiian Affairs have regularly continued negotiations for the purposes of developing a permanent solution for implementing the requirements of article XII, section 6 of the State Constitution, and settling all claims to income and proceeds from the public land trust. This measure encourages the continuance of further discussion on these matters so that a settlement can finally be reached after years of controversy and litigation.

The Office of Hawaiian Affairs and the Department of the Attorney General indicated to your Committee that they are confident that a settlement will be reached in the near future. Although your Committee recognizes the confidential nature of the ongoing negotiations, it encourages the Office of Hawaiian Affairs to brief the Senate President and the Speaker of the House of Representatives if any potential settlements are reached so that appropriate plans can be made for state budgetary purposes for the next fiscal year.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 105 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, 1 (Fukunaga).

SCRep. 1390 (Joint) Human Services and Public Housing and Judiciary and Labor on S.C.R. No. 9

The purpose of this measure is to request the Office of the Auditor to assess the Family Court's handling of domestic violence matters in the First Circuit Family Court.

Oahu VOICES and five individuals submitted testimony in support of this measure. The Judiciary submitted comments.

According to the Judiciary, a system presently exists, pursuant to chapter 586, Hawaii Revised Statutes, whereby petitions for domestic abuse protective orders are heard on a separate docket. However, during the course of interim hearings convened by the Committees on Human Services of the Senate and the House of Representatives, it was recommended that an analysis be conducted of Hawaii's current procedures for addressing child custody matters involving domestic violence to determine whether Hawaii's state court system is following best practices in that area. This measure will help determine, among other things, whether the establishment of a separate domestic violence court would better serve the needs of the community.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Judiciary and Labor 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, 7. Noes, none. Excused, 3 (Inouye, Sakamoto, Hemmings).

SCRep. 1391 (Joint) Human Services and Public Housing and Judiciary and Labor on S.C.R. No. 11

The purpose of this measure is to request the Legislative Reference Bureau to study custody evaluator training models that are applied in other jurisdictions.

The National Association of Social Workers and two individuals submitted testimony in support of this measure. The Legislative Reference Bureau submitted comments.

During the interim, the Committees on Human Services of the Senate and the House convened a task force to examine issues pertaining to the Hawaii Family Court. Due to time constraints, the task force was unable to fully explore the issue of training and oversight of custody evaluators in both the Hawaii Family Court and in other jurisdictions. Task force members are interested in how other jurisdictions address training and oversight of custody evaluators. This measure will assist task force members in determining whether to recommend action to improve custody evaluation in the Hawaii Family Court.

Your Committees note the suggestions raised by the National Association of Social Workers that the Legislative Reference Bureau also review training models, custody evaluator qualifications, oversight of the process of selecting custody evaluators, as well as the actual process of how custody evaluators are selected.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 11 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, 3 (Inouye, Sakamoto, Hemmings).

SCRep. 1392 (Joint) Human Services and Public Housing and Judiciary and Labor on S.C.R. No. 12

The purpose of this measure is to request the Legislative Reference Bureau to study joint or shared physical and legal custody presumptions in family law as enacted and applied by other jurisdictions.

Two individuals submitted testimony in support of this measure. The Legislative Reference Bureau, Oahu VOICES, and two individuals submitted comments.

During the interim, the Committees on Human Services of the Senate and the House convened a task force to examine issues pertaining to the Hawaii Family Court. Due to time constraints, the task force was unable to fully explore the issue of whether, in a divorce proceeding, a

rebuttable presumption should exist that states that parents should share equally in the parenting of the child. Task force members are interested in how other states address the issue before determining whether a similar rebuttable presumption should be established in Hawaii Family Court. This measure will assist the task force in its deliberations.

Your Committees have amended this measure, based on the Legislative Reference Bureau's testimony, by:

- (1) Deleting the request that the study include a review and comparison of other countries' statutes relating to joint or shared physical and legal custody presumptions; and
- (2) Deleting the request that the study include a review of data regarding joint physical and joint legal custody requests in Hawaii Family Court actions.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 12, 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. 12, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Noes, none. Excused, 3 (Inouye, Sakamoto, Hemmings).

SCRep. 1393 Human Services and Public Housing on S.C.R. No. 16

The purpose of this measure is to further study the outstanding recommendations of the four committees that were formed by the SCR 52 Task Force relating to Family Court Models, Family Court Sunshine and Accountability, Temporary Restraining Orders, and the Best Interests of the Child.

The National Association of Social Workers, Volunteer Legal Services Hawai'i, and two individuals submitted testimony in support of this measure. VOICES submitted comments.

Your Committee finds that the four committees formed by the SCR 52 Task Force had productive discussions and made good recommendations regarding how to make the Family Court more accessible to the public and responsive to the needs of participants. However, given the scope and complexity of the committees' endeavors, more time and participation is necessary to properly explore unresolved issues and outstanding committee recommendations. This measure will enable the SCR 52 Task Force to build on the research and results that it accomplished so far.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 16 and recommends that it be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Sakamoto, Hemmings).

SCRep. 1394 Human Services and Public Housing on S.C.R. No. 20

The purpose of this measure is to recognize that children of this State are entitled to certain rights and urging lawmakers to respect children's rights when enacting legislation related to children.

Volunteer Legal Services Hawai'i and one individual submitted testimony in support of this measure.

Your Committee finds that it is important to be cognizant of the rights of children when enacting laws and establishing policies that will impact their lives and futures. The Legislature and the Governor should advocate for and take appropriate measures to protect children's rights, to help meet children's basic needs, and to expand children's opportunities to reach their potential.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 20 and recommends that it be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Sakamoto, Hemmings).

SCRep. 1395 Human Services and Public Housing on S.C.R. No. 71

The purpose of this measure is to establish a Legislative Interim Task Force to study and make recommendations regarding the creation of Universal Children's Savings Accounts.

The Hawai'i Alliance for Community-Based Economic Development and 3Point submitted testimony in support of this measure.

Your Committee finds that a Universal Children's Savings Account is a restricted account that is established at a child's birth and that can be used for the child's education, homeownership, retirement, or other stated purpose. As noted by the Hawai'i Alliance for Community-Based Economic Development, the initial deposit, with compounding interest and additional deposits from Earned Income Tax Credit refunds, Child Tax Credits, and other sources would provide a significant foundation for children in Hawaii, particularly those with no other assets.

This measure will establish a task force to study and make recommendations regarding the creation of Universal Children's Savings Accounts for children in Hawaii.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.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, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1396 Human Services and Public Housing on S.C.R. No. 81

The purpose of this measure is to request the Auditor to conduct a financial and program audit of Hawaii's Independent Living Center.

The Disability and Communication Access Board, the Statewide Independent Living Council of Hawaii, the Deaf & Hard-of-Hearing Advisory Board, Access Aloha, and thirteen individuals submitted testimony in support of this measure. One individual submitted testimony in support of the intent of this measure. Hawaii's Centers for Independent Living submitted comments.

Hawaii's Centers for Independent Living is a consumer-controlled, community-based, cross-disability, nonprofit agency that was established to maximize the independence of individuals with disabilities and promote their integration into the mainstream of American society. The agency receives significant federal and state funds to provide services to individuals with disabilities for these purposes. Questions and concerns have been raised by the community regarding whether the Hawaii Centers for Independent Living is fulfilling its mission and whether its Board of Directors is meeting its fiduciary responsibilities. This measure requests the Auditor to conduct a financial and program audit of the Hawaii Centers for Independent Living and to submit a report to the Legislature.

As affirmed by the record of votes of the members of your Committee on Human Services and Public 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, 1 (Hemmings).

SCRep. 1397 Human Services and Public Housing on S.C.R. No. 142

The purpose of this measure is to request the Legislative Reference Bureau to study other states' adult protective services and compare them to Hawaii's adult protective services.

The National Association of Social Workers submitted testimony in support of this measure. The Legislative Reference Bureau submitted comments.

In Hawaii, adult protective services provides crisis intervention, investigation, and emergency services to dependent adults who are reported to be abused, neglected, or financially exploited by others or seriously endangered due to self-neglect. Concerns have been raised by stakeholders and others in the community regarding whether the strict criteria under Hawaii's Adult Protective Services Law prevents the Department of Human Services from investigating reports for those who are most in need of services.

As noted by the National Association of Social Workers, questions exist regarding what population is most in need of services and how, if at all, the State's Adult Protective Services Law should be amended to provide services to that population. Also, questions remain regarding at what point the State should intervene and offer services. This measure will provide information regarding how other states implement their adult protective services and offer Hawaii a point of comparison in determining whether and how to expand its adult protective services.

Your Committee has amended this measure by:

- (1) Adding two additional clauses regarding the estimated increase in Hawaii's older adult population;
- (2) Deleting the request that the Legislative Reference Bureau discuss the consequences of any expansion of services or changes to adult protective services laws in the various states to make the study more manageable; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 142, 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. 142, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1398 Human Services and Public Housing on S.R. No. 96

The purpose of this measure is to request the Legislative Reference Bureau to study other states' adult protective services and compare them to Hawaii's adult protective services.

The National Association of Social Workers submitted testimony in support of this measure. The Legislative Reference Bureau submitted comments.

In Hawaii, adult protective services provides crisis intervention, investigation, and emergency services to dependent adults who are reported to be abused, neglected, or financially exploited by others or seriously endangered due to self-neglect. Concerns have been raised by stakeholders and others in the community regarding whether the strict criteria under Hawaii's Adult Protective Services Law prevents the Department of Human Services from investigating reports for those who are most in need of services.

As noted by the National Association of Social Workers, questions exist regarding what population is most in need of services and how, if at all, the State's Adult Protective Services Law should be amended to provide services to that population. Also, questions remain regarding at what point the State should intervene and offer services. This measure will provide information regarding how other states implement their adult protective services and offer Hawaii a point of comparison in determining whether and how to expand its adult protective services.

Your Committee has amended this measure by:

- (1) Adding two additional clauses regarding the estimated increase in Hawaii's older adult population;
- (2) Deleting the request that the Legislative Reference Bureau discuss the consequences of any expansion of services or changes to adult protective services laws in the various states to make the study more manageable; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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, 1 (Hemmings).

SCRep. 1399 Human Services and Public Housing on S.C.R. No. 213

The purpose of this measure is to request the Governor to fund breast cancer and cervical cancer screening for low-income women in Hawaii.

The University of Hawai'i System submitted testimony in support of this measure. The Department of Health submitted testimony in support of the intent of this measure.

The Hawaii Breast and Cervical Cancer Control Program was established in the Department of Health in 1997, and provides access to screening for populations disproportionately affected by cervical cancer, namely Native Hawaiian, Filipino and Pacific Island women, and women with no medical coverage. The Committee finds that decreasing federal funding for this program will likely lead to fewer routine screenings for those women who truly need the assistance. This measure requests the Governor to establish a program to provide coverage for cancer screening for women fifty to sixty-four years of age who are low-income or who lack or have insufficient health insurance.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 213 and recommends that it be referred to the Committee on Health.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1400 Human Services and Public Housing on S.R. No. 137

The purpose of this measure is to request the Governor to fund breast cancer and cervical cancer screening for low-income women in Hawaii.

The University of Hawai'i System submitted testimony in support of this measure. The Department of Health submitted testimony in support of the intent of this measure.

The Hawaii Breast and Cervical Cancer Control Program was established in the Department of Health in 1997, and provides access to screening for populations disproportionately affected by cervical cancer, namely Native Hawaiian, Filipino and Pacific Island women, and women with no medical coverage. The Committee finds that decreasing federal funding for this program will likely lead to fewer routine screenings for those women who truly need the assistance. This measure requests the Governor to establish a program to provide coverage for cancer screening for women fifty to sixty-four years of age who are low-income or who lack or have insufficient health insurance.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 137 and recommends that it be referred to the Committee on Health.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1401 Human Services and Public Housing on S.C.R. No. 48

The purpose of this measure is to request that the Auditor conduct a financial and program audit of the Hawaii Disability Rights Center.

Opportunities for the Retarded, Inc.; the Arc in Hawaii, Helemano Plantation; and twenty individuals submitted testimony in support of this measure. The State Council on Developmental Disabilities; the University of Hawaii at Manoa, Center on Disability Studies; the Hawaii Disability Rights Center; Mental Health America of Hawaii, Family Voices of Hawai'i; PDMI-Care; and twenty-eight individuals submitted testimony in opposition to this measure. Six individuals submitted comments.

The Hawaii Disability Rights Center has a specific role and responsibilities pursuant to the Developmentally Disabled Assistance and Bill of Rights Act of 2000. It is charged with supporting, protecting, and advocating for the human, civil, and legal rights of Hawaii's estimated 180,000 people with disabilities. By federal and state requirements, the Hawaii Disability Rights Center is subject to an annual external financial audit, site reviews by the federal government, as well as site reviews by peer organizations from other states.

The Hawaii Disabilities Rights Center has access to records of any individual with a disability, to the extent required by federal law and as further provided in section 333F-8.5, Hawaii Revised Statutes. However, providers of services to individuals with disabilities may be uncertain as to their obligation to disclose patient records to an entity such as the Hawaii Disability Rights Center.

Your Committee finds that it would be beneficial to have information that clarifies the relationship between the laws mandating access to the records of an individual to a protection and advocacy agency and the laws protecting the privacy of that individual.

Your Committee has amended this measure by:

- (1) Urging the parties to the litigation between the Hawaii Disability Rights Center and Opportunities for the Retarded, Inc. to amicably settle their pending litigation;
- (2) Requesting the Hawaii Disability Rights Center to submit a report to the Legislature and the Attorney General that includes:
 - (A) An outline of the federal authority that grants the Hawaii Disability Rights Center access to facilities serving individuals with disabilities, individuals with disabilities, and the records of the individuals with disabilities;
 - (B) With the concurrence of the federal Administration on Developmental Disabilities, an analysis of the inter-relationship between the aforementioned federal authority and the laws protecting the privacy of individuals and their records; and
 - (C) A statement of its policies and procedures regarding the manner in which it conducts investigations of allegations of abuse or neglect of an individual with a disability, including how, when, and under what circumstances, the investigations are undertaken;
- (3) Amending the title of the measure to reflect its change in purpose; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 48, 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. 48, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1402 Human Services and Public Housing on S.C.R. No. 99

The purpose of this measure is to request that the Auditor conduct a program and financial audit of the Honolulu Community Action Program.

Two individuals submitted testimony in support of this measure. The Honolulu Community Action Program submitted comments.

The Honolulu Community Action Program is a private, nonprofit corporation that serves low-income and disadvantaged individuals. It is primarily funded by federal, state, and county grants. Your Committee finds that it is appropriate to audit the Honolulu Community Action Program to ensure its compliance with contracts to provide services for the State, the effectiveness and efficiency of the programs that it administers for the State pursuant to those contracts, and its expenditure of the 2006 year grants.

Your Committee has amended this measure by:

- (1) Limiting the audit to state-funded programs, beginning in fiscal year 2005; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 99, 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. 99, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1403 Human Services and Public Housing on S.C.R. No. 143

The purpose of this measure is to request the Legislative Reference Bureau to study respite care.

AARP Hawaii and the National Multiple Sclerosis Society submitted testimony in support of this measure. The State Council on Developmental Disabilities and Family Voices submitted testimony in support of the intent of this measure. The Legislative Reference Bureau submitted comments.

Family caregivers provide an invaluable service and economic benefit to care recipients and State taxpayers. Sustainable family caregiving depends on meeting a family caregiver's own needs for support and respite care. The basic objective of respite care is to provide a family caregiver with temporary relief from the responsibilities of caring for a care recipient so that the family caregiver can attend to other personal and professional obligations. This measure will help further the development of a comprehensive, long-term care delivery system by studying the provision of respite care in other states.

The State Council on Developmental Disabilities requested that the focus of the study be expanded to include additional family caregivers to help the State Council on Developmental Disabilities prepare for other federal grants, such as those pursuant to the Lifespan Respite Care Act of 2006.

Your Committee has amended this measure by:

- (1) Expanding the focus of the study to include family caregivers who provide care to:
 - (A) Their children with special health care needs;
 - (B) Adult family members, or other individuals, aged sixty years or older with a disability; or
 - (C) Chronically ill adults;
- (2) Requesting the Department of Human Services, instead of the Legislative Reference Bureau, to provide an inventory of the respite services provided in Hawaii;
- (3) Providing that the inventory of the respite services should include a description of each program, eligibility criteria, quality and safety monitoring procedures, and evaluation and quality improvement processes;
- (4) Amending the title of the measure to reflect the inclusion of the Department of Human Services' reporting requirement; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 143, 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. 143, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1404 Human Services and Public Housing on S.R. No. 97

The purpose of this measure is to request the Legislative Reference Bureau to study respite care.

AARP Hawaii and the National Multiple Sclerosis Society submitted testimony in support of this measure. The State Council on Developmental Disabilities and Family Voices submitted testimony in support of the intent of this measure. The Legislative Reference Bureau submitted comments.

Family caregivers provide an invaluable service and economic benefit to care recipients and State taxpayers. Sustainable family caregiving depends on meeting a family caregiver's own needs for support and respite care. The basic objective of respite care is to provide a family caregiver with temporary relief from the responsibilities of caring for a care recipient so that the family caregiver can attend to other personal and professional obligations. This measure will help further the development of a comprehensive, long-term care delivery system by studying the provision of respite care in other states.

The State Council on Developmental Disabilities requested that the focus of the study be expanded to include additional family caregivers to help the State Council on Developmental Disabilities prepare for other federal grants, such as those pursuant to the Lifespan Respite Care Act of 2006.

Your Committee has amended this measure by:

- (1) Expanding the focus of the study to include family caregivers who provide care to:
 - (A) Their children with special health care needs;
 - (B) Adult family members, or other individuals, aged sixty years or older with a disability; or
 - (C) Chronically ill adults;
- (2) Requesting the Department of Human Services, instead of the Legislative Reference Bureau, to provide an inventory of the respite services provided in Hawaii;
- (3) Providing that the inventory of the respite services should include a description of each program, eligibility criteria, quality and safety monitoring procedures, and evaluation and quality improvement processes;
- (4) Amending the title of the measure to reflect the inclusion of the Department of Human Services' reporting requirement; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 97, 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. 97, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1405 Human Services and Public Housing on S.C.R. No. 144

The purpose of this measure is to request the Legislative Reference Bureau to study the implementation of the Cash and Counseling Program in other states.

Kokua Council submitted testimony in support of this measure. The Legislative Reference Bureau submitted comments.

Cash and Counseling is a national program whereby recipients of Medicaid personal care services or home- and community-based services receive a flexible monthly allowance and decide who to hire and what services they want to receive. The program's innovative approach enables participants to direct and manage their personal assistance services according to their own specific needs. This measure will help determine whether and how a similar program should be established here in Hawaii.

Your Committee has amended this measure by:

- (1) Requesting the Department of Human Services to report to the Legislature regarding what impact a Cash and Counseling program would have on Medicaid and adult services programs in Hawaii, instead;
- (2) Deleting the provision regarding research of the possible use of a similar approach for individuals who are not Medicaid recipients;
- (3) Amending the title of the measure to reflect the change in agency responsible for the report; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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, 1 (Hemmings).

SCRep. 1406 Human Services and Public Housing on S.R. No. 98

The purpose of this measure is to request the Legislative Reference Bureau to study the implementation of the Cash and Counseling Program in other states.

Kokua Council submitted testimony in support of this measure. The Legislative Reference Bureau submitted comments.

Cash and Counseling is a national program whereby recipients of Medicaid personal care services or home- and community-based services receive a flexible monthly allowance and decide who to hire and what services they want to receive. The program's innovative approach enables participants to direct and manage their personal assistance services according to their own specific needs. This measure will help determine whether and how a similar program should be established here in Hawaii.

Your Committee has amended this measure by:

- (1) Requesting the Department of Human Services to report to the Legislature regarding what impact a Cash and Counseling program would have on Medicaid and adult services programs in Hawaii, instead;
- (2) Deleting the provision regarding research of the possible use of a similar approach for individuals who are not Medicaid recipients;
- (3) Amending the title of the measure to reflect the change in agency responsible for the report; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 98, 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. 98, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1407 Human Services and Public Housing on S.C.R. No. 147

The purpose of this measure is to request the Auditor to conduct a financial audit of the Hawaii Public Housing Authority.

One individual submitted testimony in support of this measure. The Hawaii Public Housing Authority submitted comments.

The Hawaii Public Housing Authority is responsible for the management of federal and state public housing funds. The Hawaii Public Housing Authority is also responsible for the development and operation of public housing projects, homeless assistance, the State Rent Supplement Program, and the Section 8 Housing Choice Voucher Program. Your Committee finds that it is appropriate to ensure the Hawaii Public Housing Authority's proper and effective use and management of funds.

Your Committee has amended this measure by:

- (1) Changing the focus of the measure from having the Auditor conduct a financial audit to having the Hawaii Public Housing Authority submit a report of its project spending to the Legislature and the Auditor;
- (2) Requesting that the report include:
 - (A) A list of all of the current projects for the development of public housing;
 - (B) A list of all of the projects for the development of public housing that were completed within the past two years;
 - (C) The amount and source or sources of funding for each of the projects;
 - (D) A list of all of the contracts for each project;
 - (E) A detailed description of how funding was expended or will be expended for each project; and
 - (F) A timeline for the completion of each project;
- (3) Amending the title of the measure to reflect the change in purpose; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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 that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 147, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1408 Human Services and Public Housing on S.R. No. 100

The purpose of this measure is to request the Auditor to conduct a financial audit of the Hawaii Public Housing Authority.

One individual submitted testimony in support of this measure. The Hawaii Public Housing Authority submitted comments.

The Hawaii Public Housing Authority is responsible for the management of federal and state public housing funds. The Hawaii Public Housing Authority is also responsible for the development and operation of public housing projects, homeless assistance, the State Rent Supplement Program, and the Section 8 Housing Choice Voucher Program. Your Committee finds that it is appropriate to ensure the Hawaii Public Housing Authority's proper and effective use and management of funds.

Your Committee has amended this measure by:

- (1) Changing the focus of the measure from having the Auditor conduct a financial audit to having the Hawaii Public Housing Authority submit a report of its project spending to the Legislature and the Auditor;
- (2) Requesting that the report include:
 - (A) A list of all of the current projects for the development of public housing;
 - (B) A list of all of the projects for the development of public housing that were completed within the past two years;
 - (C) The amount and source or sources of funding for each of the projects;
 - (D) A list of all of the contracts for each project;
 - (E) A detailed description of how funding was expended or will be expended for each project; and
 - (F) A timeline for the completion of each project;
- (3) Amending the title of the measure to reflect the change in purpose; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 100, 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. 100, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1409 (Joint) Education and Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 74

The purpose of this measure is to request the Auditor to conduct a financial and program audit of the Hawaiian Studies Program of the Department of Education.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, the Kūali'i Native Hawaiian Advisory Council of the University of Hawaii at Manoa, the Kamakākūokalani Center for Hawaiian Studies, Ka Lei Papahi o Kahuhihewa, and thirteen individuals.

Your Committees find that the Department of Education established a Hawaiian Studies Program pursuant to Article X, Section 4, of the Hawaii State Constitution. The purpose of this program is to foster an understanding and appreciation of the Hawaiian culture, history, language, values, and practices in public schools students in grades kindergarten through six. Your Committees further find that the program is currently outdated and needs modification to ensure proper funding and allocation of resources, as well as effective instruction in Hawaiian studies, including teaching the proper respect for kupuna and makua. This measure requests a financial and program audit of the Department of Education's Hawaii Studies Program. Your Committees believe that a financial, program, and management audit will shed light on and help resolve current budgetary and management issues associated with the program.

Accordingly, your Committees have amended this measure by:

- (1) Including a request for a management audit by the Auditor; and
- (2) Making technical, nonsubstantive changes to the title and text of the measure for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 74, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 74, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Kokubun).

SCRep. 1410 Education on S.C.R. No. 56

The purpose of this measure is to seek resolution to the teacher shortage problem in Hawaii by requesting the Department of Education to report on the retention and change in assignment of teachers within the Department of Education.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, and one individual. Comments on the measure were submitted by the Hawaii Teacher Standards Board.

Your Committee finds that Hawaii is plagued by a teacher shortage problem. The Department of Education must explore methods for recruiting and retaining qualified teachers to support our public school system. Your Committee further finds that in order to resolve the problem, it is important to ascertain the nature and scope of the problem so as to craft meaningful strategies that maximize current resources and efforts. In 2000, the Hawaii Educational Policy Center conducted a study on the teacher retention problem and, although informative, the study provided only a glimpse of the entire picture and now contains outdated information. Your Committee believes that a comprehensive report is necessary to assist the Department of Education, the Legislature, and other interested parties in finding ways to effectively address the current problem.

However, based on testimony provided, your Committee determines that the Hawaii Educational Policy Center, as an objective agency that is independent from the Department of Education, is the appropriate body to prepare the report, which should also be expanded to provide additional information.

Accordingly, your Committee has amended this measure by:

- (1) Requesting the Hawaii Educational Policy Center to prepare a report on the effectiveness of the current status of teacher preparation and mentoring induction programs; and
- (2) Including in the report the following:
 - (A) Data on demographics on teacher characteristics and school characteristics; and
 - (B) Department of Education policies relating to teacher transfers, Department of Education reports to the United States Department of Education on addressing the No Child Left Behind law requirements, collective bargaining relating to teacher transfers and seniority, and descriptions of Institutions of Higher Education programs and related costs for preparing teaches, including accreditation reports and reviews.

Your Committee has also amended the title of the measure to reflect the change of agency requested to conduct the report.

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. 56, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 56, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Hee).

SCRep. 1411 Education on S.R. No. 32

The purpose of this measure is to seek resolution to the teacher shortage problem in Hawaii by requesting the Department of Education to report on the retention and change in assignment of teachers within the Department of Education.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, and one individual. Comments on the measure were submitted by the Hawaii Teacher Standards Board.

Your Committee finds that Hawaii is plagued by a teacher shortage problem. The Department of Education must explore methods for recruiting and retaining qualified teachers to support our public school system. Your Committee further finds that in order to resolve the problem, it is important to ascertain the nature and scope of the problem so as to craft meaningful strategies that maximize current resources and efforts. In 2000, the Hawaii Educational Policy Center conducted a study on the teacher retention problem and, although informative, the study provided

only a glimpse of the entire picture and now contains outdated information. Your Committee believes that a comprehensive report is necessary to assist the Department of Education, the Legislature, and other interested parties in finding ways to effectively address the current problem.

However, based on testimony provided, your Committee determines that the Hawaii Educational Policy Center, as an objective agency that is independent from the Department of Education, is the appropriate body to prepare the report, which should also be expanded to provide additional information.

Accordingly, your Committee has amended this measure by:

- (1) Requesting the Hawaii Educational Policy Center to prepare a report on the effectiveness of the current status of teacher preparation and mentoring induction programs; and
- (2) Including in the report the following:
 - (A) Data on demographics on teacher characteristics and school characteristics; and
 - (B) Department of Education policies relating to teacher transfers, Department of Education reports to the United States Department of Education on addressing the No Child Left Behind law requirements, collective bargaining relating to teacher transfers and seniority, and descriptions of Institutions of Higher Education programs and related costs for preparing teaches, including accreditation reports and reviews.

Your Committee has also amended the title of the measure to reflect the change of agency requested to conduct the report.

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, 5. Noes, none. Excused, 2 (Chun Oakland, Hee).

SCRep. 1412 (Joint/Majority) Education and Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 95

The purpose of this measure is to ensure the preservation of Hawaiian taro varieties by requesting the College of Tropical Agriculture and Human Resources at the University of Hawaii and the Hawaii Agriculture Research Center to refrain from activities involving genetic modification of Hawaiian taro varieties in the State, including any type of research that would significantly impact Hawaiian taro varieties.

Testimony in support of this measure was submitted by the Kualii Native Hawaiian Advisory Council of the University of Hawaii at Manoa and the Kamakakuokalani Center for Hawaiian Studies. Testimony in opposition of this measure was submitted by the University of Hawaii, the College of Tropical Agriculture and Human Resources of the University of Hawaii, the Hawaii Science & Technology Council, the Hawaii Crop Improvement Association, Tropical Hawaiian Products, and the Hawaii Agriculture Research Center. The Department of Agriculture submitted comments.

Your Committees find that the advent of biotechnology and genetic modification of foods offer exciting prospects for future challenges by providing for enhanced taste and quality, reduced maturation time, increased nutrients, improved resistance to diseases and pests, and yielding new products and growing techniques. However, with these new technologies also come potential known and unknown risks, including issues regarding food security, health impacts, ethics, and intellectual property rights. Your Committees further find that concern has arisen, particularly in the Native Hawaiian community, regarding the use of these technologies on the kalo, also known as the taro, plant. The life of kanaka maoli, the indigenous Hawaiian people, is linked closely with kalo, which is believed to have the greatest life force of all foods.

Your Committees find that preservation of kalo, including all Hawaiian varieties, is an issue of great concern, and efforts must be made to ensure that genetic strains of native taro species not be destroyed, largely out of respect for the cultural foundation kalo holds for Native Hawaiians, their culture, and their religious practices. Your Committees understand that protecting kalo against potential diseases and pests is also necessary to preserve kalo as well as other crops and food products in the State. Your Committees wish to strike a cautious balance between the interests involved through requesting the cessation of genetic modification of Hawaiian taro varieties, while allowing for continued discussions to occur to reach an appropriate long-term resolution of this problem. Additionally, testimony provided indicated that the former practice involving research or genetic modification activities associated with non-Hawaiian taro varieties was conducted in controlled environments, a practice that your Committees would like future research or activities to follow to prevent any inadvertent cross-pollination with Hawaiian taro varieties.

Accordingly, your Committees have amended this measure by:

- (1) Specifying that research or activities involving the genetic modification of non-Hawaiian taro varieties continue; provided that such activities are conducted at isolated and secure sites or laboratories to ensure the prevention of cross-pollination with traditional Hawaiian taro varieties;
- (2) Encouraging the continuation of ongoing discussions between the College of Tropical Agriculture and Human Resources and the Hawaiian community regarding the propriety of research or genetic modification of traditional Hawaiian taro varieties;
- (3) Including a reporting requirement for the College of Tropical Agriculture and Human Resources to the Legislature; and
- (4) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 95, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 95, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Ayes with Reservations, 1 (Fukunaga). Noes, 1 (Slom). Excused, 2 (Kokubun, Taniguchi).

SCRep. 1413 Education on S.C.R. No. 78

The purpose of this measure is to increase student achievement by requesting the Department of Education to develop a comprehensive plan for programs that provide for high achieving students.

Comments on this measure were submitted by the Department of Education.

Your Committee finds that although the Department of Education must address the educational needs of all public school students throughout the State, the needs of high achieving students should not be overlooked. Despite the many state and federal mandates to assist remedial or other students, students experiencing high academic achievement should be afforded every opportunity to continue to excel and advance their educational careers. Your Committee further finds that many public, but not all, high schools support gifted and talented programs that serve a small number of high achieving students. Testimony presented by the Department of Education indicates that ongoing efforts to expand and continue to provide opportunities for gifted and talented students, through comprehensive or specialized programs or smaller-scale initiatives, are being pursued.

This measure is intended to help increase the current number of students in gifted and talented programs by developing a plan for improving current efforts and providing increased opportunities for high achieving students. Based upon the representations of the Department of Education, your Committee believes that it is appropriate for the Department of Education to report to the Legislature on its current efforts as well as develop future plans and information on the implementation of those plans for achieving a twenty per cent enrollment of students in high achievement programs or courses.

Accordingly, your Committee has amended this measure by

- (1) Requesting the Department of Education to report on current initiatives that provide for high achieving students and to develop a plan and provide information on implementation of the plan for future areas of improvement, including establishing outcomes, strategies, measures, and timelines, with the goal of twenty per cent of public school students enrolling in gifted and talented programs, honors classes, advanced placement courses, International Baccalaureate programs, or other similar programs designed to provide rigorous and challenging curricula;
- (2) Requesting the Department of Education to make available via the Internet information for parents and students on gifted and talented programs and courses and information on current initiatives for high achieving students; and
- (3) Making technical, nonsubstantive changes for 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. 78, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 78, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, none.

SCRep. 1414 Education on S.R. No. 45

The purpose of this measure is to increase student achievement by requesting the Department of Education to develop a comprehensive plan for programs that provide for high achieving students.

Comments on this measure were submitted by the Department of Education.

Your Committee finds that although the Department of Education must address the educational needs of all public school students throughout the State, the needs of high achieving students should not be overlooked. Despite the many state and federal mandates to assist remedial or other students, students experiencing high academic achievement should be afforded every opportunity to continue to excel and advance their educational careers. Your Committee further finds that many public, but not all, high schools support gifted and talented programs that serve a small number of high achieving students. Testimony presented by the Department of Education indicates that ongoing efforts to expand and continue to provide opportunities for gifted and talented students, through comprehensive or specialized programs or smaller-scale initiatives, are being pursued.

This measure is intended to help increase the current number of students in gifted and talented programs by developing a plan for improving current efforts and providing increased opportunities for high achieving students. Based upon the representations of the Department of Education, your Committee believes that it is appropriate for the Department of Education to report to the Legislature on its current efforts as well as develop future plans and information on the implementation of those plans for achieving a twenty per cent enrollment of students in high achievement programs or courses.

Accordingly, your Committee has amended this measure by

- (1) Requesting the Department of Education to report on current initiatives that provide for high achieving students and to develop a plan and provide information on implementation of the plan for future areas of improvement, including establishing outcomes, strategies, measures, and timelines, with the goal of twenty per cent of public school students enrolling in gifted and talented programs, honors classes, advanced placement courses, International Baccalaureate programs, or other similar programs designed to provide rigorous and challenging curricula;
- (2) Requesting the Department of Education to make available via the Internet information for parents and students on gifted and talented programs and courses and information on current initiatives for high achieving students; and
- (3) Making technical, nonsubstantive changes for 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. 45, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 45, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, none.

SCRep. 1415 Education on S.C.R. No. 67

The purpose of this measure is to support the pursuit of higher education by Hawaii students by requesting the P-20 Council and the University of Hawaii to report on early college awareness programs for elementary and middle school students.

Testimony in support of this measure was submitted by the University of Hawaii at Manoa, the Hawaii P-20 Initiative, the Hawaii State Teachers Association, the Oahu Filipino Community Council, the United Filipino Community Council, and the Filipino Coalition for Solidarity.

Your Committee finds that the development of an educated and highly-qualified workforce in Hawaii is predicated upon the preparation and education of our youth. The availability and support for programs that encourage post-secondary education is vital to growing a workforce to meet the evolving future needs of the State. Your Committee further finds that the State must explore methods for providing exposure to and opportunities for pursuing post-secondary education programs, particularly for younger students from low-income and underrepresented communities.

Your Committee finds that the University of Hawaii system currently supports many early college awareness programs that can benefit the young students in the State. However, the current programs must be evaluated and continuing efforts must be made to ensure that middle and elementary school students are afforded every opportunity to participate in early college education programs. Your Committee determines that the Hawaii P-20 Council, sponsored by the University of Hawaii, the Department of Education, and Good Beginnings Alliance, is an organization that is dedicated to implementing learning achievement in Hawaii and can provide valuable guidance to the Legislature on methods for improving and expanding current early college awareness programs.

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. 67 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1416 Education on S.C.R. No. 166

The purpose of this measure is to request that the Department of Education establish a temporary location for the Manoa Public Library to accommodate the community and students during the library's two-year closure.

Testimony in support of this measure was submitted by the Department of Education.

Your Committee finds that the Manoa Public Library provides much needed resources to the community and its temporary closure may cause hardships to the neighborhood, including the students of Noelani Elementary School and Manoa Elementary School. The establishment of temporary facilities for the two-year closure, which may be accomplished through the provision of two portable classrooms at Noelani Elementary School, will allow the Manoa Public Library to continue to service all members of the community.

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. 166 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, none.

SCRep. 1417 Education on S.C.R. No. 79

The purpose of this measure is to improve efficiency within the University of Hawaii system by requesting the University of Hawaii to report on the linking of funding for individual campuses with performance goals.

Comments on this measure were submitted by the University of Hawaii.

Your Committee finds that the Legislature takes great interest in the efficiency of operations within the University of Hawaii system. The State dedicates vast amounts of funding to the University of Hawaii system and needs assurances that the educational priorities of the system are properly aligned with funding methodologies and tied to tangible performance goals. Your Committee believes that a report by the University of Hawaii on the link between funding and performance goals will assist the Legislature in ensuring that funding is appropriately prioritized and made consistent with performance objectives.

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. 79 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, none.

SCRep. 1418 Education on S.R. No. 46

The purpose of this measure is to improve efficiency within the University of Hawaii system by requesting the University of Hawaii to report on the linking of funding for individual campuses with performance goals.

Comments on this measure were submitted by the University of Hawaii.

Your Committee finds that the Legislature takes great interest in the efficiency of operations within the University of Hawaii system. The State dedicates vast amounts of funding to the University of Hawaii system and needs assurances that the educational priorities of the system are properly aligned with funding methodologies and tied to tangible performance goals. Your Committee believes that a report by the University of Hawaii on the link between funding and performance goals will assist the Legislature in ensuring that funding is appropriately prioritized and made consistent with performance objectives.

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. 46 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, none.

SCRep. 1419 Education on S.C.R. No. 73

The purpose of this measure is to improve faculty recruitment and retention by requesting the University of Hawaii to submit a report on information regarding salaries of the faculty and administrators of the University of Hawaii at Manoa.

Testimony in support of this measure was submitted by the University of Hawaii Professional Assembly and four individuals. Testimony in opposition of this measure was submitted by the University of Hawaii at Manoa.

Your Committee finds that the University of Hawaii is the State's only public university. In order to establish and maintain its position as a premier institution, the recruitment and retention of highly-qualified and highly-credentialed faculty is of the utmost importance to the university's existence, accomplishments, and student achievement. Faculty salaries should be established and adjusted based on a merit system, although indications that inequities in salaries currently persist and require attention. Your Committee further finds that the issue is of particular importance within the University of Hawaii, Manoa campus. Information regarding the current salaries of the faculty and administrators at the University of Hawaii at Manoa is necessary to shed light on the current state of the salaries, the reasoning for possible inequities, and to address any problems therewith.

Your Committee recognizes the concerns raised by the University of Hawaii at Manoa concerning privacy issues, particularly with regard to denials of salary adjustment requests. Accordingly, your Committee has amended this measure by:

- (1) Removing from the list of information requested to be included in the report by the University of Hawaii at Manoa:
 - (A) Decisions on requests made for salary adjustments; and
 - (B) Actions taken and recommendations made to address complaints of salary inequities; and
- (2) Making technical, nonsubstantive changes to the title and text of the measure for purposes of clarity and to reflect preferred drafting 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. 73, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 73, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1420 (Joint) Human Services and Public Housing and Intergovernmental and Military Affairs on S.C.R. No. 23

The purpose of this measure is to request each county to examine its current zoning laws, building codes, and subdivision requirements and eliminate encumbrances to family caregiving and aging in place.

AARP Hawaii submitted testimony in support of this measure.

Your Committees find that in 2000, individuals age sixty and older represented seventeen per cent of Hawaii's total population. It is estimated that this group will represent twenty-five per cent of Hawaii's total population by the year 2020. The vast majority of Hawaii's older residents prefer to age in place in lieu of costly institutionalized care elsewhere. Local communities must be prepared to accommodate the aging population and support their ability to age in place in their homes and communities. This measure requests the counties to examine their current zoning laws, building codes, and subdivision requirements so that encumbrances to family caregiving and aging in place can be eliminated.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 23 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Hemmings).

SCRep. 1421 (Joint) Human Services and Public Housing and Intergovernmental and Military Affairs on S.C.R. No. 69

The purpose of this measure is to urge the United States Department of Housing and Urban Development to remove designated buildings at Kalihi Valley Homes from a schedule for demolition.

Kalihi Valley Neighborhood Board No. 16 and one individual submitted testimony in support of this measure.

According to the Hawaii Homeless Point-in-Time Study of 2003, of the estimated 6,029 homeless individuals in Hawaii, approximately 4,107 are unsheltered. This is indicative of the limited number of shelter spaces available in the State. Kalihi Valley contains the State's two largest public housing projects, one of which is Kalihi Valley Homes. Kalihi Valley Homes was opened in 1953, and seventy-two of its units are currently scheduled for demolition by the United States Department of Housing and Urban Development to create more open space at the site.

According to the testimony of the Kalihi Valley Neighborhood Board No. 16, the buildings are intact and in relatively good condition, and therefore suitable for renovation. Furthermore, there are apparently still residents in these buildings. Your Committees find that these units should be renovated in lieu of demolition, as it would replenish the public housing inventory faster than rebuilding elsewhere and prevent further evictions.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 69 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Hemmings).

SCRep. 1422 (Joint) Human Services and Public Housing and Intergovernmental and Military Affairs on S.R. No. 42

The purpose of this measure is to urge the United States Department of Housing and Urban Development to remove designated buildings at Kalihi Valley Homes from a schedule for demolition.

Kalihi Valley Neighborhood Board No. 16 and one individual submitted testimony in support of this measure.

According to the Hawaii Homeless Point-in-Time Study of 2003, of the estimated 6,029 homeless individuals in Hawaii, approximately 4,107 are unsheltered. This is indicative of the limited number of shelter spaces available in the State. Kalihi Valley contains the State's two largest public housing projects, one of which is Kalihi Valley Homes. Kalihi Valley Homes was opened in 1953, and seventy-two of its units are currently scheduled for demolition by the United States Department of Housing and Urban Development to create more open space at the site.

According to the testimony of the Kalihi Valley Neighborhood Board No. 16, the buildings are intact and in relatively good condition, and therefore suitable for renovation. Furthermore, there are apparently still residents in these buildings. Your Committees find that these units

should be renovated in lieu of demolition, as it would replenish the public housing inventory faster than rebuilding elsewhere and prevent further evictions.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 42 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Hemmings).

SCRep. 1423 (Joint) Human Services and Public Housing and Judiciary and Labor on S.C.R. No. 10

The purpose of this measure is to request the Judiciary to implement a pilot Family Court Parenting Plan Model Program in the First Circuit Family Court.

The Judiciary and Oahu VOICES submitted comments.

During interim hearings convened by the Committees on Human Services of the Senate and the House of Representatives, it was recommended that a process, known as the Family Court Parenting Plan Model, should exist to assist parents to develop a parenting plan without and prior to Family Court intervention. Further recommendations were made by a group of interested stakeholders regarding how this model should be implemented. However, it was agreed that the model should be implemented as a pilot program first so that it can be evaluated and modified before determining whether to implement it on a statewide, mandatory basis.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 10 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Noes, none. Excused, 3 (Inouye, Sakamoto, Hemmings).

SCRep. 1424 Human Services and Public Housing on S.C.R. No. 21

The purpose of this measure is to urge the childcare and eldercare communities to acknowledge the unique circumstances of grandparents raising grandchildren by supporting policies and services that are conducive to that familial relationship.

The Department of Health; the Office of Hawaiian Affairs; the Na Tutu, Grandparents Raising Grandchildren; and one individual submitted testimony in support of this measure.

According to the testimony, it is estimated that more than fourteen thousand grandparents are primary caregivers for their grandchildren in Hawaii. The reasons that grandparents assume responsibility for their grandchildren often reflect broader social issues such as divorce, substance abuse, incarceration, mental illness, and neglect or abuse of the grandchildren. The challenges and responsibilities of raising grandchildren often place substantial financial and emotional stress on grandparents. This measure recognizes the contribution that grandparents make to the lives of their grandchildren and to the community by assuming these responsibilities and encourages supportive policies and services to help them in these demanding roles.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 21 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Sakamoto, Hemmings).

SCRep. 1425 Human Services and Public Housing on S.R. No. 9

The purpose of this measure is to urge the childcare and eldercare communities to acknowledge the unique circumstances of grandparents raising grandchildren by supporting policies and services that are conducive to that familial relationship.

The Office of Hawaiian Affairs; the Na Tutu, Grandparents Raising Grandchildren; and one individual submitted testimony in support of this measure.

According to the testimony, it is estimated that more than fourteen thousand grandparents are the primary caregivers for their grandchildren in Hawaii. The reasons that grandparents assume responsibility for their grandchildren often reflect broader social issues such as divorce, substance abuse, incarceration, mental illness, and neglect or abuse of the grandchildren. The challenges and responsibilities of raising grandchildren often place substantial financial and emotional stress on grandparents. This measure recognizes the contribution that grandparents make to the lives of their grandchildren and to the community by assuming these responsibilities and encourages supportive policies and services to help them in these demanding roles.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 9 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Sakamoto, Hemmings).

SCRep. 1426 Human Services and Public Housing on H.C.R. No. 25

The purpose of this measure is to urge the childcare and eldercare communities to acknowledge the unique circumstances of grandparents raising grandchildren by supporting policies and services that are conducive to that familial relationship.

One individual submitted testimony in support of this measure.

It is estimated that more than fourteen thousand grandparents are primary caregivers for their grandchildren in Hawaii. The reasons that grandparents assume responsibility for their grandchildren often reflect broader social issues such as divorce, substance abuse, incarceration, mental illness, and neglect or abuse of the grandchildren. The challenges and responsibilities of raising grandchildren often place substantial financial and emotional stress on grandparents. This measure recognizes the contribution that grandparents make to the lives of their grandchildren and to the community by assuming these responsibilities and encourages supportive policies and services to help them in these demanding roles.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 25, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Sakamoto, Hemmings).

SCRep. 1427 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 3

The purpose of this measure is to protect and promote Hawaii's agricultural export market by requesting the Department of Agriculture to study the effectiveness of vapor heat treatment for neutralizing fruit flies on fruits and vegetables for interstate retail distribution, and submit a written report of its findings and recommendations to the Legislature.

Testimony in support of this measure was submitted by the Department of Agriculture.

Vapor heat treatment is primarily used for fruits and vegetables that are hosts for fruit flies, and is an approved treatment of Hawaii grown vegetables and fruits intended for mainland retail distribution. Your Committee finds that although further study of the effectiveness of vapor heat treatment will assist in promoting Hawaii's agricultural export market, this type of study is already within the purview of the Department of Agriculture's responsibilities.

Accordingly, your Committee has amended this measure by deleting its contents and inserting similar language from S.B. No. 561, S.D. 1, that requests the Public Utilities Commission to study the rate structures of private entities that furnish water used for agricultural purposes. Your Committee finds that the rate structures and fees for the use of water from privately-owned water sources for agricultural purposes in an area zoned for agricultural use may differ among each privately-owned water source. A uniform rate and fee structure that is comparable to the water rate structure used by the board of water supply of each respective county will allow farmers to continue to maintain agricultural production in Hawaii.

Specifically, this measure, as amended, requests that the Public Utilities Commission study the rate and fee structures of private entities statewide that furnish water used for agricultural purposes in areas zoned for agricultural use, and further requests that the Public Utilities Commission:

- (1) Perform an inventory of all privately-owned water systems statewide that are used for agricultural purposes;
- (2) Examine and distinguish water rate and fee structures of privately-owned water systems used for agricultural purposes, established by local county boards of water supply, and for residential purposes; and
- (3) Seek input, collaboration, and guidance from the Department of Agriculture, the College of Tropical Agriculture and Human Resources at the University of Hawaii, the Hawaii Farm Bureau Federation, and each county board of water supply; and

submit a written report to the Legislature of its findings and recommendations before the convening of the 2008 Regular Session.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 3, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 3, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 1428 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 206

The purpose of this measure is to protect taro grown in Hawaii from lethal insects and diseases that can cause widespread agricultural and financial losses for taro farmers by requesting that the Department of Agriculture develop a taro security and purity research program.

Specifically, this measure requests the Department of Agriculture to collaborate with taro growers and various Native Hawaiian groups to develop a program that will:

- (1) Allow the Department's Biosecurity Program to protect crops in Hawaii by inspecting foreign crops upon entrance to the State;
- (2) Allow alternative forms of research on taro other than genetic modification;
- (3) Provide public outreach, engagement, and education on taro research and protection to increase public participation and confidence; and
- (4) Request that the Alomae/Bobone virus disease complex and taro beetles be designated as actionable pests to prevent entry into Hawaii; and

submit a written report to the Legislature of its findings and recommendations prior to the 2008 Regular Session.

Testimony in support of this measure was submitted by the Department of Agriculture; the University of Hawaii; the College of Tropical Agriculture and Human Resources, University of Hawaii; the Hawaii Farm Bureau Federation; the Maui County Farm Bureau; the Hawaii Crop Improvement Association; Tropical Hawaiian Products; and the Hawaii Science and Technology Council.

Invasive species pose constant challenges to Hawaii's agricultural industry as well as the environment, and the ongoing arrival of new invasive species is unpredictable and can have far-reaching effects. Taro is prone to the effects of invasive species, particularly plant diseases, including the Alomae/Bobone virus disease complex, and insects, such as taro beetles. Scientific methods of protecting taro from invasive species, such as genetic modification, have faced tremendous resistance and opposition because taro is sacred to the Native Hawaiians and is an integral part of the Native Hawaiian culture.

Your Committee finds that as the debate ensues on genetically modified taro, there are still many lethal insects and diseases of taro that occur in the Pacific that can cause widespread agriculture and financial losses for taro farmers in Hawaii. Your Committee believes that by requesting the Department of Agriculture to collaborate with taro growers and various native Hawaiian groups to develop a taro security and purity research program will ensure that taro can be protected from natural attack, engage the public, and increase public confidence in biotechnology.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 206 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 1429 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 192

The purpose of this measure is to ensure the longevity and viability of the livestock industry in Hawaii by requesting the Department of Agriculture to convene a task force to develop long-term solutions to effectively protect the livestock industry.

Specifically, this measure requests that the Department of Agriculture establish a task force to:

- (1) Examine the current policies, procedures, and operations of livestock farms in Hawaii;
- (2) Explore and identify best practices and any other available options to develop long-term solutions to effectively protect the livestock industry in Hawaii; and
- (3) Establish findings, and identify and recommend solutions to issues involving satisfying livestock feed requirements.

Testimony in support of this measure was submitted by the Department of Agriculture; the College of Tropical Agriculture and Human Resources, University of Hawaii; the Hawaii Egg Producers Association; Horizon Lines, LLC; and Hawaii Teamsters and Allied Workers, Local 996.

Your Committee finds that the cost of feeding livestock in Hawaii is significantly higher than on the mainland and this higher cost threatens local livestock producers with closure. Hawaii relies heavily on overseas shipping for a majority of its food and products for food production; thus, if local livestock producers go out of business, the State will become even more dependent on imported foods and will lose the option of buying perishable goods, such as beef, milk, eggs, poultry, and pork, at their freshest. Your Committee recognizes that S.B. No. 1307 and H.B. No. 1221, which both establish a livestock revitalization program introduced during the 2007 Regular Session, will only provide a short-term solution to one of the many issues that the livestock industry in Hawaii faces. Thus, your Committee believes that the establishment of a task force to develop long-term solutions will assist in ensuring the longevity and viability of the Hawaii's livestock industry.

Your Committee further recognizes that the transportation costs for livestock feed is not the only factor that is responsible for high feed costs. It was indicated to your Committee that the ethanol fuel industry has also contributed to the rise in cost for corn; thus, it is important for the task force to explore and identify all contributing factors to the high cost of feed. Your Committee encourages the Department of Agriculture to also collaborate with the Department of Transportation and other transportation sectors to provide a broader assessment of the challenges that the livestock industry in Hawaii faces.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 192 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 1430 Water, Land, Agriculture and Hawaiian Affairs on S.R. No. 122

The purpose of this measure is to ensure the longevity and viability of the livestock industry in Hawaii by requesting the Department of Agriculture to convene a task force to develop long-term solutions to effectively protect the livestock industry.

Specifically, this measure requests that the Department of Agriculture establish a task force to:

- (1) Examine the current policies, procedures, and operations of livestock farms in Hawaii;
- (2) Explore and identify best practices and any other available options to develop long-term solutions to effectively protect the livestock industry in Hawaii; and
- (3) Establish findings, and identify and recommend solutions to issues involving satisfying livestock feed requirements.

Testimony in support of this measure was submitted by the Department of Agriculture; the College of Tropical Agriculture and Human Resources, University of Hawaii; the Hawaii Egg Producers Association; Horizon Lines, LLC; and Hawaii Teamsters and Allied Workers, Local 996.

Your Committee finds that the cost of feeding livestock in Hawaii is significantly higher than on the mainland and this higher cost threatens local livestock producers with closure. Hawaii relies heavily on overseas shipping for a majority of its food and products for food production; thus, if local livestock producers go out of business, the State will become even more dependent on imported foods and will lose the option of buying perishable goods, such as beef, milk, eggs, poultry, and pork, at their freshest. Your Committee recognizes that S.B. No. 1307 and H.B. No. 1221, which both establish a livestock revitalization program introduced during the 2007 Regular Session, will only provide a short-term solution to one of the many issues that the livestock industry in Hawaii faces. Thus, your Committee believes that the establishment of a task force to develop long-term solutions will assist in ensuring the longevity and viability of the Hawaii's livestock industry.

Your Committee further recognizes that the transportation costs for livestock feed is not the only factor that is responsible for high feed costs. It was indicated to your Committee that the ethanol fuel industry has also contributed to the rise in cost for corn; thus, it is important for the task force to explore and identify all contributing factors to the high cost of feed. Your Committee encourages the Department of Agriculture to also collaborate with the Department of Transportation and other transportation sectors to provide a broader assessment of the challenges that the livestock industry in Hawaii faces.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 122 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 1431 Economic Development and Taxation on Gov. Msg. No. 524

Recommending that the Senate advise and consent to the nomination of the following:

KING KAMEHAMEHA CELEBRATION COMMISSION

G.M. No. 524 CAROLEE K. ARICAYOS, for a term to expire 6-30-2011

Upon review of the testimony and statement submitted by the nominee, your Committee finds that Carolee K. Aricayos has the necessary character, experience, and qualifications to serve on the King Kamehameha Celebration Commission.

Your Committee received testimony in support of the nominee from the Department of Accounting and General Services.

Carolee K. Aricayos, a lifelong resident of the Island of Maui, is a Kumu Hula, Pa`u rider, and teacher in Hawaiian arts. She also served as Curator for Hale Kahiko, a Hawaiian village museum located in Lahaina, Maui, where she shared her knowledge of Hawaiian culture and native plants used for cooking and healing. Mrs. Aricayos is active in her community and her church, and currently is the Maui representative to King Kamehameha Celebration Commission. As a reappointment to the Commission, she has been actively involved in participating in all aspects of the Commission's work.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee, after full consideration of the background, 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. 1432 Economic Development and Taxation on Gov. Msg. Nos. 481, 482 and 499

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF TAXATION REVIEW

G.M. No. 481 ALBERT WARREN STIGLMEIER, 4TH TAXATION DISTRICT (KAUAI) for a term to expire 6-30-2011;

G.M. No. 482 MANOJ P. SAMARANAYAKE, CPA, 1ST TAXATION DISTRICT (OAHU) for a term to expire 6-30-2011; and

G.M. No. 499 CAROL P. WEIR, 3RD TAXATION DISTRICT (HAWAII) for a term to expire 6-30-2011;

Upon review of the testimonies and the statements submitted by the nominees, your Committee finds that Albert Warren Stiglmeier, Manoj P. Samaranayake, and Carol P. Weir have the necessary character, experience, and qualifications to serve on the Board of Taxation Review for their respective taxation districts.

Testimony in support of Albert Warren Stiglmeier was received from the Department of Taxation.

Albert Warren Stiglmeier is a practicing Certified Public Accountant and has owned his practice on Kauai since 1972. He is a member of the Hawaii Society of Certified Public Accountants and the American Institute of Certified Public Accountants, and an active board member for several community organizations. He holds a Bachelor of Science in Accounting from California State College. As a current member of the Board of Taxation Review, Mr. Stiglmeier has attended all hearings as well as the Office of Information Practice's Sunshine Law Workshop in 2004.

Testimony in support of Manoj P. Samaranayake was received from the Department of Taxation and two individuals.

Manoj P. Samaranayake is a Senior Tax Manager with Accuity, LLP (formerly PricewaterhouseCoopers, LLP). He is a Certified Public Accountant and a member of the Hawaii Society of Certified Public Accountants. Mr. Samaranayake's credentials include a Master in Business Administration and a Bachelor of Business Administration in Management and Accounting from the University of Hawai'i at Manoa. He is involved in community organizations, including the American Liver Foundation. A reappointee, Mr. Samaranayake has been an active member of the Board of Taxation Review for the 1st Taxation District.

Testimony in support of Carol P. Weir was received from the Department of Taxation.

Carol P. Weir has been in private practice with the firm of Herbert Nakayama, CPA, in Hilo for nineteen years. Ms. Weir is a Certified Public Accountant and her credentials include a Master in Science in Accounting from the University of Wisconsin-Madison and a Bachelor of Arts in Anthropology from Wheaton College. Ms. Weir is also active in her community, presently serving as treasurer for Christ Lutheran Church. Since first joining the Board of Taxation Review for the 3rd Taxation District, Ms. Weir has attended all of the hearings.

As affirmed by the records of votes of the members of your Committee on Economic Development and Taxation that are attached to this report, your Committee, after full consideration of the background, 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, 1 (English).

SCRep. 1433 Health on Gov. Msg. No. 329

Recommending that the Senate advise and consent to the nomination of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

G.M. No. 329 DANIEL J. VARGAS, for a term to expire 6-30-2011

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Daniel J. Vargas to have the necessary qualifications to be nominated for a second term to the Policy Advisory Board for Elder Affairs.

Your Committee received testimony in support of Daniel J. Vargas' nomination from the Department of Health.

Your Committee finds that Mr. Vargas has a great deal of experience with drug and alcohol inpatient and outpatient rehabilitation programs, gained in his work with Teen Challenge Hawaii, Crossroads Hawaii, and the prison system and parole boards. He also worked as the president and director of Beth Israel Jewish Ministries International for over twenty years. He is a graduate of Bethany Bible College, Hebrew College of the Bible. Mr. Vargas is the state coordinator for the National Day of Prayer and the Governor's Prayer Team.

Mr. Vargas has served as chair of the Policy Advisory Board for Elder Affairs since September 2006, and has served on the recognition and awards committee and the legislative committee. Your Committee finds that his sincere regard for the needs of the elderly and their care givers and his experience in advocacy are assets to the Board. Therefore, your Committee recommends Mr. Vargas be confirmed for reappointment.

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, 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 (Menor, Whalen).

SCRep. 1434 Health on Gov. Msg. No. 342

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF HEALTH

G.M. No. 342 PAULA A.Y. ARCENA, for a term to expire 6-30-2011

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Paula A.Y. Arcena to have the necessary qualifications to be nominated for a second term to the Board of Health.

Your Committee received testimony in support of Paula A.Y. Arcena's nomination from the Department of Health; Hawaii Association of Health Plans; two representatives of the Hawaii Health Systems Corporation; Hawaii Medical Association; Healthcare Association of Hawaii; and the Healthy Mothers, Healthy Babies Coalition of Hawai'i.

Your Committee finds that Ms. Arcena is the executive director of the Hawaii Medical Association. Prior to serving in that capacity, Ms. Arcena was the Director of Legislative and Government Affairs and the Hawaii Medical Political Action Committee of the Association. She has worked as a senior advisor to a Councilmember of the City and County of Honolulu; vice president of SMS Research and Consulting Services; Project Director of Community Resources, Inc.; and as a paralegal. She holds a Bachelor of Arts in American Culture from the University of Michigan. Ms. Arcena is a member of the board of directors of Mountain-Pacific Quality Health Foundation, Medical Underwriters of California, and the Aloha Society of Medical Society Executives. She is a member of the Patient Bill of Rights Task Force of the Department of Commerce and Consumer Affairs and of the American Association of Medical Society Executives.

Your Committee finds that Ms. Arcena's extensive knowledge of the Hawaii medical system and experience with developing policy positions relating to health care are a great asset to the Board of Health and she should be confirmed for reappointment for a second term.

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, 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 (Menor, Whalen).

SCRep. 1435 Health on Gov. Msg. Nos. 346 and 347

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAI'I HEALTH SYSTEMS CORPORATION

G.M. No. 346 ANDREW DON M.D., for a term to expire 6-30-2011; and

G.M. No. 347 ROSANNE C. HARRIGAN Ed.D., for a term to expire 6-30-2011;

Your Committee reviewed the resumes, and statements submitted by the nominees, and finds Andrew Don, M.D., and Rosanne C. Harrigan, Ed.D., to have the necessary qualifications to be nominated to the Board of Directors of the Hawai'i Health Systems Corporation (HHSC).

Your Committee received testimony in support of Andrew Don, M.D., from the Hawaii Health Systems Corporation and Hawaii Medical Association.

Dr. Don is a Maui resident and has been in private practice in Wailuku since 1973. As a sitting member on the HHSC Board of Directors, Dr. Don has proven himself to be a tremendous asset to the State in his Board governance role of the State's healthcare safety-net system. As a member of the HHSC Board of Directors, he has served to ensure the viability and sustainability of healthcare services provided by the twelve healthcare facilities throughout the five HHSC regions. He has been involved in public service capacities in the Maui community and is exceptionally committed to quality improvement activities for the healthcare safety-net system of facilities. His medical expertise, healthcare knowledge, and community compassion make him a valuable component to the Board of Directors of the Hawai'i Health Systems Corporation.

Your Committee received testimony in support of Roseanne C. Harrigan, Ed.D., from the Hawaii Health Systems Corporation and Hawaii Medical Association.

Dr. Harrigan, who is also a sitting member on the HHSC Board of Directors, is an outstanding nominee who has proven herself to be a tremendous asset to the State in her Board governance role of the State's healthcare safety-net system. Dr. Harrigan's extensive educational, clinical and healthcare management expertise will provide a visionary perspective and leadership that is needed for the HHSC Board of Directors. In her role as an HHSC Board member, she will contribute the highest level of professional expertise and commitment and help ensure that the most prudent governance and decision-making is made with regard to the State authorized system of community hospitals.

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, 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 (Menor, Whalen).

SCRep. 1436 Ways and Means on H.B. No. 1902

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist public utilities that provide electricity.

This measure assists the utilities with capital improvement projects that are used to provide electrical energy that serves the public health, safety, and general welfare.

Comments in support of this measure were submitted by the Hawaiian Electric Company, the Maui Electric Company, Limited, and the Hawaii Electric Light Company, Inc.

Your Committee finds that proceeds from the sale of the special purpose revenue bonds will be used to finance multi-project capital improvement construction programs that will serve approximately ninety-five per cent of the State's population. Your Committee further finds that the construction of generating units on Oahu funded by the sale of bonds will also be capable of running on biofuel.

As affirmed by the record of votes of the members 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. 1902, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Chun Oakland, Menor).

SCRep. 1437 Ways and Means on H.B. No. 92

The purpose of this measure is to promote the fair application of the general excise tax by allowing securities professionals to pay the general excise tax only on their respective share of commissions divided among a number of persons.

Your Committee received written testimony in support of this measure from the Department of Taxation, the National Association of Insurance and Financial Advisors, Brookstreet Securities Corporation, Linsco/Private Ledger Corp., and one individual. The Tax Foundation of Hawaii submitted written comments on this measure.

Your Committee finds that where two or more securities professionals share compensation, each should be required to pay taxes only on their respective portions, rather than on the entire compensation. This measure would correct an inequity in current Hawaii tax 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 H.B. No. 92, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Chun Oakland, Menor).

SCRep. 1438 Ways and Means on H.B. No. 14

The purpose of this measure is to refine the Reinventing Education Act of 2004 with respect to the interdepartmental duties of the Departments of Budget and Finance and Education.

Your Committee received comments in support of this measure from the Department of Education and the Department of Budget and Finance.

Your Committee finds that the Interagency Working Group established under Act 51, Session Laws of Hawaii 2004, the "Reinventing Education Act of 2004", has recommended the repeal of the transfer of certain functions from the Department of Budget and Finance to the Department of Education specified in Act 51, as amended.

The Interagency Working Group recommended that certain fiscal functions should remain with the Department of Budget and Finance because the Departments of Education and Budget and Finance have improved interdepartmental fiscal processes and have also signed a memorandum of understanding that sets forth new procedures and requirements.

This measure adopts the recommendation of the Interagency Working Group and amends Act 51 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. 14, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1439 (Majority) Ways and Means on H.B. No. 13

The purpose of this measure is to create a revolving fund for the collection and distribution of generated revenue to support the administration and operation of the Department of Education's Food Distribution Program.

Specifically, the fund, which is limited to \$2,000,000, would generate revenues through the collection of administrative fees from recipient agencies for the distribution of federal commodity foods. This bill also makes an appropriation out of the fund of \$2,000,000 in fiscal year 2007-2008 and fiscal year 2008-2009 for the payment of services provided by state contracted warehouses for the distribution of federal commodity foods to recipient agencies under the Department of Education Food Distribution Program.

Comments in support of this measure were submitted by the Department of Education. The Department of Budget and Finance submitted comments in opposition to this measure.

Your Committee finds that commodity foods to be distributed by the Department of Education through the National School Lunch Program are stored in warehouses within the State. The Department of Education is prohibited from using federal funds for fees associated with state-contracted warehouses for the storage of these foods. Increasing costs associated with the warehouse charges have necessitated a means by which those costs may be paid separate from passing along the cost to the recipient agencies.

Accordingly, your Committee finds that the establishment of a revolving fund into which fees collected for, interest earned on, and other moneys associated with the Department of Education's Food Distribution Program may be deposited and utilized to allow the program to become self-sustaining.

As affirmed by the record of votes of the members 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. 13, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Whalen).

SCRep. 1440 Ways and Means on H.B. No. 429

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Sacred Hearts Academy.

Specifically, the bill authorizes special purpose revenue bonds in a total amount not to exceed \$10,000,000 to assist Sacred Hearts Academy with financing construction and improvements of its facilities.

Sacred Hearts Academy submitted comments in support of the measure.

Your Committee finds that the issuance of special purpose revenue bonds will provide assistance to Sacred Hearts Academy to finance construction of various structures, including a performing arts building, and a modern multi-purpose student center.

As affirmed by the record of votes of the members 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. 429, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1441 Ways and Means on H.B. No. 334

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Sopogy, Inc.

The bonds, in the amount of \$10,000,000, will be used by Sopogy, Inc., to construct a solar farm power plant at the Natural Energy Laboratory of Hawaii Authority or other suitable site.

Your Committee received comments supporting the measure from the Department of Business, Economic Development and Tourism, the University of Hawaii's Hawaii Energy Policy Forum, and the Hawaii Renewable Energy Alliance.

Your Committee finds that Sopogy, Inc., specializes in the development, manufacture, and distribution of its proprietary concentrated solar power systems. The construction of a solar farm power plant by Sopogy, Inc. at the Natural Energy Laboratory of Hawaii Authority on the island of Hawaii, would demonstrate how electricity could be produced by using solar power 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 H.B. No. 334, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1442 Ways and Means on H.B. No. 870

The purpose of this measure is to support the development of renewable, efficient energy systems in the State.

Specifically, the measure authorizes the issuance of special purpose revenue bonds in a total amount not to exceed \$20,000,000 to assist Honolulu Seawater Air Conditioning, LLC in the design and construction of a seawater air conditioning district cooling facility and chilled water distribution system in Honolulu using cold, deep seawater as the primary cooling source.

The Hawaii Energy Policy Forum of the University of Hawaii, the Hawaii Renewable Energy Alliance, the Hawaii Science & Technology Council, and Honolulu Seawater Air Conditioning, LLC submitted comments in support of this measure.

Your Committee finds that the development of a chilled water distribution system using seawater is not only economically feasible, but it would also offer operating, maintenance, financial, and environmental benefits. Using our virtually unlimited state waters as the primary cooling source, this measure would provide a significant milestone in developing renewable energy in the State and reducing our reliance on imported oil.

As affirmed by the record of votes of the members 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. 870, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1443 Ways and Means on H.B. No. 899

The purpose of this measure is to finance a pilot project to develop ecologically-sustainable strategies to amend soil fertility for the production of clean energy feedstocks and food crops.

Your Committee received comments supporting the measure from Joule Junction, LLC and an individual. The University of Hawaii John A. Burns School of Medicine provided comments.

Your Committee finds that agricultural crop yields for use as food and clean energy feedstocks are strongly dependent on sufficient levels of available nutrients for plant uptake. Thus, a major determinant to a successful and sustainable agricultural venture in Hawaii is an adequate and sustainable fertilizer regime.

The use of biomass-derived charcoal as a tropical soil additive has been verified by modern science and used for agricultural purposes since ancient times. The production of biomass-derived charcoal for soil nutrient enhancement may satisfy community electrical needs while at the same time reduce carbon dioxide levels in the atmosphere. This process has the potential to not only assist in reducing Hawaii's dependence on petroleum-based products, but also decrease the need for fertilizer used in crop production. Comprehensive agricultural management strategies would not only lead to long-term economic stability of Hawaii's agrarian-based industries, but also reduce levels of contaminated sediments in statewide waterways and surrounding ocean waters, as well as reduce greenhouse gases and global warming.

As affirmed by the record of votes of the members 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. 899, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1444 (Majority) Ways and Means on H.B. No. 506

The purpose of this measure is to minimize Hawaii's dependence on fossil fuels by extending the existing ethanol production facilities tax credit an additional five years to allow more market participants to construct qualifying facilities.

Your Committee received written testimony in support of this measure from the Department of Business, Economic Development, and Tourism; the Department of Taxation; and Alexander & Baldwin, Inc. The Tax Foundation of Hawaii submitted written comments on this measure.

Your Committee finds that this measure will encourage the continued development of alternative energy sources, and contribute to the State's goal of reducing dependence on expensive imported fuels.

As affirmed by the record of votes of the members 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. 506, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, 1 (Hemmings). Excused, 2 (Chun Oakland, Menor).

SCRep. 1445 Ways and Means on H.B. No. 1411

The purpose of this measure is to amend Hawaii's income tax law to conform with changes to the Internal Revenue Code.

The Department of Taxation submitted written testimony in support of this measure. The Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that this annual conformity legislation is necessary to ensure that Hawaii tax law conforms with appropriate federal tax 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 H.B. No. 1411, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Whalen).

SCRep. 1446 (Majority) Ways and Means on H.B. No. 1414

The purpose of this measure is to authorize an emergency appropriation of \$4,500,000 for the costs incurred in administering the county surcharge on the state general excise tax.

The Department of Taxation submitted written testimony in support of this measure.

Your Committee finds that this emergency appropriation is necessary to address unbudgeted expenses incurred by the Department of Taxation in implementing the administration of the county surcharge provided under section 46-16.8, 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. 1414, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Whalen).

SCRep. 1447 Ways and Means on H.B. No. 831

The purpose of this measure is to fund costs associated with transporting the remains of Filipino World War II veterans to the Philippines for burial.

Specifically, this measure:

- (1) Appropriates moneys for a burial grant program that will pay directly to mortuaries and crematories the costs of funeral and burial services for deceased Filipino World War II veterans and costs for transporting their remains to the Philippines;
- (2) Requires payments to be made upon the submission of a contract for services and an itemized unpaid invoice;
- (3) Limits the total amount to be paid for funeral, burial, and transportation expenses to an unspecified sum; and
- (4) Limits eligibility for this program to Filipino World War II veterans who are not eligible for interment in a state or federal veterans cemetery under the Veterans Benefits and Health Care Improvement Act of 2000.

The Department of Defense submitted comments on this measure.

Your Committee finds that there are high costs associated with transporting Filipino World War II veterans to the Philippines for funeral and burial. Under current law, the survivor or interested party responsible for the funeral and transportation costs of a qualified veteran would be eligible to receive a burial grant from the Office of Veterans' Services to defray these costs. However, the responsible person must produce an itemized, paid invoice of the services rendered in order to receive reimbursement. Many families and friends of these veterans cannot afford to pay for these activities in advance. As a result, the bodies of some deceased Filipino World War II veterans cannot be properly buried until the deceased veteran's survivor or interested parties raise the necessary funds to pay the mortuary for funeral and other related services. Your Committee finds that this grant program would allow Filipino World War II veterans greater access to a program that would allow their families and friends to honor their wishes to be buried in the Philippines.

As affirmed by the record of votes of the members 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. 831, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1448 Ways and Means on H.B. No. 1120

The purpose of this measure is to ensure access to dental health care by Hawaii's underserved population.

More specifically, this measure appropriates funds to establish or expand community-based dental health clinics operated by federally-qualified health care centers to serve this underserved population, which includes low-income persons, the uninsured, those living in rural areas who are

less likely to have access to dental care, and others who are at higher risk for poor oral health. This measure will also increase the capacity of community health care centers to train dental health personnel.

Comments in support of this measure were submitted by the State Council on Developmental Disabilities, the Disability and Communications Access Board, the Community Clinic of Maui, the Bay Clinic, Inc., the Hamakua Health Center, the Ho'ola Lahui, the Hawaii Primary Care Association, the Kalihi-Palama Health Center, the Lutheran Medical Center, the Molokai Ohana Health Care, Inc., the Waikiki Health Center, and the West Hawaii Community Health Center, Inc.

Your Committee finds that Hawaii has one of the worst rates of dental and oral diseases in the nation, with children in Hawaii between the ages of five to nine having tooth decay at more than double the national rate. Your Committee also finds that community health centers, particularly in rural areas, are a natural point of access for Hawaii's underserved to receive dental health care. This measure will increase the availability of dental care statewide for a population that is currently underserved.

As affirmed by the record of votes of the members 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. 1120, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1449 Ways and Means on H.B. No. 1368

The purpose of this measure is to allow the Office of Health Care Assurance to offset its operating costs and to ensure the provision of quality health care to residents of the State.

Specifically, this measure changes the name of the hospital and medical facilities special fund to the Office of Health Care Assurance special fund and allows the Office to use moneys in the special fund to offset its operating expenses, in addition to offsetting its educational program expenses. This measure also increases annual authorized expenditures from the special fund from \$230,000 to \$300,000. In addition, this measure directs various licensure fees and all administrative penalties to be deposited into the special fund. Fines collected for violations relating to adult residential care homes are to be deposited into the special fund rather than into the general fund.

No comments were submitted on this measure.

Your Committee finds that this measure will provide additional funding for the Office of Health Care Assurance to carry out its duties in lieu of annual budget requests.

As affirmed by the record of votes of the members 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. 1368, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1450 Ways and Means on H.B. No. 1007

The purpose of this measure is to assist households that receive low-income housing assistance to achieve homeownership.

The bill promotes this goal by exempting households' family self-sufficiency escrow accounts from asset tests used to determine eligibility for public benefit programs administered by the Department of Human Services.

Your Committee received comments in support of this measure from the Department of Human Services and the Hawaii Alliance for Community-Based Economic Development.

Your Committee finds that the requirement for the Department of Human Services to disregard moneys within an escrow account established under the family self-sufficiency program of the United States Department of Housing and Urban Development when determining eligibility for assistance or other benefits will assist low-income households with down payments on their own homes.

As affirmed by the record of votes of the members 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. 1007, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1451 Ways and Means on H.B. No. 1364

The purpose of this measure is to broaden the eligibility standards for the state Rent Supplement Program.

Specifically, the measure:

- (1) Removes statutory limitations on rent subsidy amounts;
- (2) Increases program income participation limits from fifty per cent to ninety-five per cent of area median income; and
- (3) Allows certain individuals and families living in transitional shelters to be placed on the program's wait list.

Your Committee received comments in support of this measure from the Hawaii Public Housing Authority, the Hawaii Family Forum and Roman Catholic Church, and Partners in Care.

Your Committee finds that this measure will ensure that an estimated one hundred fifty households will become eligible for the state Rent Supplement Program. The measure will also provide assistance to "gap group" families, as well as keep those families already receiving assistance from being terminated because of increased incomes.

As affirmed by the record of votes of the members 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. 1364, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Hooser, Menor).

SCRep. 1452 Ways and Means on H.B. No. 1400

The purpose of this measure is to allow the Correctional Industries Program of the Department of Public Safety to sell uniforms and uniform accessories to adult corrections officers employed by the State of Hawaii.

Your Committee finds that in accordance with the United Public Workers Unit 10 collective bargaining agreement, adult corrections officers are responsible for twenty-five per cent of the cost of replacing uniforms and uniform accessories issued by the State.

This measure will allow the Correctional Industries Program to collect payments for uniforms and uniform accessories directly from adult corrections officers.

As affirmed by the record of votes of the members 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, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1453 Ways and Means on H.B. No. 692

The purpose of this measure is to extend the authorization for the issuance of refunding special purpose revenue bonds and date of the lapsing of the special purpose revenue bonds issued to Aloun Farms.

Your Committee received comments in support of the measure from Aloun Farms.

Your Committee finds that Aloun Farms initially intended to use the special purpose revenue bonds to acquire land from the James Campbell Estate to build a processing facility for an agriculture educational farm tour program. Since the land acquisition did not materialize, Aloun Farms now intends to use the proceeds of the special purpose revenue bonds to secure a long-term headquarters and to build a state-of-the-art facility to process locally grown produce.

As affirmed by the record of votes of the members 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. 692, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1454 Ways and Means on H.B. No. 1334

The purpose of this measure is to authorize the Department of Commerce and Consumer Affairs to increase or decrease the statutorily assessed fees of certain professions and occupations licensed or regulated by the Department in an expeditious manner.

Your Committee received comments in support of the measure from the Department of Commerce and Consumer Affairs and the Occupational Therapy Association of Hawaii.

Your Committee finds that the Department of Commerce and Consumer Affairs is authorized under section 92-28, Hawaii Revised Statutes (state service fees), to increase or decrease on an expedited basis, a variety of fees related to professional and vocational licensing and some other programs for the purpose of maintaining a reasonable relation between the revenues from the fees and the value of service provided. This measure adds approximately two-dozen programs to that list.

Your Committee finds that this measure will enable the Department to maintain a reasonable relation between the revenues derived from the fees and the cost of services rendered, comparability among fees imposed by the State, and other purposes deemed necessary and reasonable.

As affirmed by the record of votes of the members 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. 1334, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Chun Oakland, Menor).

SCRep. 1455 Ways and Means on H.B. No. 1014

The purpose of this measure is to promote the professional development of teachers.

Specifically, this bill appropriates funds to the Department of Education for professional development, alignment of curriculum, mentoring, and induction teacher mentoring that focuses on new teachers and teachers who are new to Hawaii.

No comments were submitted on this measure.

Your Committee finds that professional development for existing teachers, new teachers, and teachers new to Hawaii is a key component in creating a highly qualified and highly effective teaching pool 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. 1014, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1456 Ways and Means on H.B. No. 504

The purpose of this measure is to assist Le Jardin Academy in financing the construction of a new administrative building, new classrooms that will include science laboratories, a gymnasium, and an arts center.

Specifically, this measure authorizes the Department of Budget and Finance, with the approval of the Governor, to issue special purpose revenue bonds in the total amount not to exceed \$25,000,000, in one or more series, to assist Le Jardin Academy in the planning, acquisition, construction, and improvement of the new facilities.

Your Committee received comments in support of this measure from Le Jardin Academy.

Your Committee finds that pursuant to part VII, chapter 39A, Hawaii Revised Statutes, special purpose revenue bonds may be issued to assist not-for-profit private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities that serve the general public. This measure will allow Le Jardin Academy to finance the construction of several facilities that will enable the school to expand its programs and

increase the number of its students without relying entirely on the monetary contributions of the school's alumni, friends, and other supporters and to support the educational needs of the State's children.

As affirmed by the record of votes of the members 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. 504, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1457 Ways and Means on H.B. No. 338

The purpose of this measure is to require the Employees' Retirement System to consider Hawaii venture capital investment opportunities whenever evaluating venture capital investments as appropriate vehicles in which to invest the funds of the system.

Furthermore, this measure appropriates funds to the Department of Business, Economic Development, and Tourism for a public-private university research commercialization partnership.

Your Committee received comments in support of the measure from the Department of Business, Economic Development, and Tourism, the President of Hawaii Strategic Development Corporation, NovaSol, Oceanit, Pipeline Communications and Technology, Inc., International Venture Fund, Global Brain, Inc., 3D Innovations, Hawaii Science and Technology Council, Telehealthconnections, and concerned citizens. Your Committee received comments from the Employees' Retirement System, Cardax Pharmaceuticals, Pacific LightNet, and several individuals. Comments in opposition were received from a concerned citizen.

Your Committee finds that the State's favorable economic climate presents a golden opportunity for the State to invest in its future. This future is based on human resources and innovation capacity as manifested in Hawaii venture capital investments in the commercial development of research efforts.

As affirmed by the record of votes of the members 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. 338, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (Kim, Menor, Tokuda, Whalen).

SCRep. 1458 Ways and Means on H.B. No. 1361

The purpose of this measure is to make housekeeping amendments to chapter 356D, Hawaii Revised Statutes, relating to the Hawaii Public Housing Authority.

Your Committee received comments in support of this measure from the Hawaii Public Housing Authority and the Hawaii Community Development Authority.

Your Committee finds that on July 1, 2006, the Housing and Community Development Corporation of Hawaii under chapter 201G, Hawaii Revised Statutes, was divided into two agencies: the Hawaii Housing Finance and Development Corporation under chapter 201H, Hawaii Revised Statutes, and the Hawaii Public Housing Authority under chapter 356D, Hawaii Revised Statutes. Not all applicable provisions of chapter 201G, however, were codified in chapter 356D, as intended by the Legislature.

This measure corrects this oversight to provide the version of chapter 356D that was intended by 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 H.B. No. 1361, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1459 Ways and Means on H.B. No. 1907

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Craigside Retirement Residence.

Specifically, the bill assists the Craigside Retirement Residence with the construction of a senior housing community.

Your Committee received comments in support of the measure from the Hawaii Long Term Care Association.

Your Committee finds that the Craigside Retirement Residence constitutes a health care facility under part II, chapter 39A, Hawaii Revised Statutes, and the financing thereof 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 H.B. No. 1907, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1460 Ways and Means on H.B. No. 421

The purpose of this measure is to authorize the counties to make short-term investments of county moneys in A-1/P-1 rated commercial paper and bankers' acceptances.

Your Committee received comments in support of the measure from the Mayor of Maui County, a Maui County councilmember, and Central Pacific Bank.

Your Committee finds that this measure will broaden the range of opportunities available to the counties for short-term investment of available excess funds, and will afford the counties the same investment opportunities as that 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 H.B. No. 421, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1461 Ways and Means on H.B. No. 1294

The purpose of this measure is to require the Board of Trustees of the Employer-Union Health Benefits Trust Fund to adjust the base monthly contribution for retiree health benefit plans in accordance with a change in the rate structure.

Specifically, this measure authorizes the Board of Trustees to change the rate structure to provide for other than self and family rates. However, the measure then requires the Board of Trustees to accordingly adjust the base monthly contributions to maintain the same underwriting cost as that incurred under the rate structure that provide for self and family rates.

Your Committee received comments in support of the measure from the Employer-Union Health Benefits Trust Fund and the Department of Budget and Finance.

Your Committee finds that this measure will accommodate the three tier rate structure that has recently been adopted by the Board of Trustees. The present rate structure in the law is comprised of two tiers, one for single rates and one for family rates. This measure will change the present law so that it will accommodate a third tier for two-party rates. Your Committee further finds that this measure will align employer and retiree contributions more closely with the size of a retiree's family, and is cost neutral.

As affirmed by the record of votes of the members 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. 1294, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1462 Ways and Means on H.B. No. 1287

The purpose of this measure is to repeal section 523A-3.5, Hawaii Revised Statutes, which requires that unclaimed property permanently escheat to the State after being held for a period of two to six years.

Your Committee received no comments on this measure.

Your Committee finds that section 523A-3.5, Hawaii Revised Statutes, was enacted in 1996. However, the law has never been enforced because, according to the Department of Budget and Finance, it conflicts with the State's Unclaimed Property Program. Under that program, the State serves as the custodian of unclaimed property in perpetuity, thereby allowing the rightful property owners to claim their property without time constraints.

As affirmed by the record of votes of the members 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. 1287, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1463 Ways and Means on H.B. No. 1353

The purpose of this measure is to increase opportunities for native Hawaiian beneficiaries of the Hawaiian Homes Commission Act, 1920, as amended.

More specifically, the measure:

- (1) Authorizes the transfer of moneys from the Hawaiian home receipts fund into the native Hawaiian rehabilitation fund;
- (2) Requires the Department of Hawaiian Home Lands to consult with trust beneficiaries in developing homestead projects and commercial and multipurpose projects and in connection with certain loan conditions that may result in lower allowable loan amounts; and
- (3) Establishes the Hawaiian home lands community development fund to be funded by a percentage of revenues from commercial development of Hawaiian home lands and to be expended for community and cultural programming in Hawaiian homestead communities.

The Office of Hawaiian Affairs submitted comments in support of this measure.

Your Committee recognizes that the state constitution requires thirty per cent of state receipts from sugarcane lands and water licenses to be deposited into the Native Hawaiian rehabilitation fund to improve the general welfare and conditions of native Hawaiians. Because of the decline in sugar production, revenues available for the Native Hawaiian rehabilitation fund have correspondingly declined. Your Committee finds that authorizing funds from the Hawaiian home receipts fund to be transferred into the Native Hawaiian rehabilitation fund will provide additional revenues to improve conditions for the beneficiaries of the Hawaiian Homes Commission Act. Similarly, the Hawaiian Home lands community development fund established by this measure provides another source of revenue available to provide community and cultural programming to benefit Hawaiian homestead communities.

Your Committee further finds that requiring the Department of Hawaiian Home Lands to consult with trust beneficiaries on certain undertakings will not only encourage native Hawaiians to engage in the development of Hawaiian homestead communities, including the commercial development of Hawaiian home lands, but also will provide an opportunity for their voices and opinions to be heard on a variety of issues central to their well-being.

As affirmed by the record of votes of the members 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. 1353, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1464 Economic Development and Taxation on S.C.R. No. 65

The purpose of this measure is to honor John Papa ʻŪi, a leading citizen of the Hawaiian kingdom during the nineteenth century.

Testimony in support of this measure was received from one individual.

Your Committee finds that John Papa ʻŪi was trained from earliest childhood for a life of service to the high chiefs. He served as a companion and personal attendant to King Kamehameha II; as a general superintendent of Oahu schools and influential member in the court of Kamehameha

III; as a member of the Treasury Board, Privy Council, and the Board of Land Commissioners. John Papa ʻĪʻĪ represented the House of Nobles in the drafting of the Constitution, and he served from 1846 to 1864 as an Associate Justice of the Supreme Court of Hawaii.

Your Committee supports the recognition of John Papa ʻĪʻĪ for his many contributions to the government, culture and people of Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 65 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 1465 Economic Development and Taxation on S.R. No. 39

The purpose of this measure is to honor John Papa ʻĪʻĪ, a leading citizen of the Hawaiian kingdom during the nineteenth century.

Testimony in support of this measure was received from one individual.

Your Committee finds that John Papa ʻĪʻĪ was trained from earliest childhood for a life of service to the high chiefs. He served as a companion and personal attendant to King Kamehameha II; as a general superintendent of Oahu schools and influential member in the court of Kamehameha III; as a member of the Treasury Board, Privy Council, and the Board of Land Commissioners. John Papa ʻĪʻĪ represented the House of Nobles in the drafting of the Constitution, and he served from 1846 to 1864 as an Associate Justice of the Supreme Court of Hawaii.

Your Committee supports the recognition of John Papa ʻĪʻĪ for his many contributions to the government, culture and people of Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 39 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 1466 Tourism and Government Operations on S.C.R. No. 60

The purpose of this measure is to request the Hawaii Tourism Authority to encourage the use of the proper name of a popular destination – Mokoliʻi Islet and discourage the use and publication of the name “Chinaman’s Hat”.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority (HTA).

The name Mokoliʻi, on the other hand, comes from part of the Pele legend: After Pele traveled across the Islands and finally made her home on the Island of Hawaii, she still wandered in her dreams as a spirit. During one of these travels, she found a handsome prince, Lohiʻau, on Kauaʻi and wanted to meet him. She asked each of her sisters to go to Kauaʻi and bring him back, but they refused, foreseeing the dangers of the trip. Finally the youngest of the girls, Hiʻiaka, agreed. On Oʻahu, as Hiʻiaka followed the trail on the shore of Kaneʻohe Bay, she was confronted by a moʻo, a large dragon-like creature. Using her supernatural power, Hiʻiaka killed the moʻo, cut off his tail, and threw it into the ocean, where it became an island called Mokoliʻi, or “little dragon”.

Your Committee notes that the HTA is using the name “Mokoliʻi Islet” in the latest version of its Style Guide, which is part of the Hawaiian culture initiative. The initiative is part of the Hawaiʻi Tourism Strategic Plan 2005-2015 to honor and perpetuate the Hawaiian culture and community.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations 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, 4. Noes, none. Excused, none.

SCRep. 1467 Tourism and Government Operations on S.R. No. 36

The purpose of this measure is to request the Hawaii Tourism Authority to encourage the use of the proper name of a popular destination – Mokoliʻi Islet and discourage the use and publication of the name “Chinaman’s Hat”.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority (HTA).

The name Mokoliʻi, on the other hand, comes from part of the Pele legend: After Pele traveled across the Islands and finally made her home on the Island of Hawaii, she still wandered in her dreams as a spirit. During one of these travels, she found a handsome prince, Lohiʻau, on Kauaʻi and wanted to meet him. She asked each of her sisters to go to Kauaʻi and bring him back, but they refused, foreseeing the dangers of the trip. Finally the youngest of the girls, Hiʻiaka, agreed. On Oʻahu, as Hiʻiaka followed the trail on the shore of Kaneʻohe Bay, she was confronted by a moʻo, a large dragon-like creature. Using her supernatural power, Hiʻiaka killed the moʻo, cut off his tail, and threw it into the ocean, where it became an island called Mokoliʻi, or “little dragon”.

Your Committee notes that the HTA is using the name “Mokoliʻi Islet” in the latest version of its Style Guide, which is part of the Hawaiian culture initiative. The initiative is part of the Hawaiʻi Tourism Strategic Plan 2005-2015 to honor and perpetuate the Hawaiian culture and community.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 36 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, none.

SCRep. 1468 Economic Development and Taxation on S.C.R. No. 62

The purpose of this measure is to convene a Hawaii Broadband Task Force to remove barriers to broadband access, including gaining wider access to public rights-of-way, and identifying opportunities for increased broadband deployment and adoption, including very high speed broadband services.

Prior to the hearing your Committee circulated a Proposed S.C.R. No. 62 entitled:

“REQUESTING THE DEPARTMENT OF TAXATION TO CONDUCT A REVIEW OF HAWAII’S GENERAL EXCISE TAX PYRAMIDING RELIEF ACT;”

The purpose of the proposed measure is to request the Department of Taxation to conduct a review Hawaii’s General Excise Tax Pyramiding Relief Act and to consider clarifying language to make clear that the general excise tax is not due on business-to-business services that fulfill a warranty obligation to the manufacturer.

Testimony in support of the proposed language was received from the Department of Taxation and the Hawaii Automotive Dealers’ Association.

Your Committee finds that at least two other states, California and Washington, have dealt with this issue, and that there may be additional options in other jurisdictions.

Your Committee has amended this measure by:

(1) Amending the title to read:

“REQUESTING THE DEPARTMENT OF TAXATION TO CONDUCT A REVIEW OF HOW OTHER STATES AND JURISDICTIONS ENSURE THAT WARRANTIES AND MAINTENANCE AGREEMENTS ARE EITHER EXEMPTED FROM PAYMENT OF ADDITIONAL TAXES OR TAXED AT THE WHOLESALE RATE;”

(2) Deleting one “whereas” paragraph related to clarification of Act 71, Session Laws of Hawaii 1999;

(3) Amending the “be it resolved” paragraph to reflect the title change and to incorporate language from the second “be it further resolved” paragraph; and

(4) Requesting the Department of Taxation to submit proposed legislation for introduction at the Regular Session of 2008.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 62, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 62, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 1469 Transportation and International Affairs on S.C.R. No. 155

The purpose of this measure is to establish a Kapaa Quarry Road Safety Task Force under the Department of Transportation to recommend traffic safety measures for Kapaa Quarry Road.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT) and the Department of Transportation Services of the City and County of Honolulu (DTS).

On February 15, 2007, two young women were killed in a crash while traveling on Kapaa Quarry Road, and five others were injured. Other accidents on Kapaa Quarry Road in recent years include a 1998 crash attributable to speeding, which resulted in the death of a teenage girl; a 2000 incident involving an overturned vehicle, which resulted in the hospitalization of three people; and a 2001 crash that left a teenage boy hospitalized in critical condition. Although the speed limit on Kapaa Quarry Road is twenty-five miles per hour, drivers frequently drive much faster and use the road for entertainment, such as going fast over a sudden and steep dip in the road to simulate a rollercoaster.

The Kapaa Quarry Road Safety Task Force would be composed of a broad spectrum of representatives of the Legislature, government agencies, and private stakeholders, including the Department of Transportation; the Department of Transportation Services of the City and County of Honolulu; the Department of Land and Natural Resources; the Honolulu Police Department; the Department of Environmental Services of the City and County of Honolulu; the Kailua Neighborhood Board No. 31; the Senate of the State of Hawaii, to be selected by the President of the Senate; the House of Representatives of the State of Hawaii, to be selected by the Speaker of the House of Representatives; and surrounding businesses, schools, and property owners, to be determined by the Department of Transportation.

Your Committee believes that the formation of a task force is the most expeditious and efficient means of addressing the hazard road conditions and unsafe driving along Kapaa Quarry Road.

Your Committee has amended this measure on the recommendation of the DOT and the DTS to have both serve as co-chairs of the task force since the Kapaa Quarry Road is under the jurisdiction of the City and County of Honolulu.

As affirmed by the record of votes of the members of your Committee on Transportation and International 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 (Hooser, Taniguchi, Tsutsui).

SCRep. 1470 Ways and Means on H.B. No. 1529

The purpose of this measure is to establish two scholarship programs in honor of United States Senator Hiram L. Fong and United States Senator Oren E. Long, respectively, to be administered by the University of Hawaii.

The Department of Education submitted comments in support of this measure.

Your Committee finds that Senator Fong’s accomplishments in civil rights, labor rights, and immigration reform was due in large part to his ability to bridge partisan and ethnic lines. Your Committee also finds that Senator Oren E. Long’s illustrious career of public service included serving as Hawaii Superintendent of Public Instruction, Secretary of the Territory of Hawaii, and Governor of Hawaii.

Your Committee further finds that the Senator Hiram L. Fong Commission, which was established by Act 117, Session Laws of Hawaii 2005, recommends that scholarships be established for both United States senators. Your Committee is in agreement with the Commission’s recommendation.

Your Committee has amended this measure by:

- (1) Changing the effective date of the bill from July 1, 2050, to July 1, 2007; and
- (2) Making nonsubstantive technical amendments 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. 1529, 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. 1529, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1471 Ways and Means on H.B. No. 1289

The purpose of this measure is to:

- (1) Establish that all energy technology systems must be installed and placed in service in the State of Hawaii to obtain the State's income tax energy tax credit; and
- (2) Expand tax credits applicable to shareholder pro rata shares in S corporations.

The Department of Taxation and the Hawaii Energy Policy Forum submitted written testimony in support of this measure. The Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that this measure would clarify an ambiguity in existing tax law by making it clear that the tax credits for energy technology systems must be for systems installed and placed in service in the State.

Your Committee has amended this measure by:

- (1) Deleting the proposed technical, nonsubstantive amendment to section 235-129(a), Hawaii Revised Statutes (HRS), as unnecessary; and
- (2) Deleting the proposed amendments in section 235-129(b), HRS, and instead, replacing two references to section 235-12, HRS, relating to an energy conservation income tax credit, with references to section 235-12.5, HRS, relating to a renewable energy technologies income tax credit, in that subsection.

As affirmed by the record of votes of the members 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. 1289, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1289, H.D. 2, S.D. 3.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1472 Ways and Means on H.B. No. 567

The purpose of this measure is to determine the cost of developing and operating a new motor sports facility on Oahu.

Specifically, this measure requires the Department of Accounting and General Services to conduct a study to determine the cost of developing an all-purpose motor sports facility on Oahu, including acquisition of land, construction, and costs of start-up, maintenance, and operation. In addition, this measure authorizes the Department to execute the temporary acquisition of adequate land for a short-term motor sports facility, which may be used until a permanent facility is completed. The measure also appropriates an unspecified amount for the temporary acquisition of adequate land for a short-term motor sports facility.

Your Committee received comments in support of this measure from the Department of Accounting and General Services, several spokespersons from Save Oahu's Race Tracks, and two individuals.

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

- (1) Inserting language to clarify that the short-term motor sports facility may be used for an unspecified maximum number of years until a permanent facility is completed; and
- (2) Inserting language in section 4 making an appropriation to clarify that the appropriation is not only for the cost of land acquisition, but also for the cost of planning, design, and construction, initial startup, routine maintenance, and routine operations of the short-term motor sports 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. 567, 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. 567, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Whalen).

SCRep. 1473 Ways and Means on H.B. No. 1403

The purpose of this measure is to improve the operations and efficiency of the Hawaii Paroling Authority by converting two part-time members of the Authority to full-time status.

This bill also appropriates funds necessary to convert the two part-time positions to full-time status.

Comments in support of this measure were submitted by the Hawaii Paroling Authority and the Department of Human Resources Development.

Your Committee finds that since 1980 the parole population has grown from 437 to 2,340 as of June 2006. Your Committee further finds that, while the number of parole-related hearings has grown accordingly, the status of the two part-time Hawaii Paroling Authority Board members has not changed since the Board's inception in 1976.

Your Committee has amended this measure by:

- (1) Removing the word "expenses" in the section title of section 353-63, Hawaii Revised Statutes, to conform to the content of the section; and
- (2) Changing the effective date of the measure from July 1, 2020 to July 1, 2007.

As affirmed by the record of votes of the members 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. 1403, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1403, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1474 Ways and Means on H.B. No. 869

The purpose of this measure is to appropriate funds to the University of Hawaii for a study on energy efficient transportation strategies.

Your Committee received comments in support of the measure from the University of Hawaii at Manoa, College of Social Sciences Hawaii Energy Policy Forum. Comments in support of the measure, with reservations, were received from the Department of Business, Economic Development, and Tourism.

Your Committee finds that the Hawaii Energy Policy Forum is a part of the Social Sciences Public Policy Center at the University of Hawaii at Manoa. The policy forum proposes to conduct a study on energy efficient transportation strategies in conjunction with the Department of Business, Economic Development, and Tourism. Your Committee finds that the study is needed because no energy efficient transportation strategy is currently in place for the transportation sector.

Your Committee has amended this measure by changing the appropriation figure to an unspecified amount in order to facilitate further discussion of the measure. 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. 869, 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. 869, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1475 Ways and Means on H.B. No. 18

The purpose of this measure is to provide the Hawaii Teacher Standards Board with more flexibility to carry out its licensing duties.

Specifically, the measure:

- (1) Authorizes the Board to temporarily suspend its rules when extenuating circumstances require it to do so; and
- (2) Enable the Board to amend certain fees and set or amend other charges related to the performance of its duties.

The Department of Education, the Hawaii State Teachers Association, and the University of Hawaii College of Education submitted comments in support of this measure.

Your Committee finds that teachers have four years to complete the licensing process. Your Committee recognizes, however, that there may be extenuating circumstances that justify exceptions to this, on a case by case basis, four-year time frame.

Your Committee finds that the flexibility provided by this measure will assist the Hawaii Teacher Standards Board in addressing the pressing need for additional licensed teachers in Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying that rules may be suspended on a case by case basis when required by extenuating circumstances;
- (2) Removing references to policies or standards in section 1;
- (3) Changing the effective date to July 1, 2007; and
- (4) Making technical nonsubstantive comments 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 H.B. No. 18, 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. 18, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1476 Ways and Means on H.B. No. 15

The purpose of this measure is to create a Felix stipend program special fund.

Payments from students who have breached their contractual obligations under the Felix stipend program will be deposited into the fund. Moneys in the fund will be used to provide tuition assistance to students in the Felix consent decree recruitment and retention program. The bill also appropriates moneys to be deposited into the fund.

Comments in support of this measure were submitted by the University of Hawaii and the Department of Education. Comments in opposition to this measure were submitted by the Department of Budget and Finance.

Your Committee finds that the creation of the Felix stipend program special fund would enable the Department of Education to recover stipend funds from students who fail to meet their obligatory teaching obligations and would make those recovered funds available to new special education teacher candidates.

Your Committee has amended this measure 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 15, 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. 15, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Whalen).

SCRep. 1477 Ways and Means on H.B. No. 1372

The purpose of this measure is to appropriate additional funds for emergency aeromedical services on Oahu.

Specifically, this measure makes an emergency appropriation of \$1,900,000 in general funds for fiscal year 2006-2007 to the Department of Health to cover the reimbursement costs associated with the delivery of service by the Hawaii Army National Guard in providing emergency aeromedical services that were previously provided by the United States Army.

Your Committee received comments in support of this measure from the Department of Defense and the Healthcare Association of Hawaii.

Your Committee finds that aeromedical services are a critical component of emergency medical care in Hawaii. Your Committee has amended this measure by deleting its contents and inserting S.B. No. 1458 S.D.1, which appropriates \$493,684 in general funds for fiscal year 2006-2007, to reimburse costs associated with the delivery of service by the Hawaii Army National Guard or other provider.

As affirmed by the record of votes of the members 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. 1372, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1372, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1478 Ways and Means on H.B. No. 1477

The purpose of this measure is to increase access to primary health care services provided by family physicians or residents in the family medicine residency program at the University of Hawaii to medically underserved residents in rural areas of the State.

Specifically, this measure appropriates:

- (1) \$1 in fiscal year 2007-2008 and fiscal year 2008-2009 to support and expand the family medicine residency program of the University of Hawaii John A. Burns School of Medicine's department of family medicine and community health to provide rural primary health care services;
- (2) \$1 in fiscal year 2007-2008 and fiscal year 2008-2009 to develop a statewide rural primary health care training program to provide family physicians to rural areas and improve health care access for the people of Hawaii; and
- (3) \$400,000 in fiscal year 2007-2008 for the Hawaii Quentin Burdick Rural Health Interdisciplinary Training Program to continue its program addressing the shortage of health care professionals in rural communities in the State.

Your Committee received comments in support of this measure from the Director of the Hawaii/Pacific Basin Area Health Education Center of the University of the Hawaii John A. Burns School of Medicine, Chairperson of the Department of Family Medicine and Community Health of the Hawaii John A. Burns School of Medicine, the project director of the Hawaii Quentin Burdick Rural Health Interdisciplinary Training Program, the Hawaii Primary Care Association, the Mayor of Hawaii County, and two individuals. The Interim Dean of the Hawaii John A. Burns School of Medicine offered comments.

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

- (1) Deleting section 5 of the measure that appropriates funds to the Quentin Burdick Rural Health Interdisciplinary Training Program as funding for this program is provided for in the biennium budget; and
- (2) Making technical nonsubstantive amendments for the purposes of 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. 1477, 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. 1477, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1479 (Majority) Ways and Means on H.B. No. 149

The purpose of this measure is to create a one-time tax credit for taxpayers in the County of Hawaii who suffered damage as a result of the October 15, 2006, earthquake.

The Department of Defense, Department of Taxation, and the Tax Foundation of Hawaii submitted written comments on this measure.

Your Committee finds that this measure would provide assistance to victims of the October 2006 earthquake, which is similar to assistance available to the flood victims of 2006 and 2004 provided in Act 110, Session Laws of Hawaii 2006.

Your Committee has amended this measure by changing one reference to "residential property" to "residential structure" for the purposes of 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. 149, 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. 149, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Whalen).

SCRep. 1480 Ways and Means on H.B. No. 575

The purpose of this measure is to preserve the economic stability of Hawaii during a crisis that adversely affects tourism.

Specifically, this measure:

- (1) Establishes procedures for the Governor to declare a tourism emergency, followed by a grant of authority to the Board of Directors of the Hawaii Tourism Authority to implement an emergency response to the tourism emergency;
- (2) Requires the Hawaii Tourism Authority to develop and implement measures to respond to a tourism emergency, including the provision of emergency assistance to tourists; and
- (3) Prohibits the implementation of any tourism emergency response measure from adversely affecting organized labor in tourism industries;
- (4) Establishes a tourism emergency trust fund with a fund balance of \$5,000,000, from transient accommodations tax revenues, to be used exclusively for the development and implementation of tourism emergency response measures.

Your Committee received comments in support of this measure from the Department of Business, Economic Development, and Tourism; the Hawaii Tourism Authority; and the Chamber of Commerce of Hawaii.

Your Committee finds that natural disasters or world events have the potential to threaten Hawaii's tourism industry. These events may have a substantial detrimental economic impact on the overall financial well-being of Hawaii's tourism industry. This would, in turn, have an adverse effect on the State's entire economy. Accordingly, your Committee believes it is critical to have the ability to respond to emergency situations on a timely basis to offset any adverse impact on the tourism industry and Hawaii's economy. Your Committee finds that this measure will provide the means and the flexibility to respond to this type of economic emergency.

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 H.B. No. 575, 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. 575, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1481 Ways and Means on H.B. No. 1005

The purpose of this measure is to improve the ability of the Public Utilities Commission to improve its operations and more effectively carry out its statutory duties.

Specifically, this measure:

- (1) Requires the Public Utilities Commission to restructure its operations according to its December 2006, report to the Legislature;
- (2) Appropriates funds to meet costs associated with restructuring; and
- (3) Authorizes the Public Utilities Commission to consider increased renewable energy use in exercising its authority.

Your Committee received comments in support of this measure from the Public Utilities Commission; the Hawaii Energy Policy Forum; and Hawaiian Electric Company, Inc. The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs submitted comments on this measure.

Your Committee finds that there is a need for the Public Utilities Commission to function more effectively and efficiently to keep up with changing regulatory conditions, duties, requirements, and advances in technology.

Your Committee has amended this measure by making technical, non-substantive 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. 1005, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1005, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (Kim, Menor, Tokuda, Whalen).

SCRep. 1482 (Majority) Ways and Means on H.B. No. 24

The purpose of this measure is to provide an additional bonus to public school teachers who maintain current national board certification and who teach at certain schools.

Your Committee received comments in support of the measure from the Department of Education. The Hawaii State Teachers Association offered comments.

Your Committee finds that to meet the standards set by state laws and the No Child Left Behind Act, it is necessary to recruit and retain highly qualified teachers for public schools. Currently, completing the certification program of the National Board of Professional Teaching Standards entitles teachers to \$1,500 and reimbursement of the remainder of the application fee. In addition, maintenance of the certification entitles a teacher to a \$5,000 bonus, annually.

Your Committee believes that providing certain limited additional incentives will help recruit and retain highly qualified teachers at certain schools, including those that are in restructuring under the No Child Left Behind Act, are struggling to make annual yearly progress, or experience hard to fill vacancies.

Your Committee has amended the bill by:

- (1) Clarifying the nature of the additional bonus and those who may qualify for it; and
- (2) Making technical nonsubstantive changes for clarity, style, 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. 24, 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. 24, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Whalen).

SCRep. 1483 Ways and Means on H.B. No. 767

The purpose of this measure is to support the Running Start Program and provide additional opportunities for Hawaii's students to attend college.

Specifically, this bill requires the Department of Education to provide high school students that participate in the Running Start Program with guidance in earning credit toward graduation for successfully completing one-hundred level and above University of Hawaii courses. Additionally, this measure appropriates moneys to provide scholarships to students from low-income and underrepresented populations to participate in the Running Start Program.

Comments in support of this measure were submitted by the Department of Education, the University of Hawaii, and the Hawaii State Teachers Association.

Your Committee finds that the Running Start Program is successful in helping to prepare high school students of underrepresented populations for college entry. By allowing eligible high school students to enroll in qualified university courses and simultaneously earn credits for high school graduation, the program provides many students with the motivation, preparation, and opportunity to explore and pursue a college education that may otherwise be unavailable or unaffordable.

Your Committee has amended the measure by making a technical nonsubstantive amendment 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. 767, 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. 767, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1484 Energy and Environment on H.B. No. 1376

The purpose of this measure is to reduce the unnecessary permitting burden on remediation contractors and developers of petroleum-contaminated sites (PCS).

Specifically, this measure repeals the permit requirement for transporting PCS.

Testimony in support of this measure was submitted by the Department of Health. Four individuals with the Environmental Center of the University of Hawai'i at Manoa submitted comments.

Your Committee finds that there has been a significant decrease in the number of releases and clean ups of PCS since the change in federal regulations in 1988. Your Committee further finds that the Department of Health has increased its oversight on the proper management and disposal of PCS at both the site of generation and the site of disposal. Therefore, your Committee finds that the permit requirements for transportation between the site of generation and site of disposal is no longer necessary and may be redundant.

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. 1376, 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 (Kokubun).

SCRep. 1485 Ways and Means on H.B. No. 1225

The purpose of this measure is to repeal an unnecessary provision in the law that requires the Governor to sign the paychecks of the Comptroller and Deputy Comptroller.

Your Committee received comments in support of this measure from the Department of Accounting and General Services.

Your Committee finds that requiring the Governor to manually sign certain paychecks is an outdated method of internal control to prevent alteration of paychecks that is no longer necessary since the paychecks of state employees are no longer manually issued and signed. Although the signatures of the Comptroller or Deputy Comptroller appear on state paychecks, the signatures are now laser printed. In addition, the paychecks of most state employees are directly deposited into an account of a financial institution, further reducing opportunities for paycheck alteration. The repeal of this outdated internal control will allow more efficient use of staff and 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 H.B. No. 1225, 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, 8. Noes, none. Excused, 3 (Fukunaga, Menor, Whalen).

SCRep. 1486 Tourism and Government Operations on H.B. No. 345

The purpose of this measure is to recognize September 21 of each year as "Peace Day."

Your Committee received testimony in support of this measure from the Junior Young Buddhist Association; Retail Merchants of Hawaii; The League of Women Voters of Hawaii; Hawaii State Teachers Association; Wahiawa Lions Club, Inc.; Domestic Violence Clearinghouse and Legal Hotline; United Junior Young Buddhist Association of Honolulu; and nine individuals.

The intent of annually recognizing a Peace Day is to promote peace programs, improve international relations, and increase educational awareness of peace. This measure does not make Peace Day a holiday.

Peace Day has its origins in "The International Day of Peace" which was celebrated on September 21, 2006, in two hundred countries and 3,500 peace day events, including all one hundred ninety-two members of the United Nations. The purpose was to promote a global movement for a culture of peace. Especially in these dangerous and turbulent times, your Committee believes there is a need to consciously and actively focus on the goals of peace for all mankind. This measure would bring it to the consciousness of citizens of the State once a year.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 345, 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, none.

SCRep. 1487 Ways and Means on H.B. No. 1207

The purpose of this measure is to increase service charges on dishonored payments and to enhance the collection process.

More specifically, the bill:

- (1) Deletes provisions relating to interest charges on penalties;
- (2) If the charge is not due on a dishonored check or electronic funds transfer for a tax payment, permits the use of a bonded collection agency; and
- (3) Increases the service charge to a flat \$25 for any form of payment.

Your Committee received testimony in support of the measure from the Judiciary and comments from the Department of Taxation.

Your Committee finds that currently, a bonded collection agency cannot be used for collection purposes, the service charge is too low to function as a deterrent, and the calculation of interest is too burdensome and often disputed.

Your Committee finds that the bill remedies these issues by: setting an increased standard fee of \$25 instead of fees of \$15 for check and electronic funds transfers and \$7.50 for other negotiable investments; deleting the requirement to pay interest due on certain service charges; and by permitting the use of a collection agency for payments other than tax payments made by check or electronic funds transfer.

Your Committee amended the bill to clarify that charging of interest on any penalties is expressly prohibited.

As affirmed by the record of votes of the members 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. 1207, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1207, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Fukunaga, Menor, Whalen).

SCRep. 1488 Ways and Means on H.B. No. 513

The purpose of this measure is to require any organization that has received a grant or subsidy for the acquisition of land to repay to the State the amount of the grant or subsidy, by lump sum payment or installment payments, upon the sale or lease of the land that was acquired by use of the grant or subsidy.

Your Committee received no comments on this measure.

Your Committee finds that, as a matter of equity, an organization that receives a grant or subsidy from the State to acquire land should not receive a windfall profit on the sale or lease of the land when it is no longer needed for the original purpose of the grant or subsidy. The original amount of the grant or subsidy should be repaid to the State so that other organizations in the future may benefit from future grants and subsidies.

Your Committee amended this measure by making technical nonsubstantive amendments for the purpose 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. 513, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 513, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Fukunaga, Menor, Whalen).

SCRep. 1489 Ways and Means on H.B. No. 1931

The purpose of this measure is to extend from June 30, 2007, to June 30, 2011, the lapse date for the authorization to issue special purpose revenue bonds to assist Hui `Enekinia Hawai`i, an industrial enterprise.

Your Committee received comments in support of the measure from two principals of Hui `Enekinia Hawai`i.

Your Committee finds that Hui `Enekinia Hawai`i remains engaged in the development of a cogeneration facility project that will sell electric energy to electric utilities that serve the public. It also plans to sell thermal fluids that it produces to existing and planned manufacturing and processing entrepreneurs in the area. Your Committee also finds that it is in the public interest to encourage the development of such cogeneration facilities.

Your Committee has amended the measure by making a conforming amendment to Act 263, Session Laws of Hawaii 1993, to also extend to June 30, 2011, the date subsequent to which the Department of Budget and Finance is authorized to issue refunding special purpose revenue 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. 1931, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1931, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Fukunaga, Menor, Whalen).

SCRep. 1490 Tourism and Government Operations on H.B. No. 1103

The purpose of this measure is to designate the Asian Lunar New Year as a week of commemoration.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that Hawaii embraces many different ethnic celebrations. Chinese New Year has become a part of island tradition. Designating an official state observance of the Asian Lunar New Year is a recognition of the richly diversified nature of the State's population. Your Committee notes that the week of commemoration would not be considered a state holiday.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purpose of statutory conformity.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1103, 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, none.

SCRep. 1491 Ways and Means on H.B. No. 1227

The purpose of this measure is to make emergency appropriations for risk management for fiscal year 2006-2007.

Specifically, this measure transfers funds from general, special, and revolving funds to the state risk management revolving fund, and appropriates funds out of the state risk management revolving fund to cover unanticipated increases in property insurance premiums and deductibles.

Your Committee received comments in support of the measure from the Department of Accounting and General Services.

Your Committee finds that without this measure the State's property insurance coverage will fall to levels commensurate with the available funding and expenditure ceiling and the payment of property loss claims would be deferred because of insufficient funds.

Your Committee has amended this measure by adding clarifying prefatory language that the transfer of funds into the state risk management special fund is from not only special funds but special or revolving funds.

Additionally, technical note amendments have been made 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. 1227, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1227, 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, 8. Noes, none. Excused, 3 (Fukunaga, Menor, Whalen).

SCRep. 1492 Transportation and International Affairs on S.C.R. No. 138

The purpose of this measure is to urge the Department of Transportation to implement xeriscaping to decorate roadways, medial strips, and roundabouts, and other areas under its jurisdiction.

Your Committee received testimony in support of this measure from the Department of Transportation (Department).

The goal of xeriscaping is to create a visually attractive landscape by using drought-tolerant plants and grasses in combination with irrigation techniques. A properly maintained xeriscape can easily use less than one-half the water of a traditional landscape. A xeriscaped area not only reduces the amount of water used compared to traditional landscapes, but also reduces the amount of maintenance needed for watering, fertilizing, mowing, trimming, and pruning. Xeriscaping is ideally suited for the needs of the Department and would provide aesthetic, economic, and environmental benefits for the Department and the State.

According to testimony of the Department, it is in the process of developing its Sustainable Statewide Landscape Master Plan, in which policies and guidelines will be developed for plant selection and maintenance requirements for landscaping projects around the State, including the inclusion of xeriscaping.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 138 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 2 (Taniguchi, Tsutsui).

SCRep. 1493 Transportation and International Affairs on S.R. No. 92

The purpose of this measure is to urge the Department of Transportation to implement xeriscaping to decorate roadways, medial strips, and roundabouts, and other areas under its jurisdiction.

Your Committee received testimony in support of this measure from the Department of Transportation (Department).

The goal of xeriscaping is to create a visually attractive landscape by using drought-tolerant plants and grasses in combination with irrigation techniques. A properly maintained xeriscape can easily use less than one-half the water of a traditional landscape. A xeriscaped area not only reduces the amount of water used compared to traditional landscapes, but also reduces the amount of maintenance needed for watering, fertilizing, mowing, trimming, and pruning. Xeriscaping is ideally suited for the needs of the Department and would provide aesthetic, economic, and environmental benefits for the Department and the State.

According to testimony of the Department, it is in the process of developing its Sustainable Statewide Landscape Master Plan, in which policies and guidelines will be developed for plant selection and maintenance requirements for landscaping projects around the State, including the inclusion of xeriscaping.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 92 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 2 (Taniguchi, Tsutsui).

SCRep. 1494 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 89

The purpose of this measure is to support the efforts to provide Native Hawaiians with greater opportunity for self-determination and self-sufficiency by supporting the Office of Hawaiian Affairs' efforts to establish a nation-building plan.

Specifically, this measure outlines the components of the Office of Hawaiian Affairs' nation-building plan, which includes:

- (1) The registration of Native Hawaiians in Kau Inoa, a campaign that gathers the names of people of Hawaiian ancestry who are willing to participate in the process of nation building;
- (2) The development of an apportionment plan of representative districts based on eligible voter population; and
- (3) The election of representative delegates who will attend a constitutional convention to create organic documents of the Native Hawaiian governing entity, and the ratification of these documents.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, the Association of Hawaiian Civic Clubs, the Pearl Harbor Hawaiian Civic Club, the Princess Ka'iulani Hawaiian Civic Club, the Hawaiian Civic Club of Honolulu, Hawai'i Maoli, the 'Ilio'ulaokalani Coalition, and five individuals.

Your Committee finds that the Office of Hawaiian Affairs is spearheading an effort to create a Native Hawaiian governing entity through the creation of a formal document, *The Nation-Building Plan to Establish a Native Hawaiian Governing Entity*, with the participation from the Native Hawaiian community. The purpose of the nation-building plan is to enable Native Hawaiians to preside over their own resources and assets and determine their own future.

Your Committee was concerned with the intent of this measure and its connection with the Native Hawaiian Government Reorganization Act of 2007, also known as the "Akaka Bill", especially when both efforts seem connected with the Office of Hawaiian Affairs. It was clarified for your Committee that the nation-building plan and the Akaka Bill are completely separate efforts. The Office of Hawaiian Affairs distinguished the nation-building plan from the Akaka Bill by indicating that the nation-building plan is purely a grassroots effort. It was further clarified that the intent of this measure is to work with the various Native Hawaiian organizations statewide, provide opportunities for Native Hawaiians to get involved and encourage them to register with Kau Inoa, and obtain a consensus of Native Hawaiians as a single, succinct group of individuals. Thus, your Committee notes that the intent of the nation-building plan is not to select a type of governing body for a Native Hawaiian governing entity, but is an opportunity for Native Hawaiians to convene, provide input, voice their concerns, and participate in the process of nation-building.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 89 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Slom). Excused, 1 (Hee).

SCRep. 1495 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.R. No. 53

The purpose of this measure is to support the efforts to provide Native Hawaiians with greater opportunity for self-determination and self-sufficiency by supporting the Office of Hawaiian Affairs' efforts to establish a nation-building plan.

Specifically, this measure outlines the components of the Office of Hawaiian Affairs' nation-building plan, which includes:

- (1) The registration of Native Hawaiians in Kau Inoa, a campaign that gathers the names of people of Hawaiian ancestry who are willing to participate in the process of nation building;
- (2) The development of an apportionment plan of representative districts based on eligible voter population; and
- (3) The election of representative delegates who will attend a constitutional convention to create organic documents of the Native Hawaiian governing entity, and the ratification of these documents.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, the Association of Hawaiian Civic Clubs, the Pearl Harbor Hawaiian Civic Club, the Princess Ka'iulani Hawaiian Civic Club, the Hawaiian Civic Club of Honolulu, Hawai'i Maoli, the 'Ilio'ulaokalani Coalition, and five individuals.

Your Committee finds that the Office of Hawaiian Affairs is spearheading an effort to create a Native Hawaiian governing entity through the creation of a formal document, *The Nation-Building Plan to Establish a Native Hawaiian Governing Entity*, with the participation from the Native Hawaiian community. The purpose of the nation-building plan is to enable Native Hawaiians to preside over their own resources and assets and determine their own future.

Your Committee was concerned with the intent of this measure and its connection with the Native Hawaiian Government Reorganization Act of 2007, also known as the "Akaka Bill", especially when both efforts seem connected with the Office of Hawaiian Affairs. It was clarified for your Committee that the nation-building plan and the Akaka Bill are completely separate efforts. The Office of Hawaiian Affairs distinguished the nation-building plan from the Akaka Bill by indicating that the nation-building plan is purely a grassroots effort. It was further clarified that the intent of this measure is to work with the various Native Hawaiian organizations statewide, provide opportunities for Native Hawaiians to get involved and encourage them to register with Kau Inoa, and obtain a consensus of Native Hawaiians as a single, succinct group of individuals. Thus, your Committee notes that the intent of the nation-building plan is not to select a type of governing body for a Native Hawaiian governing entity, but is an opportunity for Native Hawaiians to convene, provide input, voice their concerns, and participate in the process of nation-building.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 53 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Slom). Excused, 1 (Hee).

SCRep. 1496 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 102

The purpose of this measure is to protect and promote the high quality of Hawaii-grown coffee by requesting the Department of Agriculture to study labeling requirements relating to the use of Hawaii-grown coffee names.

Specifically, this measure requests the Department of Agriculture to:

- (1) Examine and identify any problems with the existing labeling requirements relating to the use of Hawaii-grown coffee names;
- (2) Develop stricter labeling requirements under state law and administrative rules for the use of Hawaii-grown coffee names; and
- (3) Develop ideas for a uniform national labeling standard and requirements for coffee roasters to abide by for the use of Hawaii-grown coffee names.

Furthermore, this measure requests that the Department of Agriculture submit a written report to the Legislature of its findings and recommendations prior to the convening of the 2008 Regular Session.

Testimony in support of this measure was submitted by the Department of Agriculture; one Council Member, Hawai'i County Council; the Hawaii Teamsters and Allied Workers, Local 996; the Hawaii Coffee Association; the Kona Coffee Council; the Maui Oma Coffee Roasting Company; Pau Hana Estate; Halama Farms; Watson-Kabei Coffee Estate, LLC; Wailele Estates Kona Coffee; Owl's Nest Farm, LLC; Daily Fix Coffee; Kona Mountain Coffee; the Captain Cook Coffee Company; Dragon's Lair Estate; Pele Plantations; Island Sun Coffee; Greenwell Farms; Maui Wovi Hawaiian; and forty-two individuals. Testimony in opposition to this measure was submitted by one individual.

The Kona coffee name only applies to coffee beans grown in North and South Kona, thus, coffee that is grown elsewhere in Hawaii cannot be called "Kona coffee." Under section 486-120.6, Hawaii Revised Statutes, the Kona coffee name is permitted to be used on a package of blended coffee that contains at least ten per cent by weight from Kona, however, this requirement does not apply to packages of coffee sold from coffee distributors located outside of Hawaii. Testimony submitted to your Committee indicated that packages of coffee blends are being sold on the mainland with the Kona coffee name on its package label without proof that the coffee contained in the package is actually from Kona or its percentage by weight. Your Committee finds that by requesting the Department of Agriculture to conduct a study on the existing labeling requirements relating to the use of Hawaii-grown coffee names will allow further protection and promotion of the high quality and assurance of Hawaii-grown coffee.

Your Committee has amended this measure by:

- (1) Requesting the Department of Agriculture to:
 - (A) Perform a thorough economic analysis of the probable impact of increasing the minimum content requirement to fifty per cent upon each segment of the Kona coffee industry, and each segment of the coffee industry statewide;
 - (B) Determine the fiscal impact that stricter labeling requirements or a uniform national labeling requirement standard will have on farmers of small coffee bean farms in Hawaii; and
 - (C) Seek input from and collaborate with Hawaii's Congressional Delegation, the United States Department of Agriculture, and the Federal Food and Drug Administration on establishing and enforcing a uniform national labeling standard for the use of Hawaii-grown coffee names;
- (2) Inserting language that requests the Department of Agriculture to:
 - (A) Examine the effectiveness of the current administrative rules relating to the inspection, certification, and audit requirements of green coffee beans grown in Hawaii and the current statutes relating to the inspection of roasted Hawaii-grown coffee beans;
 - (B) Seek input and collaborate with coffee associations and coffee growers statewide to identify any problems with respect to the current statutes and administrative rules relating to the inspection and quality assurance of Hawaii-grown coffee beans; and
 - (C) Determine the feasibility in establishing and implementing uniform inspection and certification requirements for all Hawaii-grown coffee beans, whether green or roasted, and the fiscal impact the uniform scheme will have on growers of small coffee bean farms; and
- (3) 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 Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 102, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 102, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 1497 Water, Land, Agriculture and Hawaiian Affairs on S.R. No. 62

The purpose of this measure is to protect and promote the high quality of Hawaii-grown coffee by requesting the Department of Agriculture to study labeling requirements relating to the use of Hawaii-grown coffee names.

Specifically, this measure requests the Department of Agriculture to:

- (1) Examine and identify any problems with the existing labeling requirements relating to the use of Hawaii-grown coffee names;
- (2) Develop stricter labeling requirements under state law and administrative rules for the use of Hawaii-grown coffee names; and
- (3) Develop ideas for a uniform national labeling standard and requirements for coffee roasters to abide by for the use of Hawaii-grown coffee names.

Furthermore, this measure requests that the Department of Agriculture submit a written report to the Legislature of its findings and recommendations prior to the convening of the 2008 Regular Session.

Testimony in support of this measure was submitted by the Department of Agriculture; one Council Member, Hawai'i County Council; the Hawaii Teamsters and Allied Workers, Local 996; the Hawaii Coffee Association; the Kona Coffee Council; the Maui Oma Coffee Roasting Company; Pau Hana Estate; Halama Farms; Watson-Kabei Coffee Estate, LLC; Wailele Estates Kona Coffee; Owl's Nest Farm, LLC; Daily Fix Coffee; Kona Mountain Coffee; the Captain Cook Coffee Company; Dragon's Lair Estate; Pele Plantations; Island Sun Coffee; Greenwell Farms; Maui Wowi Hawaiian; and forty-two individuals. Testimony in opposition to this measure was submitted by one individual.

The Kona coffee name only applies to coffee beans grown in North and South Kona, thus, coffee that is grown elsewhere in Hawaii cannot be called "Kona coffee." Under section 486-120.6, Hawaii Revised Statutes, the Kona coffee name is permitted to be used on a package of blended coffee that contains at least ten per cent by weight from Kona, however, this requirement does not apply to packages of coffee sold from coffee distributors located outside of Hawaii. Testimony submitted to your Committee indicated that packages of coffee blends are being sold on the mainland with the Kona coffee name on its package label without proof that the coffee contained in the package is actually from Kona or its percentage by weight. Your Committee finds that by requesting the Department of Agriculture to conduct a study on the existing labeling requirements relating to the use of Hawaii-grown coffee names will allow further protection and promotion of the high quality and assurance of Hawaii-grown coffee.

Your Committee has amended this measure by:

- (1) Requesting the Department of Agriculture to:
 - (A) Perform a thorough economic analysis of the probable impact of increasing the minimum content requirement to fifty per cent upon each segment of the Kona coffee industry, and each segment of the coffee industry statewide;
 - (B) Determine the fiscal impact that stricter labeling requirements or a uniform national labeling requirement standard will have on farmers of small coffee bean farms in Hawaii; and
 - (C) Seek input from and collaborate with Hawaii's Congressional Delegation, the United States Department of Agriculture, and the Federal Food and Drug Administration on establishing and enforcing a uniform national labeling standard for the use of Hawaii-grown coffee names;
- (2) Inserting language that requests the Department of Agriculture to:
 - (A) Examine the effectiveness of the current administrative rules relating to the inspection, certification, and audit requirements of green coffee beans grown in Hawaii and the current statutes relating to the inspection of roasted Hawaii-grown coffee beans;
 - (B) Seek input and collaborate with coffee associations and coffee growers statewide to identify any problems with respect to the current statutes and administrative rules relating to the inspection and quality assurance of Hawaii-grown coffee beans; and
 - (C) Determine the feasibility in establishing and implementing uniform inspection and certification requirements for all Hawaii-grown coffee beans, whether green or roasted, and the fiscal impact the uniform scheme will have on growers of small coffee bean farms; and
- (3) 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 Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 62, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 62, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 1498 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 103

The purpose of this measure is to protect and promote the high quality of Hawaii grown coffee by requesting the Department of Agriculture to adopt administrative rules to establish uniform inspection, certification, and audit requirements for all coffee grown in Hawaii.

Testimony in support of this measure was submitted by the Hawaii Coffee Association; the Hawaii Teamsters and Allied Workers, Local 996; the Maui Oma Coffee Roasting Company; Owl's Nest Farm; Dragon's Lair Estate; the Hawaii Coffee Company; Tropical Taste; Pele Plantations; Island Sun Coffee; Maui Wowi Hawaiian; Royale Island Coffee Hawaii; and twenty-three individuals. Testimony in opposition to this measure was submitted by the Department of Agriculture; one Council Member, Hawai'i County Council; the Kona Coffee Farmers Association; Daily Fix Coffee; Pau Hana Estate; and eight individuals.

Your Committee finds that the subject matter of this measure can be more appropriately addressed in S.C.R. No. 102, as amended, and S.R. No. 62, as amended, which deal with Hawaii grown coffee quality standards. Accordingly, your Committee has amended this measure and its title by deleting its contents and replacing it with language that requests the Department of Agriculture to convene a working group of stakeholders in the agricultural industry in Hawaii to provide an economic analysis of the incentive measures approved for important agricultural lands.

Act 183, Session Laws of Hawaii 2005, established a process for identifying important agricultural lands as mandated under article XI, section 3 of the Hawaii State Constitution. Act 183 recognized the importance of providing incentives that are designed to promote agricultural viability in Hawaii and to result in the long-term retention of important agricultural lands. The Land Use Commission may not start the designation process for important agricultural lands until an adequate package of incentives and protection programs have been enacted.

Accordingly, this measure, as amended, requests that the Department of Agriculture, in consultation with the Department of Business, Economic Development, and Tourism and the Department of Taxation, reconvene a working group of stakeholders in the agricultural industry in Hawaii to:

- (1) Perform an economic analysis of the incentive measures passed by the Legislature since the enactment of Act 183, Session Laws of Hawaii 2005;

- (2) Recommend a minimum criteria for determining the “enactment of legislation establishing incentives and protection” pursuant to Act 183; and
- (3) Continue to discuss and develop additional incentive measures and programs for important agricultural lands to meet the minimum criteria for the enactment of legislation to establish incentives and protections.

The Department of Agriculture is further requested to submit a written report of the working group’s findings and recommendations to the Legislature prior to the convening of the 2008 Regular Session.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 103, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 103, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 1499 Water, Land, Agriculture and Hawaiian Affairs on S.R. No. 63

The purpose of this measure is to protect and promote the high quality of Hawaii grown coffee by requesting the Department of Agriculture to adopt administrative rules to establish uniform inspection, certification, and audit requirements for all coffee grown in Hawaii.

Testimony in support of this measure was submitted by the Hawaii Coffee Association; the Hawaii Teamsters and Allied Workers, Local 996; the Maui Oma Coffee Roasting Company; Owl’s Nest Farm; Dragon’s Lair Estate; the Hawaii Coffee Company; Tropical Taste; Pele Plantations; Island Sun Coffee; Maui Wowi Hawaiian; Royale Island Coffee Hawaii; and twenty-three individuals. Testimony in opposition to this measure was submitted by the Department of Agriculture; one Council Member, Hawai’i County Council; the Kona Coffee Farmers Association; Daily Fix Coffee; Pau Hana Estate; and eight individuals.

Your Committee finds that the subject matter of this measure can be more appropriately addressed in S.C.R. No. 102, as amended, and S.R. No. 62, as amended, which deal with Hawaii grown coffee quality standards. Accordingly, your Committee has amended this measure and its title by deleting its contents and replacing it with language that requests the Department of Agriculture to convene a working group of stakeholders in the agricultural industry in Hawaii to provide an economic analysis of the incentive measures approved for important agricultural lands.

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Accordingly, this measure, as amended, requests that the Department of Agriculture, in consultation with the Department of Business, Economic Development, and Tourism and the Department of Taxation, reconvene a working group of stakeholders in the agricultural industry in Hawaii to:

- (1) Perform an economic analysis of the incentive measures passed by the Legislature since the enactment of Act 183, Session Laws of Hawaii 2005;
- (2) Recommend a minimum criteria for determining the “enactment of legislation establishing incentives and protection” pursuant to Act 183; and
- (3) Continue to discuss and develop additional incentive measures and programs for important agricultural lands to meet the minimum criteria for the enactment of legislation to establish incentives and protections.

The Department of Agriculture is further requested to submit a written report of the working group’s findings and recommendations to the Legislature prior to the convening of the 2008 Regular Session.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 63, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 63, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 1500 Transportation and International Affairs on Gov. Msg. No. 351

Recommending that the Senate advise and consent to the nomination of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 351 CAROL H. McNAMEE, for a term to expire 6-30-2011

Your Committee received testimony in support of the nominee from the Department of Transportation (DOT), Honolulu Prosecuting Attorney, Mothers Against Drunk Driving Hawai’i, Injury Protection Advisory Committee, and three individuals.

Carol H. McNamee was first appointed to the State Highway Safety Council on July 1, 2003. She is a member of Mothers Against Drunk Driving (MADD), and founder of the Hawai’i Chapter of MADD in 1984. She has served on the Hawai’i Chapter of MADD’s Board of Directors and in other volunteer capacities, heading various task forces and programs.

Mrs. McNamee received a Bachelor of Science degree in Chemistry from Stanford University, and received volunteer education and training from Hawaii Pacific University in Strategic Planning for Non-Profit Organizations and MADD’s Victim Assistance Institute.

Mrs. McNamee was a member of the Governor’s Impaired Driving Task Force (1994-1998), and its co-coordinator (1997-1998). She was co-coordinator of the National Highway Transportation Safety Administration-sponsored assessment of Hawai’i’s Impaired Driving Program (1998), and coordinator of the DOT-sponsored Traffic Safety Forum (1999).

Mrs. McNamee has been a tireless advocate for increased safety on Hawai'i's streets and highways for almost twenty-five years. She has also been an advocate for strengthening laws relating to increasing highway safety and deterring impaired driving. She will be a valuable asset on the State Highway Safety Council with her experience as a highway safety advocate and as a legislative liaison.

Your Committee notes from the nominee's written statement that she believes the State Highway Safety Council should be cognizant of the best practices in the field of highway safety and strive to promote well-researched, evidence-based programs to improve highway safety in the State. Her goal is to reduce highway accidents, especially those that are alcohol- or drug-related. She expresses her concern over the increasing numbers of fatalities, especially alcohol-related deaths, on the roads. She believes the State Highway Safety Council needs to study the reasons therefor, and work to bring about practical and effective changes.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee, after full consideration of the background, 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 (Taniguchi, Tsutsui).

SCRep. 1501 Transportation and International Affairs on Gov. Msg. No. 352

Recommending that the Senate advise and consent to the nomination of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 352 MARIE H. WEITE, for a term to expire 6-30-2011

Your Committee received testimony in support of the nominee from the Department of Transportation and one individual.

Marie H. Weite was first appointed to the State Highway Safety Council on July 1, 2003. She has been with First Insurance Company of Hawaii Ltd, since 2000 as a Bodily Injury Unit Leader and Litigation Senior Adjuster in the areas of automobile, homeowner's and general liability insurance. From 1981 to 2000, she worked with Island Insurance Companies Ltd, as Personal Injury Protection Claims Adjuster, Inside Adjuster, and Field Adjuster, doing medical, property, and bodily injury claims adjusting.

Ms. Weite has been with the Hawaii Claim Association since 1988, where she has served as President and Education Chair. She has served with the Keiki Injury Prevention Coalition Board and Prevent Child Abuse Hawaii Board. She received an NHTSA Child Passenger Safety Technician designation in 2000.

Your Committee believes that, based on Ms. Weite's experience and qualifications, she will be an asset to the State Highway Safety Council.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee, after full consideration of the background, 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 (Taniguchi, Tsutsui).

SCRep. 1502 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 340, 341 and 519

Recommending that the Senate advise and consent to the nominations of the following:

HAWAIIAN HOMES COMMISSION

G.M. No. 340 DONALD S.M. CHANG, for a term to expire 6-30-2011;

G.M. No. 341 TRISH K. MORIKAWA, for a term to expire 6-30-2011; and

G.M. No. 519 PERRY O. ARTATES, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Donald S.M. Chang (representing Oahu), Trish K. Morikawa (representing Oahu), and Perry O. Artates (representing Maui) to have the necessary qualifications to be nominated to the Hawaiian Homes Commission.

Testimony in support of Donald S.M. Chang's nomination was submitted by the Department of Hawaiian Home Lands; a Commissioner, Hawaiian Homes Commission; the State Council of Hawaiian Homestead Associations; and the Waimanalo Hawaiian Homes Association.

Mr. Chang is a graduate of Maryknoll School and attended the University of Hawaii at Manoa. He has thirty-six years of experience with the Honolulu Fire Department and obtained the Fire Department's highest position as its Fire Chief in 1993. Mr. Chang has been active in a variety of community and civic organizations, including numerous firefighter councils and associations; the Boy Scouts of America, Aloha Council; the American Red Cross; and Hawaii Pop Warner and Little League teams. He is currently serving the remainder of a former Commissioner's term on the Hawaiian Homes Commission. During his tenure, he has contributed a strong administrative background, shown a caring attitude, and brought an open mind to the decision-making process. He is committed to the Commission, reaching out to the Native Hawaiian homestead communities and providing further opportunities for beneficiary input and consultation. Mr. Chang's demonstrated commitment, experience, and integrity makes him a valuable asset to the Hawaiian Homes Commission.

Testimony in support of Trish K. Morikawa's nomination was submitted by the Department of Hawaiian Home Lands; a Commissioner, Hawaiian Homes Commission; the State Council of Hawaiian Homestead Associations; and six individuals.

Ms. Morikawa is a graduate of Kamehameha Schools, received her Bachelor of Arts degree from the University of Pennsylvania, and received her Doctorate of Jurisprudence from the William S. Richardson School of Law at the University of Hawaii at Manoa. She currently serves as a Deputy Prosecuting Attorney with the City and County of Honolulu's Department of the Prosecuting Attorney where she specializes in sex abuse cases. Ms. Morikawa is completing her first term on the Hawaiian Homes Commission where she has proven to be an invaluable asset in its deliberations on a variety of issues. She follows various legal challenges relating to the constitutionality of Hawaiian entitlement programs, and supports the current efforts to pursue federal recognition in order to protect these entitlements and provide self-determination for Native Hawaiians. She is committed to the Commission, reaching out to the Native Hawaiian homestead communities and providing further

opportunities for beneficiary input and consultation. Ms. Morikawa's demonstrated commitment, experience, and integrity makes her a valuable asset to the Hawaiian Homes Commission.

Testimony in support Perry O. Artates' nomination was submitted by the Department of Hawaiian Home Lands; a Commissioner, Hawaiian Homes Commission; a Trustee, Office of Hawaiian Affairs; two Council Members, County of Maui; the Director of the Department of Housing and Human Concerns, County of Maui; the State Council of Hawaiian Homestead Associations; the Hawaii Operating Engineers Industry Stabilization Fund; the Pacific Resource Partnership; the Delta Construction Corporation; and twelve individuals.

Mr. Artates was born and raised on the island of Maui and is a graduate of Maui High School. He has over thirty years of experience in the construction and labor industries and is currently the Executive Director the Hawaii Operating Engineers Industry Stabilization Fund. For the past six years, he has served as the inaugural Chairperson of the Waiohuli Hawaiian Homesteaders Association, representing more than three hundred families in this growing upcountry homestead community. In this capacity, Mr. Artates has demonstrated strong leadership and a caring attitude for the families moving into the Waiohuli homestead community, and he is committed to developing programs to address any issues and improve the quality of life for families in Waiohuli, including safety and security, drainage concerns, street lighting, and fundraising. Due to his work with the Waiohuli homestead community, the Department of Hawaiian Home Lands is depending on him to be the bridge between the Hawaiian Homes Commission and the beneficiaries in the Commission's effort to provide more opportunities for beneficiary consultation and input. Mr. Artates' demonstrated commitment, experience, and integrity makes him a valuable asset to the Hawaiian Homes Commission.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, 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, 1 (Hee).

SCRep. 1503 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 357, 470, 471 and 472

Recommending that the Senate advise and consent to the nominations of the following:

KANEHOE BAY REGIONAL COUNCIL

- G.M. No. 357 DAVID A. KRUPP, Ph.D., for a term to expire 6-30-2011;
- G.M. No. 470 BONNIE K. KAHAPEA-TANNER, for a term to expire 6-30-2008;
- G.M. No. 471 ANGELA HI'ILEI KAWELO, for a term to expire 6-30-2009; and
- G.M. No. 472 ARTHUR B. MACHADO, JR., for a term to expire 6-30-2010

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds David A. Krupp, Ph.D., Bonnie K. Kahapea-Tanner, Angela Hi'ilei Kawelo, and Arthur B. Machado, Jr. to have the necessary qualifications to be nominated to the Kaneohe Bay Regional Council.

Testimony in support of David A. Krupp, Ph.D.'s nomination was submitted by the Department of Land and Natural Resources and the Windward Ahupua'a Alliance.

Dr. Krupp received his Bachelor of Arts from the University of California at Los Angeles, and his Doctorate in Zoology from the University of Hawaii at Manoa. He has taught courses in Biological and Marine Sciences for over twenty years at various colleges and universities in Hawaii, and presently is a Professor at Windward Community College. He is also an affiliate faculty member at the Hawaii Institute of Marine Biology (HIMB) under the School of Ocean and Earth Science and Technology at the University of Hawaii at Manoa. Dr. Krupp has served one term on the Kaneohe Bay Regional Council as the representative for the HIMB and has been recommended by its Director to serve on the Council for a second term. During his recent term on the Council, Dr. Krupp has done an excellent job in representing the HIMB and has provided the Council and the community with valuable educational and scientific insights regarding Kaneohe Bay. His demonstrated experience in Marine Science and commitment to the Council during his last term makes him a valuable asset to the Kaneohe Bay Regional Council.

Testimony in support of Bonnie K. Kahapea-Tanner's nomination was submitted by the Department of Land and Natural Resources and six individuals.

Ms. Kahapea-Tanner is a graduate of the Mid-Pacific Institute, received her Bachelor of Arts in Hawaiian Studies from the University of Hawaii at Hilo, and received her Master in Science in Counseling Psychology from Chaminade University. She is presently seeking her Doctorate in Humanities from the California Institute of Integral Studies. Ms. Kahapea-Tanner is a teacher and project coordinator at Halau Ku Mana Public Charter School where she instructs students abroad the Kanehunamoku sailing canoe, develops and implements curriculum for students ages ten through eighteen relating to Hawaiian navigation, sailing, and seamanship, and is the project coordinator for the Kilolani Project. She will be representing the Kaneohe Bay Boating Association on the Kaneohe Bay Regional Council and has represented the Boating Association in front of the Council in the past. She indicated to your Committee that the Sand Bar is an issue she sees as a concern at Kaneohe Bay and hopes that a balance can be found to allow families to continue to use the Sand Bar for recreational purposes, but also protect the area from overuse. Her demonstrated experience in Native Hawaiian navigation and sailing, and her commitment to maritime initiatives makes Ms. Kahapea-Tanner a valuable asset to the Kaneohe Bay Regional Council.

Testimony in support of Angela Hi'ilei Kawelo's nomination was submitted by the Department of Land and Natural Resources.

Ms. Kawelo is a graduate of Punahou School and received her Bachelor of Arts in Zoology from the University of Hawaii at Manoa. She is a coordinator at Paepae o He'eia where she is responsible for the coordination of all site-related and research activities at the eighty-eight acre He'eia Fishpond, a traditional Hawaiian fishpond. She also currently serves on the Board of Directors of Hui Ulu Mea 'Ai, and received the President's Award from the Oceanic Institute. Ms. Kawelo will be representing Kaneohe Bay Fishing Panel on the Kaneohe Bay Regional Council, and is interested in representing and protecting the interests of recreational fishers because she is a recreational spear and line fisher, and her familiarity and support of the Kaneohe Bay Master Plan. With respect to Kaneohe Bay issues, she is committed to finding a balance between Native Hawaiian cultural practices and traditions, and modern science as she has in her own life between her educational science background and her work at the He'eia Fishpond. Her demonstrated experience in fishing and Native Hawaiian practices makes Ms. Kawelo a valuable asset to the Kaneohe Bay Regional Council.

Testimony in support of Arthur B. Machado, Jr.'s nomination was submitted by the Department of Land and Natural Resources, the Kaneohe Neighborhood Board No. 30, the Kahaluu Neighborhood Board No. 29, the Ko'olaupoko Hawaiian Civic Club, and one individual.

Mr. Machado is a graduate of Saint Louis School and attended Boise State College. He is currently serving his seventh year on the Kahaluu Neighborhood Board No. 29, and assisted in the Kaneohe Bay Master Plan and the Kahaluu Master Plan. He is a hard-working grassroots community advocate who has served the Kaneohe Bay region for many years, and will bring to the Kaneohe Bay Regional Council a great depth of experience and knowledge. His demonstrated experience in the Kaneohe Bay region makes Mr. Machado a valuable asset to the Kaneohe Bay Regional Council.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, 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, 1 (Hee).

SCRep. 1504 Judiciary and Labor on H.B. No. 275

The purpose of this measure is to enact the Uniform Athlete Agents Act (UAAA), which requires sports agents to register with the Department of Commerce and Consumer Affairs, and sets forth requirements for athlete-agent agreements.

Your Committee received testimony in support of this measure from the University of Hawai'i and the Hawaii Commission to Promote Uniform Legislation. The Department of Commerce and Consumer Affairs opposed this measure. The Department of Education supported the intent of this measure, but deferred to the Department of Commerce and Consumer Affairs.

To guard against potential loss of intercollegiate eligibility, the UAAA requires the athlete-agent contract to include a conspicuous boldface warning to the student athlete regarding eligibility, and provides student-athletes a right to cancel an athlete-agent contract without penalty within fourteen days after signature. The UAAA requires timely notice to the student-athlete's educational institution after a contract is signed, and provides legal recourse for educational institutions that may be penalized, disqualified, or suspended from participation in an athletics association or conference as a result of improper conduct by an agent or student-athlete.

Your Committee acknowledges a divergence of views regarding the need to regulate sports agents in Hawaii. Your Committee recognizes that the Legislative Auditor's sunrise analysis, reported in Report No. 06-09 on Athlete Agents, found no evidence of abuse in Hawaii at present and recommended against regulation. Your Committee, however, favors a proactive approach rather than waiting for problems to occur. Moreover, although the Department of Commerce and Consumer Affairs proposed deletion of reciprocity provisions applicable to an individual who has applied for and holds a certificate of registration or licensure in another state, your Committee believes the UAAA as drafted enables various jurisdictions to obtain dependable information about agents' professional conduct in other states. On balance, your Committee finds that regulation of sports agents through enactment of the UAAA will help Hawaii's student-athletes and their parents make enlightened recruitment decisions.

Your Committee has amended this measure by changing its effective date from July 1, 2020 to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 275, 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. 275, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1505 Ways and Means on H.B. No. 1323

The purpose of this measure is to establish a maximum aggregate premium tax of \$200,000 to be paid by captive insurance companies on their gross premiums.

Your Committee received comments in support of this measure from the Insurance Division, the Bank of Hawaii, and the Hawaii Captive Insurance Council. Comments were received from the Tax Foundation of Hawaii.

Your Committee finds that establishing a maximum premium tax of \$200,000 will encourage more insurance business to be conducted through Hawaii captive insurance companies, and make Hawaii's captive premium tax structure comparable with other competing captive jurisdictions in the United States that have imposed similar limits.

Your Committee has amended this measure by specifying that the 0.05 per cent tax will extend to \$250,000,000 of gross premiums, and that no tax will be imposed on more than \$250,000,000 of gross premiums. In other words, your Committee has amended this measure by specifying that \$250,000,000 is the maximum gross premium amount that will trigger the maximum aggregate premium tax of \$200,000.

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 H.B. No. 1323, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1323, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (Kim, Menor, Tokuda, Whalen).

SCRep. 1506 Ways and Means on H.B. No. 1631

The purpose of this measure is to provide greater transparency and effective evaluation of high technology tax incentives by:

- (1) Requiring the Department of Taxation to report annually on information collected from July 1, 2004, and thereafter on qualified high technology businesses and related tax incentives to properly evaluate their effectiveness; and
- (2) Appropriating unspecified amounts for the department to initiate and begin implementation.

The Department of Business, Economic Development, and Tourism; Department of Taxation; Hawaii Science & Technology Council; Hawaii State Teachers Association; Honolulu Seawater Air Conditioning, LLC; and five individuals provided written testimony in support of this measure.

Your Committee finds that this measure will contribute to meaningful evaluation for these high technology tax incentives and ensure greater oversight by both the Legislature and the Administration.

Your Committee has amended this measure by changing the effective date from July 1, 2007, to July 1, 2050, 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. 1631, 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. 1631, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Whalen).

SCRep. 1507 Ways and Means on H.B. No. 1719

The purpose of this measure is to extend the existing general excise tax exemptions for condominium common expenses paid by managers and hotel employee expenses paid by hotel operators, to include expenses paid by submanagers and suboperators and to include employee expenses in timeshare projects.

Wyndham Vacation Ownership, Inc., submitted written testimony in support of this measure. The Department of Taxation submitted written comments on this measure.

Your Committee find that changes in visitor accommodations, such as more timeshares, resort condos, or condominium-hotels, have led to differences in how these less traditional facilities are managed. This measure would extend equitable treatment to these newer forms of management and operations, which currently are in place for hotels under more traditional management framework.

Your Committee has amended this measure by adding a reference to chapter 514A, Hawaii Revised Statutes to section 237-24.3(3)(A), 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. 1719, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1719, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Whalen).

SCRep. 1508 (Majority) Ways and Means on H.B. No. 1764

The purpose of this measure is to improve healthcare services in Hawaii.

More specifically, the bill authorizes the issuance of revenue bonds to assist the Hawaii Health Systems Corporation in the construction, improvement, and equipment of its healthcare facilities, including the construction of a new heart, brain, and spine center on Maui.

The Healthcare Association of Hawaii submitted comments in support of the measure.

Your Committee finds that state-of-the-art healthcare must be provided to the residents of Hawaii and issuing revenue bonds to the Hawaii Health Systems Corporation to improve its facilities addresses this issue.

Your Committee amended the measure by making a technical nonsubstantive change to the bill for 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. 1764, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1764, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Whalen).

SCRep. 1509 Ways and Means on H.B. No. 1370

The purpose of this measure is to appropriate emergency funding to the Adult Mental Health Division of the Department of Health.

A mental health consumer advocate submitted comments in support of this measure. The Department of Health submitted comments.

In her Governor's Message No. 234 to the Legislature, the Governor requested immediate consideration and cited an existing critical funding shortage for mental health services. Your Committee finds that emergency funding is necessary to sustain ongoing services provided by the Adult Mental Health Division.

Your Committee has amended this measure by removing the contents of the bill and inserting the contents of Senate Bill No. 1456, H.D. 1, which appropriates \$7,542,043 for ongoing services provided by the Adult Mental Health 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 is in accord with the intent and purpose of H.B. No. 1370, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1370, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1510 Ways and Means on H.B. No. 1352

The purpose of this measure is to create a Fiftieth Anniversary of Statehood Commission.

The Department of Business, Economic Development, and Tourism submitted comments in support of the measure.

Your Committee recognizes that in 2009 Hawaii will celebrate its fiftieth anniversary of statehood. This bill creates a commission composed of members from a wide range of Hawaii's communities to plan and coordinate the public celebration and appropriate necessary funds.

Your Committee amended the bill to reflect the fact that the number of members on the commission is twenty-five, not twenty-three.

Your Committee believes that the representation of a broad cross-section of communities in this State will enable the commission to plan a commemoration that is both dignified as well as sensitive to the feelings of all segments of Hawaii's residents.

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

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1511 (Majority) Ways and Means on H.B. No. 19

The purpose of this measure is to make improvements to the educational facilities and programs provided by the Department of Education.

Specifically, this measure:

- (1) Provides for the timely construction, expansion, consolidation, and closure of public schools by:
 - (A) The establishment of a facilities alignment commission that shall:
 - (i) Establish criteria for the selection of public schools to be constructed, expanded, consolidated, or closed; and
 - (ii) Based on the criteria, recommend to the Board of Education a list of schools that should be constructed, expanded, consolidated, or closed; and
 - (B) Directing the Board of Education to proceed with the process of constructing, expanding, consolidating, and closing schools according to the recommendations of the facilities alignment commission; and
- (2) Establishes the framework and criteria for the Department of Education to implement smaller learning communities.

Prior to a hearing on this measure, your Committee circulated a proposed S.D. 2 of this measure that would establish a comprehensive school impact fee program for financing new and expanding existing Department of Education educational facilities in partnership with private developers of residential properties.

Your Committee has received comments in opposition to the proposed S.D. 2 from the Governor's Policy Office and the Land Use Research Foundation of Hawaii. The Department of Education submitted comments on the proposed S.D. 2.

Your Committee finds that Act 246, Session Laws of Hawaii 2005, established the school impact fee working group. The primary charge of the working group was to develop recommendations to implement alternative methods for financing new or expanding existing Department of Education educational facilities. In December 2006, the working group submitted its report entitled Hawaii School Impact Fee Study. The proposed S.D. 2 implements the recommendations contained in the study for the development of new or expanding existing school facilities in partnership with developers of residential properties.

Accordingly, your Committee has amended this measure by deleting its contents and inserting in its place the contents of the proposed S.D. 2 that:

- (1) Requires the Department of Education to establish school impact districts;
- (2) Requires the Department of Education to establish appropriate student generation rates by housing type and school level for determining projected facilities needs for each school impact district;
- (3) Requires any developer of residential properties, whether single-family or multi-family dwellings, to dedicate land or fees in lieu of land dedication for new school facilities, including a determination on the amount of land or fees in lieu that will be required of the developer;
- (4) Establishes a school impact fee per single-family or multi-family dwelling for the development of new or expansion of existing school facilities; and
- (5) Establishes accounting and expenditure requirements relating to:
 - (A) The purposes and locations where fees in lieu of school land dedication may be allocated and expended;
 - (B) The purposes and locations where school impact fees may be allocated and expended;
 - (C) Credits for land dedications or fees in lieu of dedication or school impact fees that a developer may have made prior to the effective date of this measure; and
 - (D) Refunding of any fees in lieu or school impact fees that are not expended for the purpose for which they were assessed within twenty years of collection of the moneys.

As affirmed by the record of votes of the members 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. 19, 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. 19, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, 1 (Hemmings). Excused, 2 (English, Whalen).

SCRep. 1512 Ways and Means on H.B. No. 317

The purpose of this measure is to:

- (1) Exempt from the general excise tax, amounts that a client company pays to a professional employment organization that will be expended to pay the wages, salaries, payroll taxes, and benefits of the employees hired by a client company; and
- (2) Provide that the exemption shall not apply if the professional employment organization has failed to pay any tax withholding or any federal or state taxes.

The Department of Taxation and the Tax Foundation of Hawaii submitted written comments on this measure.

Your Committee finds that this legislation would lend clarity to the administration of and the compliance with the general excise tax law for both the Department of Taxation and taxpayers.

Your Committee has amended this measure by further specifying that the proposed exemption language in section 237-24.75(2), Hawaii Revised Statutes, shall not apply to a professional employment organization upon failure of the professional employment organization to collect, account for, and pay over any income tax withholding.

As affirmed by the record of votes of the members 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, 9. Noes, none. Excused, 2 (Chun Oakland, Menor).

SCRep. 1513 Ways and Means on H.B. No. 507

The purpose of this measure is to prohibit the transfer of the management of the State's small boat harbors to the counties unless expressly provided by law.

Your Committee received comments in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, the Hawaii Boaters Political Action Association, and two individuals. The Department of Land and Natural Resources submitted comments in opposition to this measure and Paradise Cruises, Ltd. submitted comments.

Your Committee notes that section 6, article V, of the state constitution provides in part that "All executive and administrative offices, departments, and instrumentalities of the state government and their respective powers and duties shall be allocated by law...", that is, by the legislative process. Accordingly, any transfer of "respective powers and duties" between and among the various departments and instrumentalities of state government, including political subdivisions thereof, is a legislative function. This would include any transfer of the jurisdiction, management, and operational control of the State's small boat harbors, which the legislature, by Act 272, Session Laws of Hawaii 1991, transferred from the Department of Transportation to the Department of Land and Natural Resources. This measure expressly reaffirms that legislative allocation of responsibility.

Your Committee has amended this measure by:

- (1) Providing for the codification of this measure by including the contents preventing the Board of Land and Natural Resources from transferring the jurisdiction, management, or operations of the State's small boat harbors to another department or agency or to any county, except as expressly provided by law, in section 200-2, Hawaii Revised Statutes; and
- (2) Making format and 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. 507, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 507, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1514 Ways and Means on H.B. No. 928

The purpose of this measure is to appropriate funds to increase homeownership by low- and moderate-income families.

Specifically, this measure appropriates funds to the Hawaii Public Housing Authority to expand:

- (1) The federal section 8 homeownership option program; and
- (2) The federal housing choice voucher family self-sufficiency program.

The bill also exempts family self-sufficiency escrow accounts from the asset test for public assistance.

This measure also requires the Department of Human Services to disregard as income or resources any funds deposited into a family self-sufficiency escrow account on behalf of a participant under the federal housing choice voucher family self-sufficiency program as required or allowed under federal law. This measure also appropriates unspecified amounts in fiscal year 2007-2008 and fiscal year 2008-2009 for the Hawaii Public Housing Authority to:

- (1) Increase outreach to increase enrollment in the section 8 homeownership option and the housing choice voucher family self-sufficiency programs;
- (2) Increase administrative support for both of the programs;
- (3) Provide matching grants or loan forgiveness to section 8 homeownership option program participants to help with down payments; and
- (4) Provide additional state matches to housing choice voucher family self-sufficiency program participants to help participants build homeownership savings.

The effective date of this measure is July 1, 2020.

Your Committee received comments in support of this measure from the Department of Human Services.

Upon further consideration, your Committee has amended this measure by changing the unspecified appropriation amounts to \$1 for purposes of facilitating 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. 928, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 928, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 11. Noes, none. Excused, none.

SCRep. 1515 Ways and Means on H.B. No. 1659

The purpose of this measure is to ensure the proper use of certain state funds.

More specifically, this measure ensures that funds received by the State for costs and expenses of state-sponsored trips and endeavors to generate business opportunities and goodwill for the State are required to be deposited into the general fund and disbursed pursuant to legislative appropriation.

Your Committee received comments from the Department of Agriculture and comments in opposition from the Department of Business, Economic Development, and Tourism.

Upon further consideration, your Committee has amended this measure by changing the unspecified appropriation amount to \$1, and by 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 H.B. No. 1659, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1659, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 11. Noes, none. Excused, none.

SCRep. 1516 Ways and Means on H.B. No. 1338

The purpose of this measure is to investigate the power outages on Oahu, Maui, and Hawaii following the earthquake on October 15, 2006.

More specifically, the bill provides for an emergency appropriation to the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs to investigate the reasonableness of the post-earthquake responses of Hawaiian Electric Company and its subsidiaries.

Your Committee received comments in support of this measure from the Public Utilities Commission and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs.

Your Committee finds that the earthquake of October 15, 2006, caused power outages on the islands of Maui, Oahu, and Hawaii. Your Committee further finds that an emergency appropriation of \$100,000 permits the Division of Consumer Advocacy to continue to advocate on behalf of consumers by investigating the power outages and hiring an independent expert to finalize the investigation.

As affirmed by the record of votes of the members 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. 1338, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (Kim, Menor, Tokuda, Whalen).

SCRep. 1517 Ways and Means on H.B. No. 598

The purpose of this measure is to establish an Online Learning Task Force.

The task force is required to develop a systematic plan to expand opportunities for online learning to enhance the learning experiences of students throughout the State.

The Department of Education submitted comments in support of this measure.

Your Committee finds that since 1996 the Department of Education has been operating E-School, an online supplementary program that provides core, elective, and advanced placement credit courses for high school students statewide that are based on the Hawaii content and performance standards. Your Committee also finds that access to knowledge has expanded exponentially due to the availability of the Internet, which has enhanced the learning experiences of many students.

Your Committee further finds that thirty-eight states either have policies in place for online education or offer a state-led online learning program, or both. This measure expands online education opportunities designed to meet the increasing demands of students, teachers, and parents.

As affirmed by the record of votes of the members 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. 598, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Whalen).

SCRep. 1518 Ways and Means on H.B. No. 1278

The purpose of this measure is to enable the State to continue to offer low-cost loans to qualified borrowers to cleanup contaminated properties.

The Department of Business, Economic Development, and Tourism, and the County of Hawaii Department of Environmental Management submitted comments in support of the bill.

Your Committee finds that the Hawaii Brownfields Cleanup Revolving Loan Fund assists qualified borrowers with the cleanup of contaminated sites in accordance with federal environmental and hazardous substances pollution guidelines. The fund, however, is set to be repealed on June 30, 2007.

This bill repeals the fund's sunset date to provide for the continued cleanup of contaminated properties.

As affirmed by the record of votes of the members 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. 1278, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1519 (Majority) Ways and Means on H.B. No. 1377

The purpose of this measure is to enable the Hawaii Health Systems Corporation to provide quality health care and pay for operational costs that will exceed the current expenditure ceiling.

Specifically, this measure increases the expenditure ceiling on the health systems special fund and makes an emergency appropriation of \$41,000,000 out of the health systems special fund for the Hawaii Health Systems Corporation to pay for increased operational costs.

Your Committee received comments in support of this measure from the Hawaii Health Systems Corporation.

Your Committee finds that this measure does not request an appropriation from the general fund. The increase in the expenditure ceiling of the health systems special fund and the appropriation out of that fund are necessary for the Hawaii Health Systems Corporation to pay for unanticipated operational 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 H.B. No. 1377, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Menor).

SCRep. 1520 (Majority) Ways and Means on H.B. No. 1452

The purpose of this measure is to test Schofield Barracks for detectable traces of depleted uranium weapon use by using established authority and following military regulations.

Specifically, this measure directs the Department of Health to take soil samples as close as possible to the center of the target impact sites at Schofield Barracks to detect the presence of depleted uranium.

Your Committee received comments in support of this measure from a member of the Hawaii County Council and thirty-four other individuals. The Department of health submitted comments in opposition to this measure. The Attorney General offered comments on this measure and raised concerns that requiring access to federal property may raise supremacy clause and federal preemption problems.

Your Committee finds that there is a public concern with regard to depleted uranium in this State. Internal United States Army correspondence indicate the presence of depleted uranium at Schofield Barracks. The United States military uses depleted uranium in its ordnance which upon combustion on impact may vaporize and travel for miles based upon particle size, phase, and wind conditions. If internalized, depleted uranium may cause scarring, fibrosis, and genetic mutations which can possibly lead to cancers, infertility, and birth defects.

As affirmed by the record of votes of the members 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. 1452, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, 1 (Hemmings). Excused, 2 (Chun Oakland, Menor).

SCRep. 1521 Ways and Means on H.B. No. 119

The purpose of this measure is to exempt from the Uniform Land Sales Practices Act the disposition of an agricultural water system for irrigation of agricultural lands to the Agribusiness Development Corporation.

Your Committee received comments in support of this measure from the Agribusiness Development Corporation and the Kamehameha Schools.

Your Committee finds that without this exemption, any disposition of an agricultural irrigation system, including real and personal property spread over large land areas, would require the subdivision of the system, including its collection source or reservoir and extending to, in most cases, lengthy flume and ditch works stretching for miles. This subdivision requirement would be so time-consuming and expensive that any disposition of the irrigation system would in all probability be abandoned, to the extreme detriment of the agricultural industry. You Committee believes that this exemption is vital to the agricultural 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 H.B. No. 119, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1522 (Majority) Energy and Environment on H.B. No. 639

The purpose of this measure is to improve the deposit beverage container program.

Specifically, this measure reduces and clarifies the availability of exemptions, increases the number of hours a center is to remain open in high density populations, and clarifies the rights and duties of dealers and redemption centers.

Testimony in support of this measure was submitted by Reynolds Recycling and the Sierra Club, Hawai'i Chapter. Testimony in opposition to this measure was submitted by the Department of Health. Comments on this measure were submitted by two members of the Environmental Center at the University of Hawaii at Manoa and the Windward Ahupua'a Alliance.

Your Committee finds that although there has been much success with the "bottle law", a great more can be done if the process were less cumbersome and more convenient. Your Committee believes that the changes proposed in this amended measure will make the program even more successful.

This measure was amended to conform to Senate Bill No. 1702, S.D. 2, which is significantly similar. As a result, the proposed amendments to sections 342G-102, 342G-105, 342G-111, 342G-112, and 342G-117, Hawaii Revised Statutes, were deleted.

The amended measure:

- (1) Requires dealers located in a high density urban area and within two miles of a certified redemption center to establish and operate a certified redemption center;
- (2) Clarifies section 342G-113, Hawaii Revised Statutes, so that a dealer can subcontract with a certified redemption center on the dealer's premises or within one thousand feet of the dealer's premises and making it possible for dealers located in a shopping center to operate a coordinated redemption center;
- (3) Adds a requirement that centers located in densely populated areas remain open at least thirty-five hours a week, of which a minimum of five hours must be on a weekend day; provides that consumers may request container count computation for loads up to two hundred; and requires the Department of Health to encourage the facilitation of agreements between shopping center managers or owners, store owners, and dealers to establish redemption centers;
- (4) Allows dealers to utilize properly operating and maintained reverse vending machines to satisfy the requirement that the dealer establish a certified redemption center;
- (5) Gives dealers the discretion to refuse to pay the refund value for damaged containers as codified in section 342G-116, Hawaii Revised Statutes; and
- (6) Takes effect on July 1, 2020, to ensure further discussion on this measure.

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. 639, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 639, 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, 2. Noes, 1 (Trimble). Excused, 2 (Ihara, Kokubun).

SCRep. 1523 (Joint) Energy and Environment and Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1646

The purpose of this measure is to protect the health and safety of consumers and the environment by providing information and education to consumers on the hazards of pesticide use and storage.

Specifically, this measure requires retailers of pesticides to provide information, through posted signs, on the proper handling, storage, and disposal of all pesticides for sale. In addition, this measure authorizes the Department of Agriculture to develop rules regarding the size and placement of the warning signs.

Your Committees received testimony in support of this measure from the Department of Agriculture, the Hawaii Food Industry Association, and thirteen individuals. The Retail Merchants of Hawaii, the Hawaii Pest Control Association and three individuals submitted comments.

Your Committees find that pesticide exposure has detrimental and often irreversible effects on the health of residents in the community and the environment. Requiring retailers to post informational signage regarding the hazards of pesticide use and storage will help to reduce unnecessary risks to the public and the environment.

Your Committees further find that the Department of Agriculture, when establishing signage rules, should address the language barrier issues that are present in this diverse culture, to ensure that non-English speaking persons are aware of the dangers posed by pesticides.

In addition, the Department of Agriculture and other appropriate agencies should take a proactive approach to educating the public on the hazards of pesticides, including a campaign to raise awareness of the hazards of use, storage, handling, and how to alert children to the dangers of these poisonous chemicals. Although information regarding these hazards is accessible through the federal Environmental Protection Agency, homeowners are often not aware of how to access this information. The Department of Agriculture's website is an excellent source of consumer information, and should include Environmental Protection Agency information.

Your Committees further find that the Department of Agriculture should examine the possibility of indemnification of pesticide retailers.

Your Committees amended this measure by:

- (1) Changing the section title from "pesticide warning signs" to "pesticide information signs";
- (2) Adding the definition "distribute or sell" to section 149A-2, Hawaii Revised Statutes; and
- (3) Clarifying that retailers have the option to post the warning sign or place the warning sign at the product display areas.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1646, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1646, H.D. 2, 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, 2 (Hee, Slom).

SCRep. 1524 Judiciary and Labor on H.B. No. 1149

The purpose of this measure is to increase the penalties for the possession, in the presence of a child, of precursor chemicals for manufacturing a controlled substance.

Your Committee finds that children have been exposed to toxic chemicals of clandestine labs where controlled substances are manufactured. Such exposures have presented a great health risk to these children. This bill increases the penalty for those convicted of possession where children are present.

Your Committee received testimony in support of the bill from the Department of Public Safety and from the Honolulu Prosecutor's Office.

Your Committee amended the bill by changing the effective date of the bill from January 1, 2050, to "upon its approval".

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1149, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1149, 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, 3. Noes, none. Excused, 2 (Inouye, Nishihara).

SCRep. 1525 Ways and Means on H.B. No. 122

The purpose of this measure is to require public disclosure of any entity that receives a “state award”.

Generally, a state award is defined as any legal or governmental entity that receives state financial assistance, including grants, subgrants, loans, awards, etc., not including single transactions less than \$25,000.

Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii. The Department of Budget and Finance submitted comments in opposition to the measure.

Your Committee finds that transparency and accountability in government allow citizens to more fully participate in the governmental process and promotes trust in those who are responsible for the expenditure of state funds.

This measure is consistent with this principle by requiring disclosure of all legal and governmental entities that receive state awards. Your Committee, however, is concerned with provisions that compromise the integrity of tax disclosure laws under title 14, Hawaii Revised Statutes, and has therefore amended the measure to ensure that all taxpayer related information remains confidential.

As affirmed by the record of votes of the members 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, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 122, 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, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1526 Education on S.C.R. No. 135

The purpose of this measure is to request the Department of Education to conduct a study on the air cooling needs of each school complex and to review the feasibility of providing alternative air cooling methods in the public schools.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association. Testimony in opposition to this measure was submitted by the Department of Education.

Your Committee finds that although Hawaii’s tropical climate is ideal for outdoor recreational activities, it is not necessarily conducive to learning for public school students. Many of Hawaii’s public schools are not equipped with air conditioning or other temperature reduction measures, which can make the classroom environments uncomfortable and even unbearable for students and teachers alike. Your Committee further finds that the Department of Education maintains a lengthy priority list of schools which need to be equipped with air conditioning systems, which will require costs of approximately \$1,000,000,000 over approximately a five-year period. Additionally, testimony provided indicated that it would cost an estimated \$50,000 to \$75,000 merely to conduct a study of temperature-reducing measures that could be implemented for all public schools.

Your Committee understands that providing air conditioning for all public schools is a costly endeavor that may also take a long period of time to accomplish. However, your Committee remains committed to ensuring that efforts are made to provide healthful and comfortable surroundings for our students and teachers. Given the increased responsibility and autonomy at the complex level, your Committee believes that this measure should allow the complexes to provide information on developing alternative methods for reducing the temperature of classrooms in order to provide public school students with suitable learning environments.

Accordingly, your Committee has amended the title and text of this measure by:

- (1) Specifying that each school complex is requested to study the air cooling needs of the schools within the complex and review the feasibility of using alternative cooling methods through changes made to the measure’s title and body;
- (2) Specifying that each school complex report also include information on:
 - (A) Prioritization of the needs for cooling that differentiates the needs of buildings and classrooms within each school; and
 - (B) Mitigation measures that address solutions spanning from one classroom, one floor, or one building to several buildings that does not assume mitigation for the entire school; and
- (3) Making technical, nonsubstantive changes for 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. 135, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 135, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Hee, Nishihara).

SCRep. 1527 Education on S.R. No. 90

The purpose of this measure is to request the Department of Education to conduct a study on the air cooling needs of each school complex and to review the feasibility of providing alternative air cooling methods in the public schools.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association. Testimony in opposition to this measure was submitted by the Department of Education.

Your Committee finds that although Hawaii’s tropical climate is ideal for outdoor recreational activities, it is not necessarily conducive to learning for public school students. Many of Hawaii’s public schools are not equipped with air conditioning or other temperature reduction measures, which can make the classroom environments uncomfortable and even unbearable for students and teachers alike. Your Committee

further finds that the Department of Education maintains a lengthy priority list of schools which need to be equipped with air conditioning systems, which will require costs of approximately \$1,000,000,000 over approximately a five-year period. Additionally, testimony provided indicated that it would cost an estimated \$50,000 to \$75,000 merely to conduct a study of temperature-reducing measures that could be implemented for all public schools.

Your Committee understands that providing air conditioning for all public schools is a costly endeavor that may also take a long period of time to accomplish. However, your Committee remains committed to ensuring that efforts are made to provide healthful and comfortable surroundings for our students and teachers. Given the increased responsibility and autonomy at the complex level, your Committee believes that this measure should allow the complexes to provide information on developing alternative methods for reducing the temperature of classrooms in order to provide public school students with suitable learning environments.

Accordingly, your Committee has amended the title and text of this measure by:

- (1) Specifying that each school complex is requested to study the air cooling needs of the schools within the complex and review the feasibility of using alternative cooling methods through changes made to the measure's title and body;
- (2) Specifying that each school complex report also include information on:
 - (A) Prioritization of the needs for cooling that differentiates the needs of buildings and classrooms within each school; and
 - (B) Mitigation measures that address solutions spanning from one classroom, one floor, or one building to several buildings that does not assume mitigation for the entire school; and
- (3) Making technical, nonsubstantive changes for 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. 90, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 90, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Hee, Nishihara).

SCRep. 1528 Education on S.C.R. No. 137

The purpose of this measure is to improve financial efficiency by requesting the University of Hawaii to establish a long-term comprehensive financial plan.

Testimony in support of this measure was submitted by the University of Hawaii.

Your Committee finds that the State dedicates substantial financial resources to the University of Hawaii and, thereby, maintains a vested interest in the success of the system. Budgeting of state funds to the University of Hawaii that optimizes efficiency and effectiveness of operations is reliant upon a clear financial plan that is linked to equally clear objectives of the university system, its campuses, and its programs. Your Committee finds that the legislatures of many other jurisdictions are undertaking actions to align funding for their public universities and colleges with the current and future needs and priorities of those states. This measure seeks a similar approach of gaining information from the University of Hawaii regarding its long-term financial plans and priorities to assist the Legislature in making future budgeting decisions that will support the goals of and are consistent with the objectives of the university.

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. 137 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Hee, Nishihara).

SCRep. 1529 Energy and Environment on S.C.R. No. 53

The purpose of this measure is to reduce Hawaii's dependence on fossil fuels by encouraging the use of higher efficiency lighting.

Specifically, this measure requests that all state government and all county and local government facilities replace incandescent light bulbs with Energy Star qualified compact fluorescent light bulbs by January 1, 2010.

Further, this measure requests the Director of the Department of Business, Economic Development, and Tourism, serving as the statewide Energy Resources Coordinator, to be charged with encouraging private consumers to use Energy Star qualified compact fluorescent light bulbs in lieu of incandescent light bulbs by establishing incentive programs, such as rebate and discount programs, and by educating the public with regard to the benefits of Energy Star qualified compact fluorescent light bulbs.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association; Philips Lighting; Hawaiian Electric Company, Inc.; and three individuals.

Your Committee finds that the cost of electricity will be increasingly more expensive as long as we depend on fossil fuels to generate electric power. Your Committee further finds that compact fluorescent light bulbs last longer, emit less heat, and use approximately seventy-five per cent less energy than incandescent light bulbs.

Your Committee amended this measure by adding the Director of Business, Economic Development, and Tourism to the individuals that are to receive a certified copy of this resolution.

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. 53, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 53, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Kokubun).

SCRep. 1530 Energy and Environment on S.R. No. 28

The purpose of this measure is to reduce Hawaii's dependence on fossil fuels by encouraging the use of higher efficiency lighting.

Specifically, this measure requests that all state government and all county and local government facilities replace incandescent light bulbs with Energy Star qualified compact fluorescent light bulbs by January 1, 2010.

Further, this measure requests the Director of the Department of Business, Economic Development, and Tourism, serving as the statewide Energy Resources Coordinator, to be charged with encouraging private consumers to use Energy Star qualified compact fluorescent light bulbs in lieu of incandescent light bulbs by establishing incentive programs, such as rebate and discount programs, and by educating the public with regard to the benefits of Energy Star qualified compact fluorescent light bulbs.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association; Philips Lighting; Hawaiian Electric Company, Inc.; and three individuals.

Your Committee finds that the cost of electricity will be increasingly more expensive as long as we depend on fossil fuels to generate electric power. Your Committee further finds that compact fluorescent light bulbs last longer, emit less heat, and use approximately seventy-five per cent less energy than incandescent light bulbs.

Your Committee amended this measure by adding the Director of Business, Economic Development, and Tourism to the individuals that are to receive a certified copy of this resolution.

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. 28, as amended herein, and recommends its adoption 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, 1 (Kokubun).

SCRep. 1531 Intergovernmental and Military Affairs on S.C.R. No. 108

The purpose of this measure is to urge the United States Congress to pass the National Guard Empowerment Act of 2007.

Your Committee received testimony in support of this measure from State Adjutant General, National Guard Association of Hawaii Insurance Trust, Hawaii National Guard Association, and Hawaii National Guard Enlisted Association.

Your Committee finds that as the United States continues its war on terrorism, a strong and ready National Guard is vital in order to adequately address emergencies and military operations, both foreign and domestic.

Your Committee further finds that the National Guard and Reserves currently comprise approximately forty-five per cent and fifty per cent of the military forces in Iraq and Afghanistan, respectively.

Your Committee further finds that as the United States military continues to increase its reliance on the National Guard and Reserves, it is critical to consult with the State and National Guard leadership and require the National Guard to work with the states in order to identify gaps between federal and state capabilities in responding to emergencies.

To this end, it is the intent of your Committee to support the National Guard Empowerment Act of 2007, which was introduced in the United States Senate, and is designed to make the National Guard a stronger and more responsible defense agency that will improve the nation's defense and improve the military's ability to support civilian authorities during domestic emergencies.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 108 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, none.

SCRep. 1532 Intergovernmental and Military Affairs on S.R. No. 65

The purpose of this measure is to urge the United States Congress to pass the National Guard Empowerment Act of 2007.

Your Committee received testimony in support of this measure from State Adjutant General, National Guard Association of Hawaii Insurance Trust, Hawaii National Guard Association, and Hawaii National Guard Enlisted Association.

Your Committee finds that as the United States continues its war on terrorism, a strong and ready National Guard is vital in order to adequately address emergencies and military operations, both foreign and domestic.

Your Committee further finds that the National Guard and Reserves currently comprise approximately forty-five per cent and fifty per cent of the military forces in Iraq and Afghanistan, respectively.

Your Committee further finds that as the United States military continues to increase its reliance on the National Guard and Reserves, it is critical to consult with the State and National Guard leadership and require the National Guard to work with the states in order to identify gaps between federal and state capabilities in responding to emergencies.

To this end, it is the intent of your Committee to support the National Guard Empowerment Act of 2007, which was introduced in the United States Senate, and is designed to make the National Guard a stronger and more responsible defense agency that will improve the nation's defense and improve the military's ability to support civilian authorities during domestic emergencies.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 65 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, none.

SCRep. 1533 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Transportation and International Affairs and Education on S.C.R. No. 157

The purpose of this measure is to request that the Legislature recognize and extend its Aloha to the National Indian Education Association and its members who will be gathering in Hawaii for its thirty-eighth annual conference and to request the Governor to declare the fourth week of October as "Indigenous Education Week."

No testimony was submitted to your Committees on this measure.

Your Committees find that the National Indian Education Association is the oldest national association devoted to the education of indigenous people in the United States. The education of Native Hawaiians is a focus of the Association. In 2006, Dr. VerlieAnn Leimomi Kapule Malina-Wright was installed as the first President of the Association of Native Hawaiian ancestry due to her experience, demonstration, and advocacy of teaching and conducting classes entirely in Hawaiian. This year, the Association will hold its annual convention in Honolulu on October 25 to 28, 2007, and your Committees look forward to and welcomes the Association upon its arrival in October. Furthermore, your Committees recognize the important work of the National Indian Education Association, and appreciate the Association's focus on Native Hawaiian education and recognizing Hawaii's unique distinctions in indigenous education.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation and International Affairs and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 157 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 9. Noes, none. Excused, 6 (Chun Oakland, Fukunaga, Hee, Hooser, Nishihara, Tsutsui).

SCRep. 1534 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Transportation and International Affairs and Education on S.R. No. 108

The purpose of this measure is to request that the Legislature recognize and extend its Aloha to the National Indian Education Association and its members who will be gathering in Hawaii for its thirty-eighth annual conference and to request the Governor to declare the fourth week of October as "Indigenous Education Week."

No testimony was submitted to your Committees on this measure.

Your Committees find that the National Indian Education Association is the oldest national association devoted to the education of indigenous people in the United States. The education of Native Hawaiians is a focus of the Association. In 2006, Dr. VerlieAnn Leimomi Kapule Malina-Wright was installed as the first President of the Association of Native Hawaiian ancestry due to her experience, demonstration, and advocacy of teaching and conducting classes entirely in Hawaiian. This year, the Association will hold its annual convention in Honolulu on October 25 to 28, 2007, and your Committees look forward to and welcomes the Association upon its arrival in October. Furthermore, your Committees recognize the important work of the National Indian Education Association, and appreciate the Association's focus on Native Hawaiian education and recognizing Hawaii's unique distinctions in indigenous education.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation and International Affairs and Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 108 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 9. Noes, none. Excused, 6 (Chun Oakland, Fukunaga, Hee, Hooser, Nishihara, Tsutsui).

SCRep. 1535 Energy and Environment on Gov. Msg. Nos. 335, 336, 337 and 338

Recommending that the Senate advise and consent to the nominations of the following:

ENVIRONMENTAL COUNCIL

- G.M. No. 335 DAVID ATKIN, for a term to expire 6-30-2011;
- G.M. No. 336 DAVID SPENCER BYLUND, for a term to expire 6-30-2011;
- G.M. No. 337 CHESTER ISAMU SAITO, for a term to expire 6-30-2011; and
- G.M. No. 338 MARY STEINER, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Dr. David Atkin, David Spencer Bylund, Chester Isamu Saito, and Mary Steiner, to have the necessary qualifications to be nominated to the Environmental Council.

Your Committee received testimony in support of Dr. David Atkin's nomination from the Department of Health and the Environmental Council.

Dr. Atkin has a Doctorate in Ecology and Evolution from Princeton University and a Bachelor of Science from Stanford University. He has over twenty-five years of experience in environmental engineering in the public and private sectors and has been involved in over fifty infrastructure projects across the United States and many other countries. Dr. Atkin is currently the Senior Supervising Environmental Planner/Certified Senior Project Manager/Senior Professional Associate at Parsons Brinkerhoff, where he has worked since 1987. Prior to Parsons Brinkerhoff, Dr. Atkin worked at the Natural Resources Defense Council, the New Jersey Department of Energy and as a Soros Associate. He has extensive permitting and environmental studies experience in the areas of telecommunications, marine facilities, transit and transportation, water resources, and industrial and commercial projects. He is also experienced in transportation planning. Dr. Atkin has authored, co-authored, and presented numerous papers and studies on various topics relating to environmental engineering. He is the current treasurer and a past president of the Hawaii Association of Environmental Professionals; a lecturer at the University of Hawaii, Department of Urban and Regional Planning; a volunteer with The Outdoor Circle; and has served for six months as an interim member of the Environmental Council, chairing the Legislative Committee. Dr. Atkin's extensive experience in environmental engineering and in consulting make him highly qualified and valuable to the Council.

Your Committee received testimony in support of David Spencer Bylund's nomination from the Department of Health; the Environmental Center at the University of Hawaii; the Environmental Council; the Strategic Industries Division of the Department of Business, Economic Development, and Tourism; and John M. Knox and Associates, Inc.

Mr. Bylund is currently serving in his first term on the Environmental Council, and is the current chair of the Annual Report Committee. Mr. Bylund has a Master of Architecture from Columbia University and a Bachelor Degree in Architecture and Civil Engineering from Princeton

University. He is currently employed with Architects Hawaii, where he leads the Sustainable Design Initiative. He has over twenty years of experience in the building design industry as an architectural designer in Hawaii, on the mainland, in Europe, and Asia. His architectural project experiences span a variety of areas, including education, health care, recreation, resorts, residences, technology companies, financial industries, corporations, and master planning. Mr. Bylund is on the board of directors of the Hawaii Society of Corporate Planners and the Honolulu Chapter of the American Institute of Architects; and he is the Sustainability Committee chair of the Hawaii District Council of the Urban Land Institute. Mr. Bylund was a program chair of the Collaborative Process Institute; International Practice Committee chair of the American Institute of Architects, San Francisco Chapter; board member of Visual Aid; and a participant in the 2006 Supper Island beach clean up. He is a member of the U.S. Green Building Council, American Institute of Architects, and Urban Land Institute. Mr. Bylund's extensive experience has been an asset to the Council.

Your Committee received testimony in support of Chester Isamu Saito's nomination from the Department of Health; General Contractors Association of Hawaii; Environmental Council; and the Strategic Industries Division of the Department of Business, Economic Development, and Tourism.

Mr. Saito is currently serving his first term on the Environmental Council and has served as chair of the Exemption List Committee for the past year. He has over thirty-seven years of experience in construction. He is currently the Senior Project Engineer and Environmental Manager at the Hawaiian Dredging Construction Company, where he has worked since 1990. Mr. Saito has a Bachelor Degree of General Studies in Business Management from Chaminade University. He is a member of the Association of General Contractors of America Environmental Network Steering Committee and Environmental Committee, of which he is a former chair. Mr. Saito's experience and dedication has been an asset to the Council.

Your Committee received testimony in support of Mary Steiner's nomination from the Department of Health, Environmental Council, Outdoor Circle, Kaulunani Urban and Community Forestry Program, and the Mestizo Association.

Ms. Steiner has been the Chief Executive Officer of the Outdoor Circle since 1992. Her past employment includes serving as a development associate with the Center for Children and Families in Jamaica, New York; Public Affairs Coordinator for Planned Parenthood of Monmouth County, New Jersey; Director of Operations for IBF Group, Inc., of New York, New York; and Operations and Bond Fund Coordinator of Prudential Bache of New York, New York. Her community experience includes serving on the Mayor's Arborist Advisory Committee of the City and County of Honolulu; a member of the Ka'ulu'nani Council, a division of the U.S.D.A. Forest Service; and a member of the Association of Fundraising Professionals. She is a registered lobbyist in the State of Hawaii and the City and County of Honolulu. Ms. Steiner has a Bachelor of Arts Degree in Romance Languages with Honors from Stockton State College, a certificate in Hispanic Studies from the University of Madrid, and a Diploma from the Municipal Bond Club of New York School. She is the recipient of the 2005 Unsung Hero Award of the Hawaii's Thousand Friends and has presented and published several papers relating to community advocacy, and trees. Ms. Steiner has served as an interim member of the Environmental Council for the past six months and has been active with the Rules Committee. Her experiences in community and government have been a great asset to the Council.

As affirmed by the records of votes of the members of your Committee on Energy and Environment that are attached to this report, your Committee, after full consideration of the background, 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, 1 (Kokubun).

SCRep. 1536 Transportation and International Affairs on Gov. Msg. Nos. 478, 479, 567 and 568

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII SISTER STATE COMMITTEE

G.M. No. 478 LISA TERUKA MARUYAMA, for a term to expire 6-30-2011;

G.M. No. 479 SHERRY R. MENOR, for a term to expire 6-30-2011;

G.M. No. 567 ROMY M. CACHOLA, for a term to expire 6-30-2010; and

G.M. No. 568 ANITA MAE K. NAONE, for a term to expire 6-30-2009

Your Committee received testimony in support of Lisa Teruka Maruyama from the Department of Business, Economic Development, and Tourism; University of Hawaii; East-West Center; and two individuals.

Ms. Maruyama represents a nominee of the Speaker of the House of Representatives. She is currently the Executive Director of the Pacific and Asian Affairs Council. She received a Bachelor of Business Administration in International Business from the University of Hawaii at Manoa, where she participated in the Pacific Asian Management Institute during the summer of 1990.

Ms. Maruyama participated in the Pacific Century Fellows Program (1999-2000), Weinberg Fellows Program (1996), Japan-America Institute of Management Science, National Philanthropy Day, and National Student Exchange Program at the University of Massachusetts at Amherst.

Ms. Maruyama's current professional and community activities include Board Member of the Hawaii Society of Corporate Planners, Advisory Council; Hawaii Pacific University College of International Relations, Advisory Council; University of Hawaii College of Marketing Department, Advisory Council; and University of Hawaii Center for International Business Education and Research. She has been a member of the World Affairs Councils of America; United Nations Association-USA, Hawaii Division; and Japanese Junior Chamber of Commerce.

Ms. Maruyama received the Pacific Business News "Top Forty Under 40" recognition in 2001; Daniel K. Inouye Award for Excellence in Community Mental Health Service, presented by the Hawaii Psychological Association in 1997; Pacific Asian Management Institute Field Study Abroad Scholarship (1990); and Richard Kosaki Award for Excellence in Research, University of Hawaii at Manoa, Political Science Department (1988).

Ms. Maruyama has traveled extensively on the Mainland, Asia, Canada, and Western Europe. In addition, she has lived in Tokyo and Nara, Japan; Amherst, Massachusetts; and Omaha, Nebraska.

Your Committee notes the nominee's personal statement that she hopes to bring relevant outside information to the Hawai'i Sister State Committee that would shape the decision-making process; to develop and/or refine criteria in determining which sister-state relationships are worth pursuing, maintaining, or discontinuing, and to assist in determining the best ways that sister-state relationships could be expressed to fully maximize the benefit to Hawaii.

Your Committee received testimony in support of Sherry R. Menor from the Department of Business, Economic Development, and Tourism; McCabe, Hamilton & Renny Co., Ltd.; First Hawaiian Bank; The Chamber of Commerce of Hawaii; Honolulu Japanese Chamber of Commerce; Hawaii Korean Chamber of Commerce; Hong Kong Business Association; Kaula'i Chamber of Commerce; Legal Realty; Wilson Homecare; The Limtiaco Company; Hawaiian Telcom; Kaiser Permanente; Sheraton Hawai'i Bowl; and one individual.

Ms. Menor is a nominee of the Senate President. She is employed with the Chamber of Commerce of Hawaii as Director of the Business Advocacy Department. She received a Juris Doctor degree from the William S. Richardson School of Law and an Master of Business Administration degree from the Shidler College of Business, at the University of Hawaii at Manoa. Ms. Menor received a Bachelor of Arts in Political Science from the University of California at Los Angeles. She also participated in graduate studies in public administration and public policy at the University of Southern California. She has been a summer law clerk for the Hawaii County Corporation Counsel and a Legislative Assistant for the Hawaii State Legislature.

Ms. Menor has experience creating relationships to further enhance the mutual understanding, respect, and cooperation among people of diverse backgrounds. This experience would serve her well on the Hawaii Sister State Committee, as well as the fact that she was born in a foreign country. She also has worked abroad and for foreign companies and appreciates and respects the cultural differences among countries.

Your Committee notes the personal statement of the nominee that she will seek to build understanding and mutual respect of each state's culture, people, and economy, and to work to enable sister-states to collectively seek ways to address similar issues.

Your Committee received testimony in support of Romy M. Cachola from the Department of Business, Economic Development, and Tourism.

Councilmember Cachola represents the appointment from the Hawaii State Association of Counties. He is a Honolulu City Councilmember. He received a Bachelor of Law (Juris Doctor) and M.L. degrees from Quezon University.

Councilmember Cachola was a State Representative from 1984 to 2000. He is on the Board of Governors of the Kalihi YMCA; a member of the Filipino Chamber of Commerce; on the Board of Directors of the Kalihi Business Association; and a member or past member of various community organizations, including the Ilocos Surian Association of Hawaii, Kalakaua Lions Club, Narvacaneos Club of Hawaii, St. Anthony Church's Filipino Catholic Club, St. Anthony Church's Parish Pastoral Council; St. Anthony's School Board (Past President), Statewide Sakada Committee, Susannah Wesley Community Center, and Waipahu Business Association (Past President).

Councilmember Cachola has received numerous awards for distinguished service and accomplishments, including the Distinguished Legislator Award of the State Legislative Leaders Association, presented at the August 1990 National Conference of State Legislators in Tennessee; Public Servant of the Year presented by the Community Advocate Magazine, 1990; and Progress Award for Public Service presented by the United Filipino Community Council, 1997 and 1999.

Your Committee notes from the nominee's personal statement that he has past experience setting up sister state relationships during his tenure as a city councilmember.

Your Committee received testimony in support of Anita Mae K. Naone from the Department of Business, Economic Development, and Tourism, and two individuals.

Ms. Naone is a nomination of a Native Hawaiian cultural organization. She is the Forward Equal Employment Opportunity Manager for the United States Army Corp of Engineers at Fort Shafter, where she has authority to plan, organize, direct, staff, implement, and evaluate a management-oriented affirmative employment program, including the complaint process. She has also served as a Defense Communications Coordinator for the Naval Communications Station in Wahiawa.

Ms. Naone attended Windward Community College, and completed numerous leadership and equal employment courses with the United States military. She brings experience in working with people from all walks of life, including professional engineers, managers, and diverse ethnic groups.

As affirmed by the records of votes of the members of your Committee on Transportation and International Affairs that are attached to this report, your Committee, after full consideration of the background, 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 (Taniguchi, Tsutsui).

SCRep. 1537 Transportation and International Affairs on Gov. Msg. Nos. 496, 497 and 534

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 496 JOHN B. RAY, for a term to expire 6-30-2010;

G.M. No. 497 DAVID K. SPROAT, for a term to expire 6-30-2011; and

G.M. No. 534 JOHN JAY ROMANOWSKI, for a term to expire 6-30-2011

Your Committee received testimony in support of John B. Ray from the Department of Transportation.

John B. Ray has been the President of the Hawaii Leeward Planning Conference in Kamuela, Hawaii, since 1999. Previously, he was on the Hawaii County Council. The nominee is the Founding Director of the Waimea Main Street Program, a non-profit community-based planning and economic development organization; Founder of the Paniolo Country Inn; and Co-Founder of Orca Sea Farms, Inc., among other notable business endeavors. The nominee has been involved in numerous community activities and boards.

Your Committee received testimony in support of David K. Sproat from the Department of Transportation and two members of the House of Representatives.

David K. Sproat was first appointed to the Commission on Transportation on July 1, 2003. He is a retired County of Kaua'i Firefighter with almost thirty-one years of service, and was President of the Kilauea Neighborhood Association, Secretary and Treasurer of the Hawaiian Farmers of Hanalei, Board Member of the Mahelona Hospital, President of the Kilauea School Parent Teacher Association, and Vice President of the Kilauea Agricultural Association.

Your Committee notes from the nominee's personal statement that he would use his skills in dealing with the many diverse issues facing the Department of Transportation's Divisions of Highways, Airports, and Harbors.

Your Committee received testimony in support of John Jay Romanowski from the Department of Transportation; Hidano Construction, Inc.; Building Industry Association – Hawaii; Castle & Cooke Hawaii; Contractors Association of Kaua'i; Royal Contracting Co., Ltd.; Co-Ha Builders, Inc.; and Maritime Consultants of the Pacific.

John Jay Romanowski was originally appointed to the Commission on Transportation on July 1, 2003, for a term to expire on June 30, 2007. He is Vice President of Jas. W. Glover, Ltd., general contractor and manufacturer of aggregates, ready-mix concrete, and hot mix asphalt. Prior thereto, he held various engineering, construction, and manufacturing posts with Summit Construction, Inc., Construction Consultants Pacific, Inc., Charles Pankow Builders, and E.I. Dupont DeNemours Chemical Co.

Mr. Romanowski received a degree in civil engineering from Purdue University. He is the Hawaii State Director of the National Asphalt Paving Association; President of the Hawaii Asphalt Paving Industry; Chairman of Department of Transportation Committee of the General Contractors Association of Hawaii; and a member of the Hawaii Island Contractors Association and Contractors Association of Kauai.

Your Committee notes the testimony of the Department of Transportation that the nominee's extensive background in general contracting and construction, and his experience as a project engineer have made him invaluable to the Commission on Transportation. He is always willing to share his unique insights and first-hand knowledge on the various transportation matters that come before the Commission.

As affirmed by the records of votes of the members of your Committee on Transportation and International Affairs that are attached to this report, your Committee, after full consideration of the background, 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 (Taniguchi, Tsutsui).

SCRep. 1538 Commerce, Consumer Protection and Affordable Housing on H.B. No. 776

The purpose of this measure is to prohibit ticket brokers from charging a fee when using a credit card to purchase a ticket without first disclosing to a consumer that a fee will be charged.

Your Committee received testimony in support of this measure from one individual. The Office of Consumer Protection provided comments on this measure.

Your Committee finds that disclosure is a basic tenet of consumer protection and consumers should be aware of any additional fees being charged prior to any transaction. This measure will prohibit ticket brokers from charging a fee for the use of a credit card without first disclosing the fee.

Your Committee has amended this measure to require ticket brokers to refund any service fee the consumer has paid when the event for which the ticket was purchased is canceled.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 776, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 776, 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 (Ige).

SCRep. 1539 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1264

The purpose of this measure is to exempt certain lessees for sustainable affordable developments from the ten-year buyback and shared appreciation equity restrictions under chapter 201H, Hawaii Revised Statutes (HRS).

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; the Office of Hawaiian Affairs; Brigham Young University Hawai'i; and UniDev Hawaii, L.L.C.

Your Committee finds that this measure allows the Hawaii Housing Finance and Development Corporation (HHFDC) to waive ten-year buyback and shared appreciation equity restrictions for projects that, pursuant to section 516-1, HRS, comprise a sustainable affordable development. Under existing law, a lessee of a HHFDC affordable leasehold residential property who wishes to sell the affordable home within ten years of purchase must sell the home back to HHFDC so that HHFDC, in turn, may resell the property to another income-qualified lessee. However, your Committee believes that sustainable affordable developments, such as those developed and managed by HHFDC, already satisfy the intent of the buyback and shared appreciation restrictions because sustainable affordable developments are affordable in perpetuity.

Your Committee also finds that there are many instances where immediate family members of a deceased lessee are forced to move out of the affordable home because of the ten-year buyback and shared appreciation equity provisions. Accordingly, your Committee has amended this measure by adding an additional exemption under section 201H-47(c), HRS, to include the right of first refusal for the sale or transfer of real property to an immediate family member of the purchaser upon the purchaser's death. This amendment will assist in creating a greater inventory of affordable housing for the benefit of the State's working class.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1264, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1264, 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 (Ige).

SCRep. 1540 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1339

The purpose of this measure is to help ensure that there is an adequate supply of licensed contractors available to perform the necessary repairs and reconstruction work during a state of emergency or disaster.

Your Committee received testimony in support of this measure from State Farm Insurance Companies. The Contractors License Board and the State Department of Defense submitted testimony in opposition to this measure. The Subcontractors Association of Hawaii submitted comments on this measure.

Your Committee finds that, if a natural disaster should strike, the demand for contractors may exceed the supply of Hawaii licensed contractors and workers available to perform the necessary repair and reconstruction work. Given the current tight labor market, if an emergency or disaster were to occur, the shortage problem would only be exacerbated. To protect consumers from unscrupulous and inexperienced individuals seeking to profit from the urgent need of repairs that would follow a disaster like hurricanes Iniki and Katrina, your Committee believes that complete exemption from the contractor licensing requirements is inappropriate and may lead to additional harm and heartache. Allowing out-of-state contractors licensed in other jurisdictions to perform work in Hawaii under an emergency license represents a reasonable balance between the need for more contractors and the need to protect consumers.

Your Committee notes that a number of concerns were raised by those testifying on this measure and therefore your Committee has amended this measure by:

- (1) Removing the language establishing an Emergency Contractors Recovery Fund, since a similar fund is already in existence and this language would be duplicative;
- (2) Amending the requirement that an emergency contractor provide proof of liability and property damage insurance and workers' compensation insurance by removing the specific references to dollar amounts, as the Contractor Licensing Board's rules already require insurance in the amount of \$300,000 per occurrence;
- (3) Specifying that the workers' compensation insurance required be specific for work performed in the State;
- (4) Removing the requirement that an emergency contractor provide proof of licensure as a contractor in another state which follows the same adopted version of the applicable county's uniform building code; and
- (5) Adding the requirement that the emergency contractor provide proof of intent to pay any and all applicable state general excise taxes.

Your Committee believes that these amendments will address the issues raised by the testifiers.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1339, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1339, 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, 1 (Ige).

SCRep. 1541 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1612

The purpose of this measure is to allow a consumer to place a security freeze on the consumer's credit report regardless of whether they have been the victim of identity theft.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs and AARP Hawaii. Testimony in opposition was submitted by one individual. The Consumer Data Industry Association and the Retail Merchants of Hawaii submitted comments.

Your Committee finds that there are some instances and circumstances in which a person may need to place a security freeze on their credit report although they have not yet established that they are a victim of identity theft. Requiring a person to wait until they can establish that their identity has been stolen is an inadequate means of preventing identity theft and of preventing further damage to a person's credit once their identity has been stolen.

Your Committee notes that some concerns were raised as to the administrative costs to credit reporting agencies in placing a credit freeze on credit reports of consumers who are not victims of identity theft.

Your Committee also notes the concern that requiring a police report or other report establishing that a consumer's personal information has been used in an unlawful manner may be burdensome to consumers who need to freeze their credit report quickly in order to prevent further harm. The measure as currently drafted would still require a consumer to submit these types of reports to a credit reporting agency when requesting a security freeze on their credit report.

Therefore, your Committee has amended this measure by:

- (1) Clarifying that a credit reporting agency may not charge a fee to a victim of identity theft for placing or removing a security freeze on the victim's credit report;
- (2) Adding language to allow a consumer to request a security freeze on their credit report; provided that if the request does not include a valid copy of a police report, investigative report, or complaint the consumer has filed with a law enforcement agency about unlawful use of the consumer's personal information by another person, each consumer credit reporting agency may charge a fee of up to \$10 for placing a security freeze on the consumer's credit report; and
- (3) Changing the effective date to encourage further discussion.

Your Committee notes that a consumer who does not provide a police report or other report regarding the unlawful use of the consumer's information may be charged a fee by each credit reporting agency from which a consumer requests the freeze. Your Committee further notes that there are currently three major credit reporting agencies.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1612, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1612, 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 (Ige).

SCRep. 1542 Commerce, Consumer Protection and Affordable Housing on H.B. No. 483

The purpose of this measure is to require the Department of Commerce and Consumer Affairs to regulate the check cashing industry through licensing requirements.

Your Committee received testimony in support of this measure from Financial Service Providers of Hawaii, Inc.; Legal Aid Society of Hawaii; Hawaii'i Alliance for Community-Based Economic Development (HACBED); Aloha United Way; and Hawaii Asset Building Coalition; and one individual. Testimony in opposition was received from the Department of Taxation; Maui Loan; Kama'aina Loan; National Association of Consumer Advocates; and one individual. The Department of Commerce and Consumer Affairs and the Office of Consumer Protection provided comments on the measure.

Your Committee finds that deferred deposit transactions, or payday loans, are short-term loans that have the potential to trap consumers in a cycle of debt that does not allow them to build assets for their future. Hawaii is one of only four states that does not require a license to provide a payday loan. In 2005, the Office of the State Auditor conducted a sunrise analysis on the regulation of check cashing and deferred deposit agreements and recommended that chapter 480F, Hawaii Revised Statutes, be strengthened to be more consumer friendly.

Your Committee has amended this measure by inserting the provisions of S.B. No. 1935, S.D. 1, a similar measure which requires registration of check cashers instead of licensing.

As amended, the measure:

- (1) Requires registration, rather than licensing, of check cashers with the Department of Commerce and Consumer Affairs;
- (2) Raises the limit on the maximum amount of a deferred deposit transaction from twenty-five per cent to thirty per cent of a consumer's gross monthly income;
- (3) Includes language to require the availability of an extended repayment plan after any consumer has entered into four or more consecutive transactions (back-to-back agreements within twenty-four hours of the payment of a previous transaction); provided that the customer requests the option within twenty-four hours of the last payment due date; and
- (4) Changes the effective date from January 1, 2050, to July 1, 2050, to encourage more discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 483, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 483, 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. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (Ige).

SCRep. 1543 (Joint/Majority) Intergovernmental and Military Affairs and Transportation and International Affairs on H.B. No. 895

The purpose of this measure is to provide the counties and tow companies with the tools necessary to take custody and properly dispose of abandoned vehicles in a more efficient manner.

Specifically, this measure:

- (1) Allows counties to increase registration fees and thereby increase deposits into the highway beautification and disposal of abandoned or derelict vehicles revolving fund to defray costs associated with the storage of abandoned or derelict vehicles;
- (2) Increases towing and storage fees that towing companies are currently allowed to charge; and
- (3) Decreases the number of days in which the owner of the towed motor vehicle must be notified.

Your Committees received testimony in support of this measure from the Office of the Mayor, County of Maui; County Council, County of Maui; Department of Finance, County of Maui; Department of Environmental Management, County of Hawaii; Hawaii State Towing Association; and one individual.

Your Committees received testimony in opposition to this measure from The Hawaii Automobile Dealers' Association. Comments on this measure were submitted from the Director of the Department of Commerce and Consumer Affairs.

Your Committees find that the significant increase in the number of abandoned and derelict vehicles being discarded on Hawaii's roadways not only degrade its beauty and pose a danger to the public by creating unsafe driving conditions, but also results in increased operating expenses associated with the removal and storage of these abandoned vehicles, causing tow operators to incur financial hardships.

Your Committees also find that while the county in which the towing company is located is most often the requestor for the towing company to remove these abandoned and derelict vehicles, the county only pays for the initial towing service and does not pay for any other fees associated with the removal of the vehicles, creating an additional financial burden on tow operators.

Your Committees further find that, while it is important to offset costs associated with the removal and storage of abandoned vehicles, the fees related to the towing and storage expenses, as well as the decrease in the number of days in which the owner of a towed vehicle is notified, should be considered separately from the registration fees. To this end, your Committees amended this measure by deleting section 3 of the bill which would have increased the towing and storage fees and decreased the number of days to notify an owner of a towed vehicle.

It is the intent of your Committees to defray the costs associated with the storage of abandoned or derelict vehicles by allowing the counties to increase registration fees, which will increase deposits into the Highway Beautification and Disposal of Abandoned or Derelict Vehicles Revolving Fund.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 895, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 895, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Ayes with Reservations, 1 (Gabbard). Noes, 1 (Hemmings). Excused, 2 (Hooser, Taniguchi).

SCRep. 1544 Judiciary and Labor on H.B. No. 854

The purpose of this bill is to permit the termination of temporary total disability benefits (benefits) when the employee's treating physician determines that the employee is able to resume work and the employer has made a bona-fide and appropriate offer of employment to the employee. In addition this bill requires the Director of Labor and Industrial Relations to conduct a hearing at the request of the employee who receives notice from the employer of the termination of benefits and requires the Director to promptly determine if such benefits should be discontinued and the date of such discontinuance. This bill also allows employers to request credits for the amount of benefits paid by the employer after the date which the Director had determined should have been the last date of payment.

The Hawaii Chapter, American Physical Therapy Association, Hawaii Government Employees Association (HGEA), Hawaii State AFL-CIO, ILWU Local 142, and numerous chiropractors testified in support of this measure. The Hawaii State Chiropractic Association testified in support of this measure, with an amendment. The Department of Human Resources Development, the County of Hawaii's Department of Human Resources, The Chamber of Commerce of Hawaii, Hawaii Insurers Council, National Federation of Independent Businesses (NFIB), Property Casualty Insurers Association of America, the Retail Merchants of Hawaii (RHM), and the Hawaii Chapter, Society for Human Resource Management (SHRM) testified in opposition to this measure. The Department of Labor and Industrial Relations (DLIR) submitted testimony in support of the intent of the measure.

Your Committee has amended this measure by including language supported by the Hawaii State Chiropractic Association. The amendment establishes the recovery period of benefits by the employer to be after the date that the Director notifies the employer and the employee of the Director's determination of the last date of payment. The measure was further amended by specifying that benefits paid by the employer prior to the recovery period are not recoverable.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 854, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 854, 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, 1 (Kokubun).

SCRep. 1545 Judiciary and Labor on H.B. No. 910

The purpose of this measure is to require members of the Board of Agriculture, the Board of Land and Natural Resources, the Board of Regents of the University of Hawaii, and the Hawaiian Homes Commission to file public financial disclosure statements, as opposed to confidential disclosure statements seen only by the Hawaii State Ethics Commission.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission and the League of Women Voters of Hawaii.

The Hawaii State Ethics Commission explained that reporting requirements for members of boards vested with authority to run a department ought to be consistent with requirements for department heads for departments in the executive branch that are headed by a single executive.

Your Committee has amended this measure by:

- (1) Replacing its contents with provisions of a similar measure, S.B. No. 1957, S.D. 1 (2007), Relating to Code of Ethics; and
- (2) Expanding the S.B. No. 1957, S.D. 1 list of boards and commissions whose members must file public financial disclosure statements to include the Board of Regents of the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 910, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 910, 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, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1546 Judiciary and Labor on H.B. No. 1750

The purpose of this measure is to repeal the requirement that an applicant for state and county employment be a resident of Hawaii at the time of the application.

Your Committee received testimony in support of this measure from the Department of Education, the Department of Human Resources of the City and County of Honolulu, and the American Civil Liberties Union of Hawaii. The Judiciary supported the bill with reservations.

Your Committee believes this measure will conform statutory provisions to a United States District Court for the District of Hawaii ruling that found the pre-employment residency requirement unconstitutional.

Your Committee has amended this measure by:

- (1) Changing the phrase "shall establish residency in the State within thirty days after their employment" to "shall become residents of the State within thirty days after beginning their employment" as a nonsubstantive amendment for clarity and style; and
- (2) Changing the effective date from July 1, 2112 to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1750, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1750, 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, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1547 Judiciary and Labor on H.B. No. 863

The purpose of this measure is to ensure that private construction contracts where more than half of the project will be used by the State or a county, will comply with the prevailing wage law by requiring:

- (1) The project owner to certify that the project will comply with the prevailing wage law;
- (2) The certification to be filed with the Department of Labor and Industrial Relations (DLIR) and Department of Accounting and General Services; and
- (3) The project owner to submit certified payrolls weekly to the governmental agency that will be using the project.

Testimony in support of the measure was received from the Hawaii Carpenters Union and the Hawaii State Teachers Association. Opposing testimony was received from the Department of Labor and Industrial Relations.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 863, 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, none.

SCRep. 1548 (Joint/Majority) Economic Development and Taxation and Ways and Means on H.B. No. 1034

The purpose of this measure is to require the Department of Taxation to provide the Legislature with certain annual and biennial reports.

Prior to the hearing, your Committees circulated a Proposed H.B. No. 1034, S.D. 1, which deleted the contents of the measure and replaced them with language from S.B. No. 1839, S.D. 2 (Parts I and II), and from S.B. No. 1504, S.D. 2 (Part III).

The purpose of the amended measure is to:

- (1) In Parts I and II, establish the Integrated Tax Services and Management Special Fund to receive revenues from integrated tax services and management systems post-implementation revenue-generating initiatives, and provide that moneys in the fund will be used to pay for the integrated tax services and management systems; and
- (2) In Part III, require that the Department of Taxation, by rules adopted pursuant to chapter 91, Hawaii Revised Statutes, shall require the electronic, telephonic, or optical filing of tax returns under certain conditions, and provides that a service fee shall not be required.

The Department of Taxation and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO submitted written testimony in support of the Proposed H.B. No. 1034, S.D. 1. The Tax Foundation of Hawaii submitted comments on the proposed language.

Your Committees have further amended the proposed measure by:

- (1) Clarifying that the Integrated Tax Services and Management Special Fund will improve customer services, improve taxpayer fairness, and increase cost savings, with an emphasis on electronic filing;
- (2) Making conforming amendments to section 36-24 and section 36-30, Hawaii Revised Statutes, to reflect the changes made to these sections by H.B. No. 1108, H.D. 1 (the annual statutory revision bill), which is awaiting the Governor's signature;
- (3) Replacing the \$5,000,000 appropriation in sections 12 and 13 with unspecified amounts;
- (4) Requiring the Department of Taxation to repay the general fund for the appropriation to the Integrated Tax Services and Management Special Fund no later than June 30, 2008;
- (5) Clarifying the distinction between mandatory state electronic filing for those businesses required to file electronically by the Internal Revenue Service, and those voluntary electronic filing features being added as part of the integrated tax services and management software upgrades; and
- (6) Adding an appropriation section for the Department of Taxation to pay the eHawaii.gov vendor for the costs of electronic filing that were previously paid by the taxpayer, to be paid out of the Integrated Tax Services and Management Special Fund.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1034, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1034, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees. Ayes, 12. Noes, 1 (Slom). Excused, 1 (Menor).

SCRep. 1549 Ways and Means on H.B. No. 1379

The purpose of this measure is to conform state employment security law to federal law with respect to treating American Indian tribes similarly to government entities and nonprofit organizations.

Furthermore, this measure specifies that the types of agricultural labor not included as "employment" under the employment security law extends to labor performed by aliens admitted into the United States to perform agricultural labor under the federal Immigration and Nationality Act.

Your Committee received comments in support of the measure from the Department of Agriculture and the Department of Labor and Industrial Relations.

Your Committee finds that the provisions relating to Indian tribes must be passed to ensure that the employment security law conforms to federal law. Failure to enact the provisions will cause employers in the State to lose eligibility to claim certain tax credits against the Federal Unemployment Tax Act. Your Committee also finds that the provisions relating to alien agricultural workers will more closely comply with federal law under the Federal Unemployment Tax Act. Federal law already exempts employers from paying federal unemployment taxes for temporary alien agricultural laborers. Furthermore, the exemption will increase the ability of Hawaii's local farmers to import foreign labor during this period of extremely low unemployment.

Your Committee has amended this measure 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1379, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1379, 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, 11. Noes, none. Excused, none.

SCRep. 1550 Judiciary and Labor on H.B. No. 1306

The purpose of this measure is to authorize enhanced civil and administrative penalties for securities violations, when the violations are directed toward, target, or are committed against seniors who are sixty-two years of age or older.

This measure authorizes civil and administrative penalties of up to \$50,000 for each violation.

Your Committee received testimony from the Attorney General's Office, the Commissioner of Securities of the Department of Commerce and Consumer Affairs and AARP Hawaii in support of the bill. There was no opposition to the bill.

Your Committee finds that investment fraud against seniors is a growing concern in Hawaii. A recent statewide survey done by AARP Hawaii demonstrated the problem. This measure will allow the State to be proactive in deterring investment fraud against seniors.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1306, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1551 Judiciary and Labor on H.B. No. 1256

The purpose of this measure is to clarify that the notice of an appeal to the Tax Appeal Court must be served on the Director of Taxation, and when the appeal is from a Board of Review or an equivalent county administrative body, also on the county administrator of real property assessments to properly confer jurisdiction over the appeal.

Testimony in support of this measure was received from the Department of the State Attorney General, Department of Taxation, and City and County of Honolulu Department of Budget and Fiscal Services.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1256, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 1552 Judiciary and Labor on H.B. No. 528

The purpose of this measure is to allow a person at least fourteen years of age but less than eighteen years of age who is not under the care, supervision, or control of a parent, custodian, or legal guardian to consent to primary medical care and services.

Your Committee received testimony in support of this measure from the Hawaii Family Forum, Hawaii Youth Services Network, Hawaii's Primary Care Association, Hale Kipa, Kaiser Permanente, Na Keiki Law Center, the National Association of Social Workers, Hawaii Chapter, Partners in Care, Volunteer Legal Services Hawaii, and the Waikiki Health Center.

Your Committee finds that without a parent or guardian's consent, health care providers are reluctant or unable to provide basic medical care to youth who are living independently, including runaways and Pacific Island minors who have moved to Hawaii on their own. By relieving medical providers of liability for basic medical care rendered to these vulnerable children, this measure will improve access to needed services.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 528, H.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1553 Judiciary and Labor on H.B. No. 1260

The purpose of this measure is to restore the statutory provision allowing pre-sentence mental and medical examinations of defendants for the purposes of sentencing.

Your Committee received testimony in support of the bill from the Attorney General's Office and from the Honolulu Prosecutor's Office.

In 2005, the statutory provision was inadvertently repealed as part of the revisions to section 706-603 of the Hawaii Revised Statutes. This bill restores that provision and allows for the pre-sentence mental or medical examination of defendants as part of the Judiciary pre-sentence investigation process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1260, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1554 Judiciary and Labor on H.B. No. 1399

The purpose of this measure is to clarify that inmates who participate in work, education, and vocational training programs are exempt from statutory employee benefits.

Your Committee received testimony in support of the bill from the Department of Public Safety and from the Department of Labor and Industrial Relations.

Your Committee finds that the Federal Unemployment Tax Act already exempts inmates from statutory employee benefits but the state law does not explicitly provide for a similar exemption. Your Committee further finds that if inmates are considered employees of the State, the cost of unemployment insurance and other benefits could force the closure of important rehabilitative programs.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1399, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Kokubun).

SCRep. 1555 Ways and Means on H.B. No. 581

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Hanalani Schools.

Your Committee received comments in support of this measure from the Hawaii Association of Independent Schools and Hanalani Schools.

Your Committee finds that the activities and facilities of Hanalani Schools constitute a project as defined in part VIII, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to a not-for-profit private nonsectarian or sectarian elementary school, secondary school, college, or university serving the general public.

Your Committee further finds that the special revenue bonds will assist Hanalani Schools to finance the renovation and upgrading of current facilities, finance the construction of three new facilities, and assist the schools with consolidation of current loans.

As affirmed by the record of votes of the members 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. 581, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1556 (Majority) Ways and Means on H.B. No. 436

The purpose of this measure is to require coverage for the Department of Human Services to provide chiropractic care under Med-QUEST and Medicaid.

Additionally, this measure appropriates an unspecified sum for the Department of Human Services to provide chiropractic services.

Seven concerned chiropractors and ninety-eight concerned individuals submitted comments in support of this measure. The Department of Human Services submitted comments on this measure.

Your Committee finds that Med-QUEST and Medicaid recipients would benefit from chiropractic care to the same extent as those who have private insurance coverage for chiropractic services. Your Committee further finds that long-term health care costs may be reduced by providing chiropractic coverage that will help improve overall health and prevent costly disabling conditions.

As affirmed by the record of votes of the members 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. 436, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Menor).

SCRep. 1557 Judiciary and Labor on H.B. No. 1336

The purpose of this measure is to provide additional sanctions for violations by mortgage brokers and solicitors against elders.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs. There was no testimony in opposition.

Your Committee finds that complaints against mortgage brokers have arisen concerning conduct harmful to elderly consumers and is concerned that such conduct, if undeterred, will increase. It has been reported that reverse mortgages have been offered when not appropriate by unlicensed mortgage brokers with the assistance of a mortgage broker. The bill would provide for monetary sanctions in an amount not to exceed \$10,000 for each violation in addition to any other fine or penalty.

Your Committee amended the bill by adding a savings clause which is appropriate to preserve rights, remedies, or privileges of pending proceedings.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1336, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1336, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1558 Judiciary and Labor on H.B. No. 1721

The purpose of this measure is to establish a criminal offense of:

- (1) Assault in the second degree if the person intentionally and knowingly causes bodily injury to any emergency medical services personnel who is engaged in the performance of duty; and
- (2) Terroristic threatening in the first degree if the person commits terroristic threatening against any emergency medical services personnel.

Your Committee received testimony in support of the bill from the Attorney General's Office, the Healthcare Association of Hawaii, and thirteen individuals.

Your Committee finds that because of the volatile situations to which they respond, emergency services personnel need to be protected from the violence against them.

Your Committee amended the bill by making technical non-substantive changes and by conforming the two statutory provisions on crimes against emergency medical services personnel while they are performing their jobs.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1721, 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. 1721, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Kokubun).

SCRep. 1559 Ways and Means on H.B. No. 90

The purpose of this measure is to establish a framework by which the Insurance Commissioner can undertake market conduct examinations of various types of insurer marketplace practices.

Your Committee received comments in support of the measure from the Insurance Division.

Your Committee finds that this measure adopts the National Conference of Insurance Legislators Market Conduct Surveillance Model in order to enhance the monitoring of the insurance marketplace, protect policyholders, and ensure compliance with the insurance code and other applicable regulations.

Your Committee has amended this measure by:

- (1) Making technical changes to the provisions on confidentiality requirements and data calls; and
- (2) Changing the source of appropriations from general funds to the compliance resolution 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. 90, 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. 90, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Chun Oakland, Menor).

SCRep. 1560 (Majority) Ways and Means on H.B. No. 667

The purpose of this measure is to provide funding for the purchase of a real property interest in the Kukui Gardens affordable rental project.

Specifically the measure provides for a general fund appropriation and authorizes the issuance of general obligation bonds and appropriates the proceeds from the sale of the bonds for such purchase.

Your Committee received comments in support of this measure from the Hawaii Housing Finance and Development Corporation, the Hawaii Family Forum, the Kukui Gardens Association, Faith Action for Community Equity, a member of the Honolulu City Council, and one individual. Housing Hawaii offered comments.

Your Committee shares the concern regarding the possible loss of the Kukui Gardens affordable rental housing complex to a private developer who could develop market-priced units on the property to the extreme detriment of the present tenants of the complex. There is a great need to maintain affordable rental housing opportunities wherever they may exist, particularly in urban Honolulu.

Your Committee has amended this measure by:

- (1) Increasing the bonding capacity of the Hawaii Housing Finance and Development Corporation from \$300,000,000 to \$400,000,000;
- (2) Allowing the Hawaii Housing Finance and Development Corporation to contract with a private nonprofit management and development entity to manage the Kukui Gardens facilities and to develop additional rental units on the site; 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 H.B. No. 667, 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. 667, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, 1 (Hemmings). Excused, 2 (Chun Oakland, Menor).

SCRep. 1561 Ways and Means on H.B. No. 1630

The purpose of this measure is to appropriate funds through the Hawaii 3Ts School Technology Laboratories Fund for the project EAST program to prepare students for high technology jobs.

Your Committee received comments in support of this measure from the Department of Business, Economic Development and Tourism, the Attorney General, the Hawaii State Teachers Association, 3D Innovations LLC, Global Brain Inc., NovaSol, and two concerned citizens.

Your Committee finds that project EAST (environmental and spatial technology) assists Hawaii's students by helping them develop important critical thinking, problem-solving, and analytical skills that are necessary in high technology-based jobs. Project EAST prepares students by providing a comprehensive project-based and student-centered learning program where students are responsible for their own learning.

Your Committee has amended the measure by:

- (1) Clarifying that matching funds are provided pursuant to section 302A-1314(p), relating to the Hawaii 3Ts School Technology Laboratories Fund;

- (2) Clarifying language with respect to allowing the administration of the funds to be implemented in partnership with county economic development boards, as appropriate;
- (3) Adding fiscal year 2008-2009 to the appropriation; and
- (4) Making 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 H.B. No. 1630, 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. 1630, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Whalen).

SCRep. 1562 Ways and Means on H.B. No. 325

The purpose of this measure is to expand coverage under the State's medicaid and QUEST programs to include comprehensive dental care for adults and appropriate funds to provide the additional coverage.

Furthermore, this measure appropriates funds for hospital dentistry for the developmentally disabled in the county of Hawaii. This measure also establishes a task force under the Department of Human Services to assist in developing ways to recruit and retain dental care practitioners to provide the expanded coverage under the State's medicaid and QUEST programs.

Your Committee received comments in support of the measure from the State Council on Developmental Disabilities, the Disability and Communication Access Board, the Hawaii Primary Care Association, the Institute on Disability Culture, Full Life, the Mobile Care Health Project, Ho'ola Lahui Hawaii, the Hawaii Island Dental Task Force, a case manager with the Department of Health, and several concerned citizens. Comments were received from the Department of Human Services.

Your Committee finds that dental care has been identified as one of the major health concerns for people with developmental disabilities. They have faced great challenges in accessing dental care services in an appropriate and timely manner. Clearly, it is vital to the health of participants who are medicaid and QUEST eligible that comprehensive dental care services become available.

Your Committee has amended this measure by changing the appropriation for hospital dentistry in the county of Hawaii into a pilot program with appropriations, to take place in the county of Hawaii. Under the program, the Department of Health is required to gather information on hospital dentistry for the developmentally disabled community in the county of Hawaii in order to determine usage, feasibility, and costs issues for application on a statewide basis. The Department is then required to submit a report to the Legislature. Your Committee also made 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 325, 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. 325, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1563 Ways and Means on H.B. No. 962

The purpose of this measure is to increase the availability of medical care to patients with chronic kidney disease in rural areas of the State.

Specifically, this measure appropriates moneys as a grant under chapter 42F, Hawaii Revised Statutes, to the St. Francis Healthcare Foundation to support the modified home care and community health demonstration project. This project is intended to provide a comprehensive approach to treatment, including dialysis, for patients suffering from chronic kidney disease and end stage renal disease.

Your Committee received comments in support of this measure from the National Kidney Foundation, the St. Francis Healthcare Systems of Hawaii, and the Hawaii Healthcare Association of Hawaii. The Office of Hawaiian Affairs submitted comments on this measure.

Your Committee finds that Hawaii residents are diagnosed with chronic kidney disease at a rate higher than the national average. Kidney failure and kidney disease are even more prevalent in native Hawaiian populations and in rural areas of the State. Your Committee finds that this measure will enable residents of rural areas of the State to have easier access to preventative health care and dialysis treatment. A comprehensive strategy of prevention, detection, treatment, and education will greatly improve the health and quality of life for those with chronic kidney disease.

Your Committee has amended this measure by:

- (1) Removing the second phase of the demonstration project relating to home assistance for those who have available space in their homes for dialysis equipment; and
- (2) Appropriating an unspecified sum, to be expended by the Department of Health, in fiscal year 2007-2008 and fiscal year 2008-2009 to support the modified home care and community health demonstration project, provided that no funds shall be expended unless matched dollar for dollar by the office of Hawaiian affairs, federal funds, private funds, or a combination; and
- (3) Changing the effective date to July 1, 2010 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. 962, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 962, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Whalen).

SCRep. 1564 Ways and Means on H.B. No. 843

The purpose of this measure is to enable Kahuku Hospital to remain in operation and continue to serve the residents and visitors of the north shore of Oahu.

Specifically, this measure authorizes the Hawaii Health Systems Corporation to acquire Kahuku Hospital and appropriates funds for this purpose. This acquisition will enable the hospital to remain in operation and retain its certificate of need and critical access hospital designation. This measure requires the Director of Health to act as honest broker to facilitate the acquisition.

Your Committee received comments in support of this measure from the Department of Health, the Healthcare Association of Hawaii, and eight individuals. The State Procurement Office commented in opposition. The Office of Information Practices offered comments.

Your Committee finds that Kahuku Hospital is the only medical facility offering emergency services to the north shore community and that, therefore, it is critical to keep the hospital operating to serve the residents and visitors of the north shore of Oahu.

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

- (1) Clarifying that the board of directors, if any, of Kahuku Hospital is exempt from only part I of chapter 92, Hawaii Revised Statutes, relating to public meetings; and
- (2) Adding a provision to exempt the acquisition of Kahuku Hospital from part VII of chapter 323D, Hawaii Revised Statutes, relating to hospital acquisition.

As affirmed by the record of votes of the members 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. 843, 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. 843, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1565 Ways and Means on H.B. No. 211

The purpose of this measure is to extend the lapse date of the Department of Budget and Finance's authority to issue special purpose revenue bonds to assist the Queen's Health Systems in Act 176, Session Laws of Hawaii, 2003, from June 30, 2008, to June 30, 2013.

The Healthcare Association of Hawaii and the Queen's Medical Center submitted comments in support of this bill.

Your Committee has amended this bill by changing the effective date of this measure to June 29, 2008, to avoid the lapsing of the authorization to issue special purpose revenue 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. 211, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 211, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1566 Ways and Means on H.B. No. 277

The purpose of this measure is to clarify procedures for the issuance of windshield placards for persons with disabilities and for the State's reimbursement to counties.

The bill accomplishes this by requiring the issuing counties to deposit all fees collected for issuing new or replacement placards into the state general fund.

The Disability and Communication Access Board submitted comments in support of the bill.

Your Committee finds that this measure will clarify and streamline the collection of fees and the reimbursement to counties by reducing paperwork and eliminating a county's possible collection of duplicate fees for the same placard: once in fees collected from a license applicant and again in reimbursement from the State.

Your Committee amended the bill by changing the effective date from July 1, 2007, to upon approval.

As affirmed by the record of votes of the members 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. 277, 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. 277, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (Kim, Menor, Tokuda, Whalen).

SCRep. 1567 Ways and Means on H.B. No. 751

The purpose of this measure is to attach further conditions to the Department of Labor and Industrial Relations' expenditure of the appropriation made from the unemployment trust fund for fiscal year 2006-2007 by Act 190, Session Laws of Hawaii 2006.

Specifically, this measure attaches a proviso that prohibits not more than a specified percentage of the subappropriations to be used for administrative purposes and provides that the moneys appropriated lapse on June 30, 2009.

Your Committee received comments on the measure from the Department of Labor and Industrial Relations and the Workforce Development Council.

Your Committee finds that passage of this measure is critical. Severe cuts in federal funding has hampered ongoing operations of the workforce investment boards and the workforce development council, such that an infusion of federal Reed Act funds will permit the workforce investment boards and the workforce development council to initiate activities that will benefit both Hawaii's employers and employees.

Your Committee has amended this measure by recasting the proviso for administrative purposes from a specified percentage of the subappropriations to a specified sum and by accordingly reducing the amounts of the subappropriations. The total appropriation is unchanged.

As affirmed by the record of votes of the members 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. 751, 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. 751, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Whalen).

SCRep. 1568 Ways and Means on H.B. No. 600

The purpose of this measure is to require the Judiciary to implement and administer an interpreter certification program and to appoint and use certified interpreters for legal proceedings.

Your Committee received comments in support of the measure from the Judiciary and the Disability and Communication Access Board.

Your Committee finds that Hawaii is one of only three states that has not yet implemented a certified court interpreter program for the deaf, the hard-of-hearing, and the limited-English proficient. Currently, anyone can register as a court interpreter and there are no standards or minimum requirements established by statute or rule. Hawaii has a diverse population and many residents are not native English speakers or are deaf or hard-of-hearing. Consequently, there is great need for competent interpretation services, particularly where legal proceedings are concerned.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 600, 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. 600, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (Kim, Menor, Tokuda, Whalen).

SCRep. 1569 (Majority) Ways and Means on H.B. No. 1133

The purpose of this measure is to permit voter registration for eligible residents at polling places on election day.

The Office of Elections submitted comments in support of the measure. The Office of the County Clerk, Elections Division, for the County of Hawaii and the County of Kauai, respectively, submitted comments.

Your Committee recognizes that voter turnout in Hawaii has been low in recent years and that a number of other states currently provide for voter registration of qualified individuals on election day. Your Committee believes that by authorizing last-minute voter registration on election day for individuals who can prove residency, this measure will increase voter participation.

Your Committee has amended the bill by including the use of a valid military identification card as an acceptable proof of identity.

As affirmed by the record of votes of the members 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. 1133, 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. 1133, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Ayes with Reservations, 1 (Whalen). Noes, 1 (Hemmings). Excused, 1 (Menor).

SCRep. 1570 Ways and Means on H.B. No. 162

The purpose of this measure is to transfer the family support divisions of the City and County of Honolulu and the County of Hawaii, whose functions, duties, responsibilities, and activities relate to child support enforcement, to the Department of the Attorney General, effective October 1, 2007.

This measure also requires the Child Support Enforcement Agency to impose an annual fee where no public assistance had been paid to the custodial parent and collection for the case exceeds \$500.

Your Committee received comments in support of this measure from the Department of the Attorney General, the Corporation Counsel of the County of Hawaii, the Corporation Counsel of the City and County of Honolulu, and the Hawaii Government Employees Association, AFSCME Local 152.

Upon further consideration, your Committee has made various technical amendments to ensure that the rights and benefits of those officers and employees being transferred are fully protected so as to cause a minimum of disruption and stress due to the transfer.

As affirmed by the record of votes of the members 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. 162, 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. 162, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1571 Ways and Means on H.B. No. 1211

The purpose of this measure is to increase fees for court-appointed counsel and guardians ad litem who represent the best interests of children and other persons in Family Court civil cases.

Specifically, the measure:

- (1) Increases fees for legal services from \$40 to \$90 per hour;
- (2) Sets fees for non-legal services at \$60 per hour; and
- (3) Raises the maximum allowable fees for designated Family Court proceedings.

The Family Court of the First Circuit of the Judiciary submitted comments in support of this measure.

Your Committee finds that guardians ad litem play a critical role during child protective proceedings and that legal counsel provide valuable services for indigent parents who are at risk of losing their child or children. This measure will help attract and retain guardians ad litem and attorneys who do complex and difficult work on behalf of families.

Your Committee has amended this measure by:

- (1) Inserting language that requires the Judiciary to submit fee-related information to the Department of Budget and Finance for the Department to process fees;
- (2) Adding an unspecified appropriation to be expended by the Department of Budget and Finance; and
- (3) Changing the effective date of the measure to July 1, 2008, to allow time for the respective agencies to prepare for implementation of the new fees.

As affirmed by the record of votes of the members 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. 1211, 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. 1211, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1572 Ways and Means on H.B. No. 1291

The purpose of this measure is to make a variety of housekeeping changes to the law relating to the Employees' Retirement System.

Specifically, these changes include interest on erroneous deductions, salaries of system officers, membership service of specified persons, a return to service, reductions in service retirement for age, post retirement allowances, actuary recommendations, vested benefit status, retirant return to service, designation of beneficiary following upon a retirant return to service, beneficiary's death prior to the retirant, election of retirement allowance option, and ordinary disability retirement allowance. Other changes involve corrections to statutory references.

Your Committee received comments in support of the measure from the Employees' Retirement System.

Your Committee finds that this measure will clarify and conform the law to current practices.

Your Committee has amended this measure by making a correction to a statutory reference.

As affirmed by the record of votes of the members 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. 1291, 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. 1291, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1573 Ways and Means on H.B. No. 1567

The purpose of this measure is to appropriate funds for salary increases and other cost adjustments for officers and employees of the legislative service agencies who are excluded from collective bargaining.

Your Committee received comments in support of this measure from the Office of the Ombudsman, the Legislative Reference Bureau, and the Office of the Auditor.

Your Committee finds that this measure will enable employees in the legislative service agencies to receive salary increases that are at least comparable to those awarded to their civil service counterparts.

Your Committee has amended this measure by adding appropriations to fund the Hawaii employer-union health benefits trust fund costs. Your Committee has also amended this measure by specifying a \$1 appropriation for each of the agencies listed in the measure in order to facilitate further 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 H.B. No. 1567, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1567, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 11. Noes, none. Excused, none.

SCRep. 1574 Ways and Means on H.B. No. 1572

The purpose of this measure is to appropriate funds to pay for collective bargaining cost items, salary increases, and cost adjustments for employees in collective bargaining unit (1) and their excluded counterparts.

Your Committee received comments in support of the measure from the Judiciary. Comments were received from the Office of Collective Bargaining.

Your Committee finds that negotiations between the State and the exclusive representative of collective bargaining unit (1) are currently in progress. Accordingly, this measure must be kept alive as a vehicle for making the necessary appropriations.

Your Committee has amended this measure by:

- (1) Appropriating funds for the Hawaii employer-union health benefits trust fund costs;
- (2) Specifying a figure of \$1 for each item of appropriation; and
- (3) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1572, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1572, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1575 Ways and Means on H.B. No. 1568

The purpose of this measure is to appropriate funds to pay for collective bargaining cost items, salary increases, and cost adjustments for employees in collective bargaining unit (5) and their excluded counterparts.

Your Committee received comments from the Office of Collective Bargaining.

Your Committee finds that negotiations between the State and the exclusive representative of collective bargaining unit (5) are currently in progress. Accordingly, this measure must be kept alive as a vehicle for making the necessary appropriations.

Your Committee has amended this measure by:

- (1) Appropriating funds for the Hawaii employer-union health benefits trust fund costs;
- (2) Specifying a figure of \$1 for each item of appropriation; and
- (3) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1568, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1568, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1576 Ways and Means on H.B. No. 1899

The purpose of this measure is to expedite the transfer of Kawai Nui marsh from the City and County of Honolulu to the State, thereby granting the State the primary responsibility for the economic, ecological, and cultural resources of Kawai Nui marsh.

Your Committee received comments in support of this measure from the Department of Land and Natural Resources, the University of Hawaii at Manoa, Environmental Center, the Windward Ahupua'a Alliance, the Pacific Fisheries Coalition, and the Hawaii Audubon Society. The City and County of Honolulu, 'Ahahui Malama I Ka Lokahi, and two individuals submitted comments on this measure.

Your Committee finds that presently the City and County of Honolulu manages the Kawai Nui marsh and the levee system that was constructed by the United States Department of the Army Corps of Engineers Kawai Nui Marsh Flood Control Project, based upon a Local Cooperation Agreement between the city and the United States Army Corps of Engineers. Act 314, Session Laws of Hawaii 1990, directed the transfer of the bulk of Kawai Nui marsh owned by the City and County of Honolulu to the State. However, ongoing disputes relative to the respective management responsibilities and liability issues between the parties have delayed this transfer. In the meantime, the rehabilitation and restoration of Kawai Nui marsh has been delayed, critically impairing the native wildlife in the marsh and the marsh's own ability to care for itself.

In an attempt to resolve the differences between the City and County of Honolulu and the State, your Committee has amended this measure by providing that, while the State will take over the management of the marsh, the State shall not be required to become a party to the Local Cooperation Agreement or enter into a separate agreement with the United States Department of the Army to assume ownership of the levee system. Your Committee has further amended this measure by making the appropriations unspecified to allow 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. 1899, 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. 1899, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1577 Ways and Means on H.B. No. 260

The purpose of this measure is to establish procedures for the appraisal of land having value as a resource to the State prior to the acquisition of the land by the State.

Specifically, this measure allows the Board of Land and Natural Resources to:

- (1) Accept an existing appraisal prepared on behalf of a nonprofit organization if:
 - (A) The appraisal was completed within one year before the decision of the Board of Land and Natural Resources to approve the acquisition of the land; and
 - (B) The Board of Land and Natural Resources finds that the appraisal was performed according to accepted professional standards for land appraisal; or
- (2) Contract for not more than three independent appraisals,

and submit the appraisals to the Attorney General for review and approval prior to any acquisition.

Your Committee received comments in support of this measure from The Nature Conservancy, Hawaii Program. The Department of Land and Natural Resources submitted comments in support, but with recommended amendments to this measure.

Your Committee finds that this measure will provide necessary assurances that any lands that the State acquires as lands having value as a resource to the State are acquired at a fair market value or less.

Your Committee has amended this measure by providing that no appraisal shall be required for the acquisition of any interest in land having value as a resource to the State if that interest in land is being donated 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 H.B. No. 260, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 260, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1578 Ways and Means on H.B. No. 402

The purpose of this measure is to broaden the use of the land conservation fund to include payments of debt service relating to the acquisition of interests or rights in land having value as a resource to the State.

The measure also broadens the definition of "conservation easement" to include easements that preserve and protect land for agricultural use.

Your Committee received comments in support of this measure from the Department of Agriculture. The Department of Land and Natural Resources submitted comments on this measure.

Your Committee finds that this measure will provide the Department of Land and Natural Resources with greater flexibility in administering the land conservation fund to provide proper stewardship of state lands.

Your Committee has amended the measure by adopting the recommendation of the Department of Land and Natural Resources to restrict the proposed amendment regarding the payment of any debt service to debt service "on state financial instruments".

As affirmed by the record of votes of the members 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. 402, 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. 402, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1579 (Majority) Judiciary and Labor on H.B. No. 248

The purpose of this measure is to repeal the ten round capacity limit on detachable ammunition magazines designed for or capable of use with a pistol and to allow pistol owners to use any ammunition magazine authorized by its manufacturer for use with the pistol.

Your Committee received testimony in support of the bill from the Hawaii Historic Arms Association, Lessons in Firearms Education, the Hawaii Rifle Association, and thirty four individuals. Your Committee received testimony in opposition to the bill from the Attorney General's Office, the Honolulu Police Department, and the County of Hawaii Police Department.

Your Committee amended the bill by limiting the magazine capacity to fifteen rounds and changing the effective date from January 1, 2112, to upon approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is 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 Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Inouye). Excused, 1 (Kokubun).

SCRep. 1580 Judiciary and Labor on H.B. No. 1836

The purpose of this measure is to continue to deter gambling by clarifying that the purchase of a sweepstakes entry that also provides a nominal, non-gambling value is a form of gambling activity, even if no valuable consideration is required to obtain a sweepstakes entry.

Your Committee notes that the substance of this measure as introduced tracked the language of S.B. No. 22, A Bill for an Act Relating to Gambling.

Your Committee received testimony in support of this measure from the City and County Liquor Commission, Advocates For Consumer Rights, the Church of Jesus Christ of Latter-Day Saints, the Hawaii Coalition Against Legalized Gambling (HCALG), the League of Women Voters liaison to the HCALG, a board member of the HCALG who is the Executive Director of the Woman's board of Missions for the Pacific Islands, the Hawaii Family Forum, the Roman Catholic Church in the State of Hawaii, and several concerned individuals. K-P Amusements, LLC and the Vending Owners of Hawaii submitted testimony in opposition to this measure.

This measure addresses community concern about vending machines located in bars, lounges, and other retail establishments that dispense sweepstakes cards that, in return for a small fee, provide an opportunity to win various amounts of money along with an item of low value, such as a telephone calling card. Some view the telephone phone card sweepstakes machines as a thinly disguised form of gambling.

Testimony in opposition to this measure observed that the "no purchase necessary" or "free play" feature of consumer product sweepstakes keeps those games from being considered a form of gambling. Your Committee does not intend to eliminate the "free play" defense to gambling as applied to product sweepstakes games. Your Committee intends to eliminate the "free play" defense for the vending machines presently in bars, restaurants and retail establishments that have given rise to growing community concern.

Your Committee has amended this measure by:

- (1) Limiting the application of its free play defense provisions to devices into which a consumer inserts money and the device provides a sweepstakes ticket or card that, by reason of chance, may entitle the consumer to a money prize;
- (2) Revising the phrase "if the item is offered at a price that is disproportionate to the value of the item" by changing "disproportionate to" to "disproportionately high compared to";
- (3) Changing the effective date from "on July 1, 2112" to "upon its approval"; and
- (4) Making other technical, non-substantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1836, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1836, 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, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1581 Judiciary and Labor on H.B. No. 1210

The purpose of this measure is to streamline and afford greater flexibility to the courts to determine the most efficient and effective procedures for selecting, qualifying, summoning, managing, and compensating prospective jurors.

Your Committee finds that the current procedures for the summoning, selection, and management of prospective jurors and jurors are uncompromising. The Judiciary, with its information management system, has the opportunity to streamline this process, reduce costs, establish more efficient practices, and provide a more user-friendly experience for those summoned and selected for jury service.

This bill allows for the electronic methods for selecting, summoning, and managing grand jurors and jurors. It also provides for flexibility to determine the most effective and efficient process for selecting, summoning, and managing jurors. It also revises existing terms and language for clarity and consistency, deletes certain provisions that are no longer applicable, and amends statutory provisions for consistency with the language in the Americans with Disabilities Act.

Your Committee received testimony from the Judiciary in support of the bill. There was no testimony against the bill.

Your Committee amended the measure by changing the effective date from January 1, 2112 to effective upon approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1210, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1210, 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, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1582 Judiciary and Labor on H.B. No. 154

The purpose of this measure is to redefine highly intoxicated driver, establish evidence and sentencing parameters, and establish administrative revocation periods for highly intoxicated drivers.

Your Committee received testimony in support of the bill from the State Department of Transportation, the Honolulu Prosecuting Attorney's Office, Mothers Against Drunk Driving, and the Century Council.

Your Committee amended the bill by making a technical non-substantive change and by changing the effective date from July 1, 2112 to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 154, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 154, 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, 1 (Nishihara).

SCRep. 1583 Judiciary and Labor on H.B. No. 855

The purpose of this bill is to prevent the termination of temporary total disability benefits (benefits) in the event of a dispute, until the Director of Labor and Industrial Relations (Director) makes a decision to terminate the benefits.

Among other things, this bill:

- (1) Clarifies that benefits shall be terminated only upon order of the Director, or if the employee's treating physician determines that the employee is able to resume work and a bona fide offer of work within the employee's medical restriction has been made by the employer;
- (2) Removes the condition that the injured employee is able to resume work in cases where the employer believes that benefits should be terminated and notifies the employee and the Director of the intent to terminate benefits; and
- (3) Allows employers to request credits for the amount of benefits paid by the employer after the date which the Director had determined should have been the last date of payment.

The Hawaii Government Employees Association (HGEA), Hawaii State AFL-CIO, ILWU Local 142, the Hawaii Teamsters and Allied Workers Local 996, Case Management Works Hawaii, and numerous chiropractors testified in support of this measure. The Hawaii State Chiropractic Association testified in support of this measure with an amendment. The Department of Labor and Industrial Relations supported the intent of this bill with recommendations for amendments.

The Department of Human Resources Development, The Chamber of Commerce of Hawaii, Hawaii Insurers Council, National Federation of Independent Businesses (NFIB), County of Hawaii's Department of Human Resources, the Chamber of Commerce of Hawaii, the Retail Merchants of Hawaii (RMH), Property Casualty Insurers Association of America, and the Hawaii Chapter, Society of Human Resource Management (SHRM) testified in opposition to this measure.

Your Committee has amended the bill by including language offered by the Hawaii State Chiropractic Association. The amendment allows the insurer to recover payments from treatment rendered after the date that the employer and employee are notified of the Director's decision.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 855, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 855, 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, 1 (Kokubun).

SCRep. 1584 Ways and Means on H.B. No. 30

The purpose of this bill is to protect Hawaii's interests in international trade agreements.

The bill accomplishes this by:

- (1) Requiring legislative consent prior to binding the State to an international trade agreement;

- (2) Creating legislative points of contact to serve as liaisons between the Legislature, the Governor, and the federal government on trade-related matters;
- (3) Establishing the Office of Trade Enforcement to monitor, analyze, and assess trade; and
- (4) Establishing the Citizens' Commission on Globalization to make policy recommendations on trade issues to state and federal agencies.

Comments in support of this measure were submitted by the Hawaii Government Employees Association, ILWU Local 142, and Public Citizen. The Attorney General and the Hawaii State AFL-CIO submitted comments on this measure.

Your Committee finds that the State has an interest in ensuring that provisions of international trade agreements are fair and do not harm various sections, groups, and industries within the State. However, your Committee finds that the scope of this bill is too broad to adequately protect the interests of Hawaii. Your Committee feels that it is more appropriate for the Legislature to address issues of procurement as they appear in international trade agreements. Procurement involves the expenditure of state tax dollars, and the federal government has traditionally refrained from binding states to the procurement provisions of international trade agreements without first giving the states' governors the choice to voluntarily bind the state to those provisions.

Accordingly, your Committee has amended this measure by:

- (1) Deleting section 1 of the bill which creates a new chapter of the Hawaii Revised Statutes entitled the "Jobs, Trade, and Democracy Act," and inserting provisions found in S.B. No. 1039 that relate to legislative approval of international trade agreements;
- (2) Requiring legislative consent prior to binding the State to international trade agreements with regard to those provisions in the agreements that relate to state procurement and preferences;
- (3) Allowing for special sessions of the legislature to consider approval for trade agreements that arise during the interim; and
- (4) Specifying that this measure shall not affect the binding nature of any international trade agreement on the State that the Governor has agreed to prior to the effective date 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 H.B. No. 30, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 30, 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, 10. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, 1 (Tokuda).

SCRep. 1585 Ways and Means on H.B. No. 1171

The purpose of this measure is to exempt positions or contracts for personal services with private persons or entities lasting up to one year from civil service laws.

Your Committee received comments in support of the measure from the Mayor of the County of Hawaii, the Finance Department of the County of Hawaii, the Director of Human Resources for the County of Hawaii, the Police Department of the County of Hawaii, the Office of the Mayor of the County of Maui, the Maui County Council, the Department of Finance of the County of Maui, the Office of the Kauai County Attorney, the Hawaii Government Employees Association AFSCME Local 152, AFL-CIO, the United Public Workers AFSCME, Local 646, AFL-CIO, the Arc of Kona, and the Arc of Hilo. Your Committee received comments from the Judiciary, the Department of Human Resources Development, the Department of Human Resources of the City and County of Honolulu, and the Department of Personnel Services of the County of Maui.

Your Committee finds that personal services positions and contracts enable the counties to fulfill necessary duties and services to the public. This measure makes permanent the exemption of certain personal services positions and contracts with private persons or entities from civil service laws and thus enables counties to meet the needs of the public in a timely and efficient manner.

Your Committee amended the measure by changing the 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. 1171, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1171, 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, 11. Noes, none. Excused, none.

SCRep. 1586 Ways and Means on H.B. No. 500

The purpose of this bill is to appropriate funds for the operating and capital improvement costs of the Executive Branch for the fiscal biennium from July 1, 2007, through June 30, 2009.

GENERAL OVERVIEW

Hawai'i has many legitimate, yet competing, interests vying for state resources. Your Committee has labored long and hard to craft a budget that reflects our shared goals, principles, and priorities.

GOALS

Your Committee has laid the groundwork for the creation of a sustainable Hawai'i, with strong families and communities, a healthy economy and environment, and a literate and competent workforce able to compete in the global marketplace.

PRINCIPLES AND PRIORITIES

- (1) *Strengthen our families and communities.* Reinforced by state budgetary policy, we must encourage and help Hawaii's people build their assets and make it easier for family members to care for each other. We must also assist those residents most in need of secure adequate shelter to rent or buy housing in Hawaii.

- (2) *Sustain a healthy and diversified economy.* Support for public education (both higher and lower), workforce development, and related initiatives that help grow the technology sector will enable Hawai'i and its people to successfully compete in the global economy. At the same time, we must keep our traditional (agriculture) and current (tourism) economic foundations strong.
- (3) *Shape a Hawai'i that is a great place to visit because it is a great place to live.* Hawai'i's tourism, development, and resource protection policies must ensure that these islands continue to be a great place to *live*.
- (4) *Promote a fiscally prudent, transparent, and sustainable state government.* Hawai'i's strong economic growth of the past several years has begun to cool off. Caution should be exercised when obligating the State to pay for new programs and positions (with their recurring costs) that are not absolutely essential. Government policies and procedures should promote openness, accountability, and transparency, and the budget is the fundamental policy document through which we accomplish these objectives.

STATE OF THE ECONOMY

HAWAII'S ECONOMY IS SLOWING

After several years of strong economic growth – peaking with double-digit growth rates in fiscal year 2005 (16 per cent) and 2006 (10.9 per cent) – Hawai'i's economy slowed sharply in 2006. In January 2007, a distinguished local economist commented that, after subsiding for nearly two years because of rising consumer price inflation, real personal income growth in Hawai'i was around zero in mid-2006. The economist further noted that recent personal income growth rates should increasingly translate back towards the two per cent real growth that he believes is a sustainable path for Hawai'i through the remainder of the decade.

In addition, the University of Hawaii Economic Research Organization's (UHERO) March 2, 2007, forecast also noted that “there are no warning signs on the horizon of an outright end to Hawai'i's economic expansion” and “[j]ob and income growth will slow further, but not cease, and the unemployment rate will gradually ease upward from recent record-low levels.”

COUNCIL ON REVENUES

At its March 13, 2007, meeting, the Council on Revenues decided to keep its December forecast of the general fund tax revenues for fiscal year 2007-2008 through fiscal year 2012-2013. The growth rate for the current fiscal year remains at 6.0 per cent, and 4.1 per cent for the second year of the biennium.

Essentially, the forecast of the Council on Revenues underscores the need for us to adopt a fiscally prudent, sustainable budget for the State of Hawai'i, as there are no increases in revenue being forecast.

FEDERAL RESERVE – NATIONAL ECONOMIC OUTLOOK

According to the March 28, 2007, forecast on the United States economy by Ben S. Bernanke, Chairman of the Board of Governors of the Federal Reserve, economic growth in the United States has slowed. The slowdown is attributed to a correction in the housing market, which has transitioned from the rapid expansion of previous years to a more sustainable pace.

Overall, the Federal Reserve believes that the United States economy appears likely to continue moderate expansion over the coming quarters. Real gross domestic product rose at an annual rate of about two per cent in the second half of 2006 and is presently expanding at a similar rate. The moderate expansion could change substantially, however, if the correction to the housing market is more severe than is currently anticipated, or recent weakness in business investment persists.

Finally, Mr. Bernanke noted the troubling specter of inflation. Core consumer price index inflation over the twelve months ending in February was 2.7 per cent, up from 2.1 per cent a year earlier. In addition, the price index for personal consumption expenditures – another measure of core inflation monitored closely by the Reserve – trends similarly upward. Indeed, the Federal Open Market Committee (charged with overseeing open market operations in the United States) has issued a statement that core inflation is their predominant policy concern. The uncertainty of core inflation further underscores your Committee's need to craft a budget that is fiscally prudent and sustainable.

REVENUES IN OTHER STATES

According to the National Conference of State Legislatures' *State Budget Update: November 2006*, revenue performance has improved substantially, exceeding expectations in most states. Even with strong revenue performance, however, states are beginning to see tax categories underperforming, with collections in other categories making up the difference.

BUDGET HIGHLIGHTS

STRENGTHENING OUR FAMILIES AND COMMUNITIES

Ultimately, the economy (whether “global” or local) is about people. Government's obligation is to provide a greater degree of resources to people at the community level in the most cost-effective and practical way. Your Committee focused on funding that will help build a strong foundation for Hawai'i's families and communities.

Housing and Homelessness

Your Committee believes that we can and must do a better job of providing basic shelter for those who cannot afford to buy or rent housing in Hawai'i. Your Committee recognizes the serious lack of affordable housing and the resulting increase in homelessness and has provided for, in total (excluding other appropriation measures), over \$22,000,000 in fiscal year 2007-2008 and over \$20,000,000 in fiscal year 2008-2009 to address homelessness and affordable housing. For those already homeless or in danger of becoming so, your Committee provided \$6,242,348 for fiscal year 2007-2008 and fiscal year 2008-2009 to operate homeless shelters, provide services, and where possible, intervene to prevent families from becoming homeless.

Affordable Rentals

Your Committee recognizes that the number of affordable rental units needed is approximately 3,400, with the demand over the next five years reaching 17,000 units. To further the development of affordable rental housing units, your Committee provided \$10,000,000 for each fiscal year of the biennium to be deposited into the Rental Housing Trust Fund, enabling additional gap equity low interest loans or grants to be available to

developers of affordable rental housing units. In addition, your Committee passed Senate Bill No. 1917, which provides, approximately, an additional \$15,000,000 per fiscal year for deposit in the Rental Housing Trust Fund.

Public Housing

Your Committee also provided funds for both subsidized housing and shelter for the homeless. In order to increase the availability of and safety in public housing, your Committee provided \$5,835,000 for fiscal year 2007-2008 and \$4,430,000 for fiscal year 2008-2009 for security improvements, energy efficient appliances, and faster repairs and re-rental of vacant units in public housing developments.

Hawaiian Home Lands

The mission of the Department of Hawaiian Home Lands is “[t]o manage the Hawaiian Home Lands trust effectively and to develop and deliver land to native Hawaiians” and to “partner with others towards developing self-sufficient and healthy communities.” Your Committee commends the Department for its good work and progress made in meeting the State’s commitment under the Hawaiian Homes Commission Act.

In support of the Department’s mission, your Committee provided \$16,393,455 in federal funds for fiscal year 2008 and \$9,600,545 in federal funds for fiscal year 2009 to establish the Native American Housing Assistance and Self Determination Act (NAHASDA) block grant from the United States Department of Housing and Urban Development. Your Committee also provided \$662,742 in trust funds for both years to fully fund positions within the Department, including six new temporary positions for the Home Ownership Assistance Program.

Finally, your Committee provided \$486,668 in special funds for fiscal year 2008 and \$638,336 in special funds for fiscal year 2009 for costs related to the Department’s move to its new Kapolei facility and maintenance related expenditures, as well as \$1,100,000 in special funds for fiscal year 2009 to cover debt service for the construction of the facility.

Healthy Families

Your Committee provided strong support over the next biennium to ensure and strengthen the continuum of care for individuals, families, and communities, statewide. Improving access to health care services, especially in rural areas, is an important priority for your Committee. To ensure the provision of comprehensive medical and health care services to the rural communities of Hana, Moloka’i and Waianae your Committee provided an additional \$2,800,000 for each year of the biennium.

Your Committee provided \$6,753,704 in general funds for each year of the biennium for infants and toddlers with developmental delays, ensuring that children with special health needs receive continued care coordination and early intervention services. Your Committee added five new positions and \$236,928 in general funds for the upcoming biennium to continue the preschool developmental screening for gap group participants in the Children with Special Health Needs program. Two additional permanent positions and \$87,965 in general funds for fiscal year 2007-2008 and \$112,953 in general funds for fiscal year 2008-2009 were also added by your Committee for Family Health Services Administration and Children and Youth Wellness.

Your Committee added \$1,248,750 in general funds for each year of the biennium to purchase family planning services for women’s health addressing a critical shortage of needed services.

Behavioral Health

Your Committee is dedicated to ensuring that a system of care is provided for Hawaii’s seriously mentally ill population and designated a total of \$20,000,000 in general funds over the biennium for the Adult Mental Health Division for purchase of service contracts, as well as the provision of core services in each county. An additional 36.5 temporary positions and biennium funding is provided for Community Mental Health Centers to comply with staffing requirements.

For the Child and Adolescent Mental Health Division, your Committee converted thirty-one temporary general funded positions and seventeen temporary special funded positions to permanent status to assist in recruiting and retaining qualified staff to provide mental health services to children and adolescents statewide.

Recognizing that substance abuse still plagues our communities, your Committee provided \$735,833 in general funds for fiscal year 2007-2008 and \$1,817,500 in general funds for fiscal year 2008-2009 to continue funding on-going adolescent school-based substance abuse treatment services at all public middle and intermediate schools statewide.

Persons with Developmental Disabilities

To accommodate the increasing number of individuals with developmental disabilities admitted to the Medicaid Home and Community-Based Services waiver program, your Committee provided full funding, an additional \$8,764,412 in general funds and \$8,558,196 in federal funds transferred from the Department of Human Services for fiscal year 2007-2008 and \$11,479,791 in general funds and \$12,239,470 in interdepartmental transfer funds for fiscal year 2008-2009 to meet the state matching requirements under Title XIX.

Your Committee further continued funding for agency-operated developmental disabilities domiciliary homes and apartment complexes operating with a twenty-four-hour, seven days a week staff, by providing \$1,800,000 in general funds for each year of the biennium. Your Committee believes that this additional \$600,000 general fund subsidy over the Executive Branch’s biennium request is necessary to preserve residential alternatives for the developmental disabled/mentally retarded population. A total of \$115,255 in general funds over the biennium was also added to the Developmental Disabilities Council to establish and support a statewide self-advocacy network for persons with developmental disabilities.

Your Committee, however, is concerned that the Developmental Disabilities Division has yet to implement its long awaited reorganization pending since the closure of Waimano Training School and Hospital. Such inaction is detrimental to sound policy and programming and further impedes the overall efficiency of the division. To this end, your Committee urges the Department to be more proactive in remedying these deficiencies to meet on-going challenges.

Emergency Services

Emergency medical treatment, stabilization and transport are critical to maintaining public health and safety. Your Committee provided \$2,135,777 in general funds for fiscal year 2007-2008 and \$1,809,130 in general funds for fiscal year 2008-2009 as requested by the Governor to meet increased operational requirements for various ambulance contracts on the islands of O’ahu, Hawai’i, Kaua’i, and Maui. Your Committee is

• Maui	\$411,538
• Moloka`i	\$250,475
• Leeward O`ahu and Honolulu	\$733,514
• Windward O`ahu	\$431,487
• West Hawai`i	\$322,833

Your Committee believes that the additional funding for domestic violence shelters and sex assault services is necessary to assist victims of such abuse, whether adults or children. Your Committee notes that funds for legal support services, as well as intrafamilial sex abuse and domestic violence services, are contained in the Judiciary budget.

Temporary Assistance for Needy Families (TANF)

An improved economy, successful work placement strategies, and the federal time limit for benefits have reduced the number of Hawai`i families who rely on TANF cash benefits. Under federal rules, TANF funds also may be used for programs and services to strengthen families and youth who are at risk. In an effort to maximize use of these TANF funds, your Committee worked with the Department of Human Services and your Committee on Human Services and Public Housing and provided \$4,536,713 for various purchase of service contracts that will strengthen families, teach life skills, and improve the employability of low income families throughout Hawai`i – helping to close the divide between the haves and have-nots. Your Committee expects that the Department will ensure that these services reach the families that so desperately need assistance.

SUSTAIN A VIBRANT AND DIVERSIFIED ECONOMY

Lower Education

With the proper education, Hawaii's students can actively participate in shaping the world they will live in, become the skilled workforce desired by employers, and enable Hawai`i to attract new businesses and industries that offer living wage jobs. Education is the key to creating and sustaining a healthy and diversified economy.

To assist Hawaii's children unlock their potential, your Committee continues to make public lower and higher education the top priority. Providing the necessary programs, equipment, materials, and technology for Hawaii's children will help ensure success in today's global economy. Toward this end, your Committee has reaffirmed its continued support for Hawaii's public schools by providing for the critical needs to improve student achievement, as determined by the priorities of the Board of Education and the Department of Education.

Your Committee has provided for the Department of Education's highest priority items, including a number that were rejected by the Governor after having been approved by the Board of Education. Your Committee worked closely with the Department and your Committee on Education to provide the following programs, equipment, and materials necessary to support our children:

- \$20,105,474 to continue Weighted Student Formula funding to continue funds appropriated by Act 160, Session Laws of Hawaii 2006;
- \$15,806,408 in fiscal year 2007-2008 and \$17,684,790 in fiscal year 2008-2009 for instructional equipment for schools;
- \$10,000,000 in federal funds for impact aid;
- \$8,748,056 in fiscal year 2007-2008 and \$7,270,623 in fiscal year 2008-2009 to meet requirements of No Child Left Behind and for English for Second Language Learners proficiency testing;
- \$4,287,401 for special education teachers and educational assistants for current Individualized Education Plan requirements;
- \$2,375,934 in fiscal year 2007-2008 and \$2,310,467 in fiscal year 2008-2009 for instructional equipment and furnishings for schools;
- \$1,200,000 for the Early Education Task Force for schools;
- \$1,162,565 in fiscal year 2007-2008 and \$1,521,007 in fiscal year 2008-2009 for energy efficiency projects for public libraries;
- \$1,100,000 to continue the Superintendent's fund to support the Weighted Student Formula funding;
- \$1,000,000 for books and library materials for public libraries;
- \$800,000 for the continuation of funding for substitute teacher compensation;
- \$725,000 for a recruitment and retention support center for schools;
- \$433,000 for agricultural programs in schools;
- \$427,308 for educational interpretation for mainstream hearing-impaired students and \$38,610 for equipment and furnishings;
- \$400,000 for non-school hour programs at schools;
- \$328,508 in fiscal year 2007-2008 and \$835,436 in fiscal year 2008-2009 for athletic health care trainers and supplies for school athletic programs;
- \$175,000 for PSAT testing for schools;
- \$165,000 for the Teach for America Contract; and
- \$5,636,680 for the transfer of two hundred fifty-eight permanent and 17.8 temporary school health aid positions from the Department of Health to comply with the requirements of Act 51, Session Laws of Hawaii 2004, as amended by Act 225, Session Laws of Hawaii 2006.

Your Committee provided for increased funding for technology and accountability through the following appropriations for equipment, positions, infrastructure, and programs:

- \$3,571,956 in fiscal year 2007-2008 and \$2,782,414 in fiscal year 2008-2009 for improvements to information technology, including an Electronic Comprehensive Student Support System, an Electronic Student Information System, and a Wide Area Network upgrade; and

- \$3,073,932 in fiscal year 2007-2008 and \$2,792,932 in fiscal year 2008-2009 for investment in fiscal accountability including fifteen complex area business managers, three accountants and a new Financial Management System that will integrate the existing financial and human resource systems.

Your Committee provided relief for the increasing costs to maintain facilities and services by providing the following additions to the Department of Education budget:

- \$6,391,412 for school food services;
- \$1,264,680 in fiscal year 2007-2008 and \$3,035,744 in fiscal year 2008-2009 for essential utility services;
- \$2,613,344 for school bus transportation costs; and
- \$1,278,000 for increases in property insurance.

Your Committee believes that these appropriations will provide Hawaii's public school students with the necessary resources to increase student achievement.

Higher Education

An economy based on knowledge, ideas, and risk-taking is the reality our State must embrace, and the University of Hawaii, system-wide, is critical to our success. New technologies and new industries are just two examples of the challenges of maintaining a skilled, literate workforce. College graduates are likely to change jobs several times over a lifetime of work, and to get ahead, incumbent workers will look for new skills and additional knowledge.

The University of Hawaii Board of Regents approved a detailed biennial operating budget request of \$38,726,634 in fiscal year 2007-2008 and \$58,116,277 in fiscal year 2008-2009 that included the creation of positions vital to the expansion of programs such as Workforce Training and Development (i.e. to address critical shortage areas such as nursing, construction, teaching, and social work) and Economic Diversification Initiatives, Statewide Native Hawaiian Studies, Student Services Enhancement and Expansion, and Distance Learning Initiatives. The Governor approved a scaled-down operating budget of \$25,421,393 in fiscal year 2007-2008 and \$33,999,745 in fiscal year 2008-2009. Additionally, your Committee addressed these deficiencies:

- Restored \$250,000 in each year of the biennium to support Western Interstate Commission for Higher Education programs for students interested in the fields of veterinary medicine, dentistry, optometry, and occupational and physical therapy, which currently are not offered at the University of Hawaii;
- Addressed the growing shortage of nurses with \$1,322,270 in fiscal year 2007-2008 and \$2,568,276 in fiscal year 2008-2009 for Statewide Nursing Workforce Development at the community colleges, University of Hawaii-Hilo and University of Hawaii-Manoa and funds for staffing and operational support, including \$400,000 for the Quentin Burdick Rural Health Professions program;
- \$3,350,000 in fiscal year 2007-2008 and \$3,950,000 in fiscal year 2008-2009 in general funds in support of further expansion of the John A. Burns School of Medicine to help address the shortage of medical specialists and fulfill its potential to become a world-class leader in health, biomedical, and biotechnology research, training, and teaching;
- \$1,200,000 in each fiscal year in general funds in support of AIDS research to assist Asian-Pacific Islanders; and
- \$11,000,000 in each fiscal year in special funds to establish the Cancer Research Special Fund created by Act 316, Session Laws of Hawaii 2006.

Your Committee remains committed to the vision of creating a world-class institution of higher learning and provided approximately \$26,170,000 in fiscal year 2007-2008 and \$38,570,000 in fiscal year 2008-2009 in continued support of University of Hawaii programs, workforce, curriculum, and student educational development, including approximately \$4,830,000 in fiscal year 2007-2008 and \$9,617,000 in fiscal year 2008-2009 for University of Hawaii-Hilo and \$5,210,000 in fiscal year 2007-2008 and \$9,420,000 in fiscal year 2008-2009 for community college programs and \$1,750,000 in fiscal year 2007-2008 and \$3,500,000 in fiscal year 2008-2009 for staffing development and expansion of programs and curriculum for the long-anticipated West O'ahu campus in Kapolei.

Your Committee finds that the economic capital of the State can be expanded only if there exists a solid foundation upon which to build. Thus, your Committee provided \$1,500,000 in fiscal year 2007-2008 and \$2,000,000 in fiscal year 2008-2009 for the "B Plus" state scholarship program, and \$510,000 in fiscal year 2007-2008 and \$605,000 in fiscal year 2008-2009 for the Graduate Professional Access and Health Careers Opportunity Programs. Your Committee believes that funding for these programs is necessary to foster student interest in post-secondary education and provide the means for additional students to pursue their own career paths, thus adding to our State's economic well-being.

At the Governor's request, your Committee lapsed \$18,700,000 in unencumbered general funds for recovery efforts after the 2004 Manoa flood and then re-appropriated those funds to enable the University of Hawaii to complete repairs to building infrastructure, control mold growth, and replace materials, library collections, furnishings, supplies, and other University of Hawaii-Manoa property damaged or otherwise irreparably destroyed by the October 31, 2004, flood in Manoa Valley. The anticipated lapse was due to contract, construction, and other unforeseen delays.

An area of concern is the sharp increase in fuel, utilities, and costs of energy consumption. The University is one of the highest single consumers of these resources and has had to explore options to fund its energy shortfalls. The new tuition schedule approved by the Board of Regents in September 2006 will positively and significantly impact the revenues of the system. Additionally, a sizable portion of its projected tuition revenues are earmarked for utilities. Your Committee commends the University for taking this proactive step in providing for its own energy consumption. Thus, your Committee provided \$15,150,000 in fiscal year 2007-2008 and \$35,950,000 in fiscal year 2008-2009 in special funds to enable the University of Hawaii at Manoa to address these expected shortfalls in operating and utility costs, as well as to fund faculty, staffing, and student employee costs, collective bargaining costs, and routine facility maintenance costs campus-wide. Your Committee remains confident that the tuition fee schedule adjustment proposed by the University will provide the needed additional funds despite an anticipated drop in attendance due to the increase in tuition. In its calculations, the University has taken that consideration into account.

Your Committee is steadfast in its belief that higher education is the foundation of the future economic growth and stability of the State. Your Committee provided a budget for the University that addresses increases in utilities and employee compensation, medical and scientific research,

workforce shortages, critical program shortfalls in student development and growth, Native Hawaiian studies and program development, current and planned expansion of the University statewide, and supporting diversity and lifestyle initiatives to provide the best opportunities for the students, faculty, and employees of the University – present and future.

Workforce and Workplace

The Department of Labor and Industrial Relations fulfills its primary mission (i.e., administering programs designed to contribute positively to workers' productivity and to foster employer-employee relations) by building private-public partnerships, providing training and public awareness programs, and assisting employers in developing their own Quality of Life programs to encourage voluntary compliance with labor laws. Your Committee is dedicated to supporting those efforts in several ways:

- Creating an Occupational Safety and Health Advisor to meet regularly with employees and employers to discuss, coordinate, train, and in some cases, conduct inspections to ensure compliance with federal and state regulations;
- Providing additional elevator inspectors for the Elevator and Boiler Safety Section to reduce a statewide backlog of annual certifications and three- and five-year safety and hydraulic tests; and
- Improving data transfer infrastructure hardware to effectively deliver services and administration of the Workers' Compensation, Temporary Disability Insurance, and Prepaid Health Care Programs.

Finally, your Committee supported the Department in its efforts to help residents of limited English proficiency succeed in the global economy by providing \$440,000 in general funds for both years of the biennium to establish and fully staff the Office of Language Access that was created by Act 290, Session Laws of Hawaii 2006. This office will provide oversight, coordination, and technical assistance to other State agencies in instances where persons of limited English-speaking or comprehension require translational and interpretive services in order to benefit from state programs, activities, and public access.

Commerce and Consumer Affairs

Continuing Hawaii's cultivation of the captive insurance industry, your Committee provided \$1,049,520 in special funds for fiscal year 2007-2008 and fiscal year 2008-2009. Your Committee understands the importance of monitoring, regulating, and developing this clean and lucrative industry, which is a viable source of continued revenue growth for the State of Hawai'i.

To expand and update the State Institutional Network, your Committee provided \$2,400,000 for fiscal year 2007-2008. Your Committee recognizes the critical importance of the network and the numerous departments that utilize its various telecommunication services.

KEEPING HAWAII A GREAT PLACE TO LIVE AND VISIT

Land and Natural Resources

Much of what makes Hawai'i a great place to live and a great place to visit is its natural resources. Preserving, protecting, and providing for those resources for the benefit and enjoyment of future generations is of paramount importance. Also, Hawai'i is a prime destination and location for movie producers and film crews, businesspeople and world leaders. Your Committee is dedicated to providing the following funds to assure the State's position as a unique island paradise into the future:

- Combat invasive species, including the coqui frog, by providing \$2,000,000 in general funds for both fiscal years 2007-2008 and 2008-2009, each matched by \$2,000,000 in special funds, for efforts of the Hawaii and county invasive species councils;
- Support State Parks Interpretive program through \$485,000 in special funds for visitor education, tours, and trails assistance;
- Expand Conservation and Resource Enforcement with additional personnel and equipment, fifteen positions and \$1,963,000 in fiscal year 2007-2008 and twenty-six positions and \$2,125,000 in fiscal year 2008-2009;
- Encourage prevention of wildfires by creating a full-time Firewise Communities program coordinator for community outreach and education and providing additional, ongoing state support of interdepartmental firefighting efforts with overtime pay, replenishment of outdated equipment, vehicles, and communications and life-saving apparatus by expending approximately \$330,000 in fiscal year 2007-2008 and \$340,000 in fiscal year 2008-2009; and
- \$3,115,000 in special funds for fiscal year 2008-2009 to assist in the reforestation, land and road restoration, and hazard control efforts for the over 2,300 acres of public forest lands in the Kuna Forest Reserve, Upper Waiohuli, Maui destroyed in the January 2007 wildfire.

Dam and reservoir safety is an issue being addressed in Senate Bill No. 1946, S.D. 2, H.D. 1. However, your Committee provided an additional \$1,500,000 in general funds for fiscal year 2007-2008 for the Department of the Attorney General to continue to pursue the investigation and litigation related to the tragic Ka Loko dam failure.

Agriculture

Invasive pests threaten not only Hawai'i's native plants but agricultural crops as well. Hawai'i's agricultural industry contributes both to our economy and to the visitor allure of these islands. Your Committee recognizes the importance of providing funds for the control and eradication of such pests including the brown tree snake.

- To meet state mandates for bio-control research of natural enemies of invasive species by authorizing five permanent positions and \$236,352 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009;
- To continue the brown tree snake prevention program by expending \$179,240 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 to defend against a threat that could cost the State \$485,000,000 annually; and
- To assist the Plant, Pest, and Disease Control Division with three temporary positions and \$220,192 in federal funds for fiscal year 2007-2008 and fiscal year 2008-2009.

Agriculture is an important economic sector in Hawai'i that needs to be supported. Your Committee provided \$3,000,000 in general funds for fiscal year 2007-2008 for irrigation repair and maintenance in recognition of the importance of these irrigation systems to the survival of

diversified agriculture. Several initiatives passed by the Senate also support efforts to encourage retention of important agricultural lands and assist current and future farm enterprises. In addition, your Committee provided \$700,000 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 for special repairs and maintenance work of facilities as identified in the Department's six-year facilities plan.

Environmental Health

Diverting as much recyclable material from the landfills promotes a more desirable use of our limited land resources. Thus, your Committee firmly recognizes the need to continue the work of the Deposit Beverage Container Program in the Department of Health's Solid and Hazardous Waste Branch. As the program continues to grow, and as participation in redemption increases, your Committee supports the program by providing for a ceiling increase of \$18,854,194 in special funds for each year of the biennium to cover the costs of required redemption payouts and for recycling improvements.

Business, Economic Development and Tourism

Your Committee has remained steadfast in its support of Hawaii's existing business and economic engines. Specifically, in recognition of the importance of tourism to the State's economy, your Committee provided \$14,595,156 in special funds for fiscal year 2007-2008 and fiscal year 2008-2009 for the Hawaii Tourism Authority in support of our State's efforts to preserve Hawaii's ranking as a pre-eminent visitor destination.

Sustainable communities in Hawaii's future must attain greater energy efficiencies and reductions in our reliance on fossil fuels. Your Committee provided two temporary positions and \$130,000 in general funds and \$500,000 in federal funds for fiscal year 2007-2008 and fiscal year 2008-2009 to implement the energy efficiency and renewable energy programs in the State of Hawaii. Additionally, recognizing the importance of the Hawaii Renewable Hydrogen Program, your Committee provided \$4,742,500 in special funds for fiscal year 2007-2008 and \$2,609,375 for fiscal year 2008-2009 for venture capital investments in private sector and federal projects that support this initiative.

Defense

For Hawaii to be a great place to live, it must be a safe place to live. Toward this end, your Committee provided the necessary support to the Department of Defense to carry out its mission to ensure the safety of the public and to ensure that the damage recovery efforts following the occurrence of natural or man made disasters are expeditious. Your Committee approved:

- \$310,657 for ongoing efforts directly related to public assistance and damage recovery in response to the March 2006 floods;
- \$779,380 for fiscal year 2007-2008 and \$1,039,173 for fiscal year 2008-2009 as a reserve for public assistance and damage recovery in the case of a small or large disaster occurrence;
- \$111,483 for fiscal year 2007-2008 and \$148,645 for fiscal year 2008-2009 to provide a core disaster recovery staff;
- \$191,129 for fiscal year 2007-2008 and \$234,324 for fiscal year 2008-2009 to install and maintain a state siren warning system;
- \$1,836,611 for fiscal year 2007-2008 and \$1,896,753 for fiscal year 2008-2009 for the Hawaii National Guard Environmental Office; and
- \$25,000 to provide additional subsidy to the Civil Air Patrol;

The efforts extended by our armed forces are greatly appreciated. Your Committee provided the following program support for our veterans:

- \$25,000 for a quarterly veterans' benefit and entitlement newsletter;
- \$144,180 for fiscal year 2007-2008 and \$152,192 for fiscal year 2008-2009 for maintenance of veterans' cemeteries;
- \$33,230 for a Clerk Typist I to assist in clearing the backlog of unprocessed discharge documents; and
- \$8,000 for travel expenses for an Office of Veterans' Services Counselor.

Your Committee recognizes the value of various National Guard programs for youth who are experiencing difficulties in their lives and provided funding to increase the availability of these opportunities for Hawaii's youth.

- \$203,950 for fiscal year 2007-2008 and \$271,931 for fiscal year 2008-2009 for the expansion of the Hawaii National Guard Youth Challenge Academy program; and
- \$7,300,000 in federal Temporary Assistance for Needy Families funds for the About Face program.

Public Safety

Your Committee notes that Hawaii continues to struggle with the persistent growth of the inmate population and a high rate of recidivism among convicted offenders. The traditional solution to prison overcrowding is to add prison beds by building new facilities or expanding others. With the unlikelihood of any new facilities being built in the near future, your Committee, working closely with your Committee on Public Safety, recognizes the need for interim measures.

The primary strategy used by this Administration to reduce overcrowding has been to transfer inmates out of state. However, with a total of over 2,112 inmates (1,939 males and 173 females) housed in out of state facilities, and the escalating costs associated with those inmates, your Committee finds it necessary to support programs that reduce recidivism, upgrade the physical condition of existing facilities, and develop a transitional housing and release program to try and keep released inmates from returning. These interim measures must hold the line until existing facilities are expanded or new facilities are built.

As previously mentioned, your Committee supports programs that assist in developing practical skills for inmates so that, upon release, their chances of obtaining gainful employment and becoming productive citizens increase and the propensity for recidivism decreases. Important initiatives for community reintegration programs are contained in other Senate bills. Your Committee provided for the following correction programs in the hopes of decreasing inmate recidivism:

- \$7,335,451 in revolving funds for fiscal year 2007-2008 and fiscal year 2008-2009 for Correctional Industries to provide inmates with experience working in various trades and strengthen their ability to be productive citizens upon release;

- Three positions and \$408,552 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 to continue traditional substance abuse services for inmates participating in the Project Bridge programs;
- \$150,000 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 for inmate transition and job development program;
- Four positions and \$143,472 in general funds for fiscal year 2007-2008 and four positions and \$168,576 in general funds for fiscal year 2008-2009 for re-entry case workers to ensure that offenders will have housing and employment upon release;
- \$50,000 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 for an intensive re-entry program that will serve women offenders within one year to six months of release to provide them with life skills;
- \$98,700 in general funds for fiscal year 2007-2008 and \$75,000 in general funds in fiscal year 2008-2009 to establish a culinary arts training program and fund a landscape training program at the Women's Community Correctional Center; and
- \$50,000 in general funds for fiscal year 2007-2008 and \$26,000 in general funds for fiscal year 2008-2009 to support a vocational program offered by the Mason's Union to train inmates to become masons.

In addition, your Committee provided \$9,592,000 in fiscal year 2007-2008 to upgrade the physical condition of various facilities, as well as \$1,500,000 in planning funds to develop Adult Community Residential Centers for transitional housing and release preparation for inmates, working jointly with non-profit agencies.

Your Committee notes that there is a growing vacancy problem in the Department of Public Safety. In testimony before your Committee on January 9, 2007, the Department noted that there were close to three hundred vacant positions, totaling over \$11,000,000 in general fund costs alone. Some of these vacancies date back as far as 1989. Your Committee is certain that some of the \$11,000,000 in vacancies is being used for purposes other than filling positions (as evidenced by the vintage of some of the vacancies). Your Committee eliminated thirty-six positions and \$1,253,179 in general funds for positions vacant for three years or longer. Your Committee believes that it is in the best interest of the Department to prepare a plan to address the vacancy problem before future vacant positions and funds are removed – potentially impacting items being funded with vacancy savings.

SHAPING GOVERNMENT'S INFRASTRUCTURE FOR SUSTAINABLE COMMUNITIES

Accounting and General Services

Your Committee recognizes the importance in archiving records to digital format. Your Committee therefore provided \$120,000 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 to develop and help implement a long-range plan to manage digital records.

Improving information systems, hardware and software, will improve governmental efficiency and customer service. To that end, your Committee provided:

- \$200,000 in general funds for fiscal year 2007-2008 and \$150,000 for fiscal year 2008-2009 for improvements to the Financial Accounting Management Information System; and
- \$450,000 in general funds for fiscal year 2007-2008 to consolidate multiple servers and reduce space requirements for the Information Computer Science Division.

With various natural disasters occurring both locally and nationally, insurance premiums are increasing. Therefore, your Committee provided \$951,125 in general funds and \$8,000,000 in revolving funds for fiscal year 2007-2008 and fiscal year 2008-2009 to address property premium increase for the State Risk Management and Insurance Administration.

To help repair and maintain public facilities, your Committee provided seven positions and \$405,242 in general funds for fiscal year 2007-2008 and \$408,288 for fiscal year 2008-2009 to address public building routine and emergency work orders.

Aloha Stadium hosts sporting events year round. To accommodate for these events, older equipment needs to be continually replaced to ensure the Stadium remains operable. Your Committee provided \$1,417,077 in special funds for fiscal year 2007-2008 and \$133,927 for fiscal year 2008-2009 for the replacement of essential communications, emergency operations, and traffic control equipment.

Finally, to provide for increases in Public Safety Answering Points, your Committee provided \$2,500,000 in special funds for fiscal year 2007-2008 and fiscal year 2008-2009 to expand the Wireless Enhanced 911 coverage area to provide quicker emergency response.

Transportation

Helping our citizens, visitors, and businesses get from point A to point B – whether by roads and highways, sea, or air – is the critical job of the Department of Transportation. Hawaii's communities and commerce depend on the proper and efficient functioning of the Department.

To that end, your Committee agreed to all of the Department's operating budget requests. Among these requests are authorizations for the Department to:

- Perform long-awaited repairs and maintenance of the State's transportation and facilities infrastructure;
- Replace aging vehicles and equipment; and
- Hire additional staff to meet federal regulations, accreditation criteria, and provide service to address the increasing demands placed on the Department.

There were no operating budget requests for the Highways Division. Your Committee addressed the urgent repair and maintenance needs of our highway system, as well as important highway widening and new construction projects in the capital improvements section of this measure.

Specifically regarding the State's ports and harbors – "Hawaii's Lifeline and Pacific Link," your Committee added \$960,000 in fiscal year 2007-2008 and \$880,000 in fiscal year 2008-2009 in harbor special funds for special maintenance projects at Kahului, Nawiliwili, and Kawaihae harbors.

Regarding the State's airports, your Committee added \$1,303,000 in fiscal year 2007-2008 and \$538,000 in fiscal year 2008-2009 in airport special funds, and \$10,216,250 in fiscal year 2007-2008 and \$5,812,000 in fiscal year 2008-2009 in federal funds for special maintenance projects at Honolulu International, Kahului, Keahole, and Moloka'i airports, and \$20,000,000 in fiscal year 2007-2008 for statewide airport facilities general maintenance and routine repair. In addition to linking our island communities, the airports are often the first and last impression for visitors to our State, making the proper and timely maintenance and repair of airport facilities even more important.

Budget and Finance

The Employer-Union Trust Fund administers health and life insurance benefits for 164,000 active and retired state and county employees on a computer system that is in danger of becoming obsolete and therefore unrepairable. The Employer-Union Trust Fund information technology consultant recommended purchasing a new system rather than attempting to update the existing one or build one in-house. Your Committee provided \$7,513,484 in trust funds for fiscal year 2007-2008 and \$437,166 for fiscal year 2008-2009 to solicit bids, purchase, and install a new system.

Pursuant to Act 143, Session Laws of Hawaii 2006, the Public Utilities Commission reported to the Legislature during the 2007 session on the findings from the organizational review of its operations. Upon recommendation from your Committee on Commerce, Consumer Protection, and Affordable Housing to implement the first phase of the proposed Public Utilities Commission reorganization, your Committee provided four positions and \$309,291 in special funds for fiscal year 2008-2009 to implement the restructuring. In addition, your Committee approved \$609,710 in special funds for fiscal year 2008-2009 to relocate the commission to new offices.

The Public Utilities Commission also requested permanent staff and funding for the Petroleum Industry Monitoring program it inherited from the Department of Business, Economic Development and Tourism under Act 78, Session Laws of Hawaii 2006. Your Committee provided three positions and \$213,595 in special funds for both years of the biennium.

Taxation

The Department of Taxation requested funds to contract for specialized expertise to assist in complex and highly technical tax audits. With this expertise, the Department expects to recover an estimated \$21,000,000 in disallowed high-tech tax credits. Your Committee provided general funds of \$300,000 for each of fiscal years 2007-2008 and 2008-2009 for this purpose.

On January 1, 2007, the Department of Taxation began collection of the county surcharge tax for the city and county of Honolulu. As a result, the Department required additional funds for its operations. Under Act 247, Session Laws of Hawaii 2005, the Department collects the surcharge on behalf of the county and in return the State retains ten per cent of the collections, to be deposited in the general fund. Because Act 247 did not provide positions or funds for the collection activity, an appropriation from the general fund for the Department of Taxation is necessary. Your Committee provided nineteen positions and general funds of \$944,312 for fiscal year 2007-2008 and \$717,944 for fiscal year 2008-2009. Your Committee has included a provision requiring the Department to study and report to the Legislature during the Regular Sessions of 2008 and 2009 on the totality of the additional work represented by the county surcharge collection activity.

In January 2006, the Department of Taxation received a consultant's report that compared the Department to those in states comparable to Hawai'i in order to determine an appropriate level of resources for the critical work of collecting the State's revenues. The results of the study showed that the Department was severely understaffed in many respects, and the Legislature in 2006 provided seventeen positions. An updated report was then obtained from the consultant in September 2006 showing a continued resource deficiency in Hawai'i's tax collection efforts. The Department asked for additional staffing from this Legislature to bring its staffing up to fifty per cent of the level found in comparable states by the consultant's report. Your Committee, recognizing the need for a fair and efficient tax system, provided ten permanent and eighteen temporary positions and general funds of \$852,039 for fiscal year 2007-2008 and \$796,537 for fiscal year 2008-2009. Your Committee believes that these additional tax collection efforts and resources, plus efficiencies proposed in several Senate bills, will benefit the State's sustainability goal.

FISCALLY PRUDENT AND DISCIPLINED BUDGETARY POLICY

Your Committee is dedicated to providing a budget document that is fiscally prudent, transparent, and provides for a sustainable level of government operations. Your Committee commends its predecessors who worked diligently to maintain such fiscal prudence and accountability in previous years. Your Committee is pleased to report that their efforts continue to bear fruit. As a result of the commitment to prudent financial management and fiscal discipline, the latest \$350,000,000 bond sale came in at 4.9 per cent versus the budgeted 5.7 per cent. This 4.9 per cent rate is the lowest rate the State has seen in three decades. This accomplishment would not have been possible had it not been for the prudent appropriation levels set forth by previous fiscal committees of the Legislature, leading up to the current favorable bond ratings enjoyed by the State. As a result, your Committee decreased budgeted debt service requirements by \$3,580,538 for fiscal year 2007-2008 and \$3,064,595 for fiscal year 2008-2009.

CAPITAL IMPROVEMENT PROGRAM HIGHLIGHTS

Your Committee evaluated the priorities of the administration, Board of Education, Board of Regents, and community to develop the capital improvement program (CIP) budget. The requests fell within two broad categories:

1. Projects that would repair or improve our aging state facilities; or
2. Projects that would build new state facilities to support expanding programs and increasing populations.

Your Committee finds that both types of requests are important and has attempted to strike a balance between the two and prioritize funding for those projects that align with the principles and priorities outlined above.

Education and Workforce Development

The highest priority of your Committee is the education of our children, and as such, the CIP budget devotes significant resources toward public education facilities. Your Committee provided a total of \$256,679,000 in fiscal year 2007-2008 and \$255,408,000 in fiscal year 2008-2009, by all means of financing, for the Department of Education's capital improvement program.

In anticipation of the future needs of our public school system, and to relieve schools experiencing overcrowding, your Committee provided over \$200,000,000 over both fiscal years to build new schools in our State's fastest growing communities.

To address the ongoing facility needs of the Department of Education, your Committee added to the Governor's proposed biennium budget by appropriating funds for the Department of Education's lump sum items. The following are examples of lump sum items not included in the Governor's proposed budget that your Committee provided for:

- \$75,000,000 in fiscal year 2007-2008 and \$75,000,000 in fiscal year 2008-2009 to enable the Department of Education to continue to reduce the repair and maintenance backlog of our public schools;
- \$25,000,000 in fiscal year 2007-2008 for electrical system improvements;
- \$5,000,000 in fiscal year 2007-2008 necessary for the Department to comply with Environmental Protection Agency requirements regarding large cesspool closures;
- \$4,000,000 in fiscal year 2007-2008 and \$4,000,000 in fiscal year 2008-2009 for the Department to comply with Americans with Disabilities Act requirements;
- \$500,000 in fiscal year 2007-2008 and \$500,000 in fiscal year 2008-2009 for fire protection; and
- \$500,000 in fiscal year 2007-2008 and \$500,000 in fiscal year 2008-2009 for asbestos/lead removal.

To address the capital needs of higher education, your Committee provided a total of \$158,039,000 in fiscal year 2007-2008 and \$104,383,000 in fiscal year 2008-2009 for the University of Hawaii, including the following appropriations:

- \$50,000,000 in fiscal year 2007-2008 and \$50,000,000 in fiscal year 2008-2009 to address the major repair and maintenance needs of the University system;
- \$7,518,000 in fiscal year 2007-2008 to begin planning and design for a new classroom and office building at University of Hawaii-Manoa;
- \$6,837,000 in fiscal year 2007-2008 to provide temporary facilities to house the expanding nursing programs at community colleges statewide;
- \$43,157,000 in fiscal year 2007-2008 to fund the construction of the new Windward Community College Library and Learning Resources Center; and
- \$23,179,000 in fiscal year 2007-2008 for a new social sciences/teacher education facility at Leeward Community College.

Housing

Your Committee provided funding for the Department of Human Services to begin two major initiatives to improve the condition of public housing. The following appropriations will result in safer conditions for public housing residents and an increase in the total number of units available:

- \$5,000,000 in fiscal year 2007-2008 for elevator improvements for public housing statewide; and
- \$15,000,000 in fiscal year 2007-2008 and \$5,000,000 in fiscal year 2008-2009 for the repair and maintenance of public housing units.

Sustainability

Many of the projects funded in this measure will incorporate green building design elements and practices. In addition, your Committee provided \$5,000,000 in fiscal year 2007-2008 and \$5,000,000 in fiscal year 2008-2009 for energy conservation and efficiency projects.

Conclusion

With relatively modest revenue projections for Hawai'i and the nation, as well as the troubling specter of inflation, your Committee, once again, has appropriated resources that reflect prudence and provide for sustainability. Your Committee will not soon forget the fiscal crises of the past, but looks to the future with continued optimism, knowing the resources provided in this budget will address the urgent infrastructure and service needs of the State and provide for the strengthening of our families and communities, thus positioning Hawai'i for success in the global economy, and the sustaining of Hawai'i as a great place to visit and *live*.

In total (all sources of funding), this budget appropriates \$10,360,271,182 in fiscal year 2007-2008 and \$10,547,469,312 in fiscal year 2008-2009. Specifically regarding general fund appropriations, this budget appropriates \$5,185,479,550 in fiscal year 2007-2008 and \$5,283,880,275 in fiscal year 2008-2009. Compared with the budget submitted by the Governor in December 2006, as adjusted by Governor's Messages throughout this legislative session, this budget represents a decrease of \$2,369,010 in fiscal year 2007-2008 and another decrease of \$1,849,228 in fiscal year 2008-2009 in general fund appropriations. In new general fund appropriations, lower education accounts for approximately thirty-five per cent, higher education accounts for approximately eighteen per cent, and health and human services accounts for approximately twenty-seven per cent of the change to the State's general fund budget.

The following agencies and individuals submitted comments in support of this measure: the Department of Human Resources Development, the Hawaii State Ethics Commission, the Hawaii State Teachers Association, the Hawaii Disability Rights Center, the Maui County Department of the Prosecuting Attorney, the Hawaii Forest Industry Association, and seventy-two other agencies and individuals, mainly business owners and University of Hawaii professors, staff, students, and parents.

The following agencies and individuals submitted comments on this measure: the Department of Labor and Industrial Relations, the Department of Business, Economic Development and Tourism, the Department of Accounting and General Services, the Department of Human Services, the Department of Public Safety, the Department of Land and Natural Resources, the Department of Agriculture, the Department of Transportation, the Department of Hawaiian Home Lands, the City and County of Honolulu Department of the Prosecuting Attorney, the Nature Conservancy, the Hawaii Science & Technology Council, Citizens Against Noise of Hawaii, and thirty six other University of Hawaii professors, staff, and 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 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Menor, Hemmings, Whalen).

SCRep. 1587 Ways and Means on H.B. No. 1200

The purpose of this measure is to appropriate funds for the operating and capital improvement costs of the Office of Hawaiian Affairs for the fiscal biennium from July 1, 2007, to June 30, 2009.

Your Committee received comments in support of this measure from the Office of Hawaiian Affairs, Na Pua No'eau; Ala Kuola; the Hawaii Community Development Authority; and one hundred forty-four individuals.

The Office of Hawaiian Affairs' operating budget request contains salary adjustments of four per cent for both fiscal years, changes in means of financing to more efficiently process payroll, and additional funding for two programs—the Multi Service Project for Alu Like, Inc., and Na Pua No'eau. Your Committee finds that these requests are reasonable and justified and has therefore provided full funding for all Office of Hawaiian Affairs operating budget requests.

The Office of Hawaiian Affairs capital budget request is for a new cultural center and office building. Your Committee provided \$3,050,000 in general obligation bonds for fiscal year 2007-2008 to fund the planning and design of the new cultural center and office building. In addition, your Committee authorized \$52,990,000 in trust funds for fiscal year 2008-2009 for the new facility and made technical amendments to the description of 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 H.B. No. 1200, 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. 1200, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Menor, Hemmings, Whalen).

SCRep. 1588 Ways and Means on H.B. No. 1212

The purpose of this measure is to appropriate funds for the operating and capital improvement costs of the Judiciary for the fiscal biennium from July 1, 2007, to June 30, 2009.

Your Committee received comments in support of this measure from the Judiciary, the Maui County Library Association, three public librarians from central Maui, the Salvation Army, Isis Hawaii, and four individuals in support of the Girls Court program. The Department of Accounting and General Services submitted comments on this measure.

Your Committee provided an additional \$12,125,775 in general funds and \$812,955 in special funds for fiscal year 2007-2008, and an additional \$11,297,399 in general funds and \$218,017 in special funds for fiscal year 2008-2009, increasing the Judiciary's total budget for fiscal years 2007-2008 and 2008-2009 to \$148,469,888 and \$147,046,574, respectively.

Your Committee recognizes that the Judiciary is experiencing an increase in demand for its services, and as a result, available resources have dwindled. Your Committee addressed this situation by providing funding that improves the efficiency and productivity of existing programs and services and provided additional staffing and funding to ensure that the Judiciary is able to maintain the level of service as demand rises. Your Committee provided:

- (1) \$2,817,743 in general funds and special funds for fiscal year 2007-2008 and \$978,529 in general funds and special funds for fiscal year 2008-2009 for technology related items;
- (2) Eight new positions for judges for fiscal year 2007-2008;
- (3) Forty-two and fifty-one new support staff positions (social workers, etc.) for fiscal year 2007-2008 and fiscal year 2008-2009, respectively; and
- (4) \$1,524,439 and \$1,414,372 in general funds and special funds for fiscal year 2007-2008 and fiscal year 2008-2009, respectively, for the Hilo Courthouse.

Your Committee also supports the Judiciary's efforts to improve access to its services and better meet the needs of Hawaii's underserved populations. In this regard, your Committee provided the following:

- (1) \$268,198 in additional general funds for fiscal year 2007-2008 and fiscal year 2008-2009 for domestic violence services;
- (2) \$25,000 for the Hawaii Family Law Clinic;
- (3) \$1,050,000 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 for indigent legal services for individuals and families;
- (4) \$200,000 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 for intrafamilial sex abuse treatment services for child victims;
- (5) \$407,252 and \$440,006 in general and special funds for fiscal year 2007-2008 and fiscal year 2008-2009, respectively, for Girls Court;
- (6) \$70,816 in general and special funds and \$84,288 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009, respectively, for the Children's Justice Center; and
- (7) \$100,000 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 for the Office of Equality and Access to the Courts increased interpreter fees.

In addition to the resources provided for the Judiciary's operating requirements, your Committee appropriated \$1,500,000 in general obligation bonds for each fiscal year for various renovations, repairs, and improvements to Judiciary facilities statewide. This measure also appropriates a placeholder amount for the Kapolei Judiciary Complex to enable your Committee to continue discussions with the Judiciary and the House of Representatives regarding the Judiciary's request for additional 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 H.B. No. 1212, 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. 1212, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (Menor, Hemmings, Whalen).

SCRep. 1589 Judiciary and Labor on H.B. No. 1328

The purpose of this measure is to enhance the criminal penalties associated with individuals who commit insurance fraud by including felony insurance fraud as one of the felony violations that can invoke the repeat offender sentence.

Your Committee received testimony in support of the bill from the Insurance Commissioner and the Attorney General's Office. The Public Defender opposed the bill.

Your Committee finds that while insurance is often perceived as a non-violent and victimless crime, the ramifications of insurance fraud affect everyone through higher insurance premiums.

Your Committee amended the bill by changing the effective date from January 1, 2112 to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1328, 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. 1328, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Kokubun).

SCRep. 1590 Judiciary and Labor on H.B. No. 1518

The purpose of this measure is to create a Design Claims Conciliation Panel within the Department of Commerce and Consumer Affairs to protect engineers, architects, surveyors and landscape architects against frivolous lawsuits.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services (DAGS), the American Council of Engineering Companies, the American Society of Civil Engineers, Cedric Chong and Associates, the Coalition of Hawaii Engineering & Architectural Professionals, Engineering Concepts, Inc., Engineering Solutions, Inc., ECS, Inc., Fukunaga & Associates, Gray Hong Nojima & Associates, Inc., Masa Fujioka & Associates, MK Engineers, Ltd., Moss Engineering, Inc., Paul Louie & Associates, Inc., and SEY Engineers. The Department of Commerce and Consumer Affairs (DCCA) and the Consumer Lawyers of Hawaii (CLH) provided comments.

The following concerns were stated in DCCA testimony:

HB 1518 proposes to reestablish the Design Professional Conciliation Panel ('DPCP') within DCCA, in an effort to protect the design professional community from frivolous lawsuits, and is based upon the provisions of Hawai`i Revised Statutes ('HRS') §671-11, et al. relating to the Medical Claims Conciliation Panel ('MCCP'). . . . [W]ithout sufficient opportunity to examine the data and rationale for reestablishing the DPCP, DCCA cannot actively support HB 1518 SD1 at this time.

By way of background, the former DPCP was created in 1976 for the same purposes as stated by HB 1518 SD1[.] . . . Although DCCA continues to support these intended purposes . . . , we would point out that historically, very few cases filed with the DPCP under the former provisions of HRS Chapter 672 actually completed the hearings process. Instead, the vast majority of cases were determined by the courts to be unsuitable for disposition by the DPCP. . . .

The provisions of former HRS §672-2.1 delineated the factors that a court could consider in determining whether a claim was unsuitable for disposition by the DPCP[.] . . . These enumerated factors evolved over the life of the DPCP and reflect the Legislature's response to pragmatic limitations of the DPCP: there are statistically very few claims that only involve the acts [or] omissions of a design professional licensed to practice under HRS Chapter 464. Most claims filed with the former DPCP involved directly or at least tangentially, the acts or omissions of individuals and entities that were not subject to the jurisdiction of the DPCP such as contractors, materials suppliers, bonding companies, etc. HB 1518 SD1 does not contain a process for the courts to determine the unsuitability of claims filed with the proposed DPCP, and thus under HB 1518 SD1, every claim would be heard by the DPCP unless the parties to a claim collectively decided to let the 12 month tolling period lapse.

Accordingly, DCCA does not have sufficient data to support a process that may not ultimately achieve the stated goals of HB 1518 SD1, and which instead, could simply delay the filing of lawsuits against design professionals for 12 months. We would also note that the former HRS Chapter 672 as well as HB 1518 SD1 would still require the filing of lawsuits against individuals and entities that are involved in the claims, but who are not design professionals licensed to practice under HRS Chapter 464.

If the Legislature believes that some form of the former DPCP is needed and would fulfill a constructive purpose for all parties to these kinds of claims, then DCCA would recommend that the former provisions of HRS Chapter 672 be reenacted, rather than a DPCP modeled on the MCCP.

Your Committee also notes concerns about the certificate of consultation required to accompany any claim, as set forth in proposed § -6, and anticipates further discussion as this measure passes through the legislative process. Of concern is whether the process may be made prohibitively costly if a certificate is required from each specialty, such as architect and engineer, even if the claim pertains to only one of the design professions.

It is the understanding of your Committee that the proponents of this measure and other stakeholders would appreciate an opportunity to consider further revisions as this measure proceeds to conference. This bill has an effective date of July 1, 2050, to encourage further discussion.

Your Committee has amended this measure by:

- (1) Adding a new subsection (b) within proposed § -3 that permits parties to a tort claim against a design professional or professionals, by unanimous agreement, to opt out of the design claim conciliation panel process;
- (2) Amending proposed § -5(b) to increase the time between the last date for filing a written response to a claim and the date for the hearing on the claim from five to fourteen days, to allow adequate time for preparation of a defense;

- (3) Changing references from the "director" to the "chairperson" throughout proposed § -5(c) to provide for various procedural matters to be handled by the chairperson of the panel rather than the director of commerce and consumer affairs;
- (4) Deleting the requirement in § -9 that the decision of the design claim conciliation be filed with the insurance commissioner, served on the representative of the design professional's liability insurance carrier, and, as appropriate, served on the design professional's licensing board; and
- (5) Deleting the requirement in the panel's conclusions state either that the action was "actionably negligent" or "not actionably negligent" to allow apportionment of damages among parties.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1518, 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. 1518, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Kokubun).

SCRep. 1591 Judiciary and Labor on H.B. No. 375

The purpose of this measure is to clarify a driver's duty to stop for a pedestrian in a crosswalk and to impose fines for drivers and pedestrian who fail to comply with the crosswalk law based on the number of previous infractions of the same offense.

Your Committee received testimony in support of the bill from the State Department of Transportation and Kokua Council. The Public Defender's Office opposed the bill.

Your Committee amended the bill by clarifying when it would be safe for a driver to proceed after stopping for a pedestrian in a crosswalk. Your Committee also made some technical non-substantive amendments to the bill.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 375, 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. 375, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Kokubun).

SCRep. 1592 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 1440

The purpose of this measure is to clarify the jurisdictional authority of the Office of the Ombudsman when investigating the contractual acts of any correctional facility with which the Department of Public Safety has contracted to hold individuals committed to its custody.

Your Committees find that the clarification is necessary to assure that the scope of the Ombudsman's jurisdiction includes mainland correctional facilities. Your Committees also find that it is vital that inmates from Hawaii held in mainland correctional facilities have access to an independent body to investigate claims affecting their health, safety, and legal rights.

Your Committees received testimony in support of the bill from the American Civil Liberties Union of Hawaii, the Community Alliance on Prisons, and seven individuals. The Office of the Ombudsman commented on the bill.

Your Committees amended the bill by changing the effective date from July 1, 2020, to July 1, 2007, and by deleting language following the effective date.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1440, H.D. 3, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1440, H.D. 3, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 13. Noes, none. Excused, 3 (Inouye, Kokubun, Menor).

SCRep. 1593 Ways and Means on H.B. No. 807

The purpose of this measure is to establish an Office of the Long-Term Care Ombudsman within the Executive Office on Aging and to support its operations.

This measure also appropriates \$311,628 and \$236,627 in fiscal year 2007-2008 and 2008-2009 to establish three additional ombudsman program specialist IV positions and a clerk typist II position, to support a regional long-term care ombudsman program on the neighbor islands.

Your Committee received comments in support of this measure from the State Long-Term Care Ombudsman, the Hawaii Disability Rights Center, and the National Multiple Sclerosis Society. The Executive Office on Aging offered comments.

Upon further consideration, your Committee has amended this measure to change the appropriated amounts to unspecified amounts for the purpose of facilitating further discussion. Your Committee has also made technical nonsubstantive amendments for the purposes of clarify 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. 807, 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. 807, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1594 Ways and Means on H.B. No. 1044

The purpose of this measure is to provide equal access to immunosuppressant medication for Medicaid patients with HIV, AIDS, or Hepatitis C, or who require immunosuppressives due to organ transplants, regardless of whether they are in the QUEST or Medicaid Fee-For-Service programs.

Specifically, this measure repeals the inapplicability to QUEST medical plans of the exemption from preauthorization procedures in treating such patients until July 1, 2013. The measure also requires the Department of Human Services to report to the legislature prior to the convening of the 2010, 2011, and 2012 regular sessions on the costs incurred by compliance with this measure.

Your Committee received comments in opposition to this measure from the Hawaii Association of Health Plans. The Department of Human Services offered comments.

Your Committee has made a technical amendment for the purpose of clarity by specifying that, upon the repeal of the measure on July 1, 2013, section 346-352, Hawaii Revised Statutes, shall be reenacted in the form in which it read on December 31, 2007.

As affirmed by the record of votes of the members 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, 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. 1044, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Whalen).

SCRep. 1595 Ways and Means on H.B. No. 1614

The purpose of this measure is to appropriate funds to increase the capacity of the Department of the Attorney General's Nuisance Abatement Unit to enforce and prosecute drug nuisance abatement laws.

The Department of the Attorney General submitted comments in support of this measure.

Your Committee finds that the Nuisance Abatement Unit has improved coordination with other law enforcement agencies to combat illegal drug activities and prohibit drug dealers from remaining in drug houses in our communities. This measure will help continue effective responses to drug nuisance complaints by increasing the number of staff for the Nuisance Abatement Unit.

Your Committee has amended this measure by:

- (1) Changing the appropriation from \$150,000 to an unspecified amount; and
- (2) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the members 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. 1614, 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. 1614, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1596 Ways and Means on H.B. No. 55

The purpose of this measure is to establish a statewide youth suicide early intervention and prevention program and to appropriate funds to the Department of Health to implement the program.

Comments in support of this measure were received from the Department of Education, the Hawaii Suicide Prevention Steering Committee and Task Force, and Mental Health America of Hawaii. The Department of Health submitted comments.

Your Committee finds that according to the 2005 Youth Risk Behavior Surveillance Survey, Hawaii has among the highest rates of youth who have: reported making a suicide plan; seriously considered attempting suicide; attempted suicide; or reported a suicide attempt that was treated by a doctor or nurse. This measure will provide early intervention and prevention strategies for suicide, which is the second leading cause of death in Hawaii among persons who are between fifteen to twenty-four years of age.

Your Committee has amended this measure by deleting the appropriation because funds to implement youth suicide early intervention and prevention programs are currently included H.B. No. 500, the state budget.

As affirmed by the record of votes of the members 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. 55, 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. 55, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1597 Ways and Means on H.B. No. 825

The purpose of this measure is to strengthen support for family caregivers and care recipients by gathering information about, and expanding services to, caregivers and their families.

More specifically, this measure includes:

- (1) Extending the life of the Joint Legislative Committee on Family Caregiving; and authorizing the Committee to explore the establishment of a paid family leave program under the state temporary disability insurance law;
- (2) Requiring the Executive Office on Aging to conduct a comprehensive assessment of the needs of care recipients who are age sixty and older, and the needs of their family caregivers;
- (3) Appropriating funds for the Executive Office on Aging to conduct a comprehensive needs assessment and study of the issues facing grandparents who are caregivers for their grandchildren who are minors or are adults with physical or cognitive limitations;
- (4) Appropriating funds to expand the Kupuna Care program's in-home and access services for qualified care recipients; and
- (5) Appropriating funds for the Sage PLUS program to operate on the neighbor islands.

Your Committee received comments in support of this measure from the Policy Advisory Board on Elderly Affairs, the Honolulu Committee on Aging of the City and County of Honolulu, the Area Agency on Aging of the City and County of Honolulu, Catholic Charities Hawaii, the

Hawaii Alliance for Retired Americans, the Kokua Council, the Hawaii Division of the National Multiple Sclerosis Society, the Occupational Therapy Association of Hawaii, Project Dana, and eleven private citizens. The American Association of Retired Persons Hawaii submitted comments.

Your Committee finds that family caregiving has become a critical element of our State's long-term care system. Your Committee also finds that as Hawaii's population ages, many more families will be providing higher levels of long-term care to frail and disabled older adults at home. Your Committee further finds that grandparents who are caregivers for their minor or adult grandchildren experience similar support needs and caregiving costs as do other family caregivers. Your Committee believes that this measure provides a comprehensive approach that will strengthen support for family caregivers.

Your Committee has amended this measure by:

- (1) Changing the effective date of section 2 of the bill to prevent the termination of the Joint Legislative Committee on Family Caregiving, which would otherwise cease to exist on June 30, 2007; 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 H.B. No. 825, 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. 825, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1598 Commerce, Consumer Protection and Affordable Housing on H.B. No. 487

The purpose of this measure is to make housekeeping amendments as recommended by the Legislative Reference Bureau pursuant to Act 180, Session Laws of Hawaii 2006, creating the Hawaii Public Housing Authority and the Hawaii Housing Finance and Development Corporation (HHFDC).

Your Committee received testimony in support of this measure from the HHFDC.

Your Committee has amended this measure 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 Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 487, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 487, 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, 1 (Ige).

SCRep. 1599 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1337

The purpose of this measure is to provide additional protections to consumers who purchase pre-paid cemetery or funeral services.

Specifically, this measure:

- (1) Creates a new section in chapter 441, Hawaii Revised Statutes (HRS), to establish procedures for the cancellation, termination, and refund of pre-need funeral and interment services contracts;
- (2) Requires a cemetery authority to file with the Department of Commerce and Consumer Affairs and maintain a map of every plot, crypt, or niche, and maintain an accurate record of the identity of each person buried or interred in the cemetery;
- (3) Ensures that contracts for pre-need interment or funeral services retain priority over liens and mortgages of a pre-need interment or funeral services authority if the authority's pre-need trusts are not fully funded;
- (4) Requires disclosures of the terms of a pre-need funeral or interment services contract;
- (5) Clarifies the Director of Commerce and Consumer Affairs' authority to inspect the books, records, and papers of a cemetery or pre-need funeral or interment services authority; and
- (6) Increases the maximum possible fine from \$1,000 to \$5,000 for violations of the chapter of law regulating cemetery or pre-need funeral or interment services authorities.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Hawaii Allied Memorial Council, and the Kokua Council. Ballard Mortuary, Inc. and Hawaiian Memorial Life Plan, Ltd. submitted comments on this measure.

Your Committee finds that this measure will materially advance and improve the level of consumer protection afforded Hawaii's cemetery and funeral services consumers by establishing procedures for the cancellation, termination, and refund of pre-funeral and pre-interment needs, as well as implementing other requirements related to the death care industry.

Your Committee notes that the Department of Commerce and Consumer Affairs has been working with the interested parties to reach a consensus on the scope and specific language that would be acceptable to all parties. Based upon their agreement, your Committee has amended this measure by:

- (1) Inserting additional requirements as to notice and timing for the termination of a contract due to the default of the purchaser and as to methods in which a purchaser may effectuate continuance of the contract;
- (2) Specifying that a cemetery or pre-need funeral authority is under no obligation to validate continuance of a contract when a purchaser becomes delinquent after the period in which the purchaser was first allowed to effectuate continuance of the contract;
- (3) Specifying that a cemetery or pre-need funeral authority is under no obligation to carry out its services unless a contract is paid in full;
- (4) Requiring that contracts shall include a disclosure that contains a statement as to:

- (A) The percentage of the contract price for trustable items to be placed in trust; provided that the percentage is no less than seventy per cent;
 - (B) The percentage of the contract price for trustable items that the cemetery or pre-paid funeral authority will retain and not deposit into the trust; provided that the percentage is no more than thirty per cent;
 - (C) When a portion of the contract price relates to property, services, or related commodities that are not trustable items, providing a clear description as to what the items are; and
 - (D) The cancellation, default and termination, and refund requirements of section 1 of this measure and a specific statement in twelve point bold type that makes the purchaser aware of the purchaser's refund, cancellation, and default rights and asking the purchaser to carefully read the contract for an explanation of those rights;
- (5) Requiring that any records held by a cemetery or pre-need funeral authority contain:
- (A) The identity of each person whose remains are located at the cemetery, along with the corresponding unique identifier, as required in section 441-3(b), HRS;
 - (B) A record of any and all notifications from purchasers or representatives of purchasers regarding any change in address or notice of cancellation; and
 - (C) All written notices of termination sent to the purchaser;
- (6) Changing the effective date to July 1, 2007; provided that sections 1 and 5 shall take effect on July 1, 2008, to allow the industry more time to comply with the requirements of this measure; and
- (7) 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 Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1337, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1337, 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, 1 (Ige).

SCRep. 1600 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1833

The purpose of this measure is to prohibit the practice of mandating the use of certain surety producers or surety insurers by applicants when a bid, payment, or performance bond is required to ensure the performance of any real property construction contract.

Your Committee received testimony in support of this measure from King & Neel, Inc; Island Insurance Companies; and the General Contractors Association of Hawaii. The Department of Commerce and Consumer Protection submitted comments on this measure.

Your Committee finds that directed bonding or suretyship is the practice within the construction industry, wherein the owner of a project awards the contract for the construction of the project on the condition that the contractor obtain a surety bond from particular sureties or through specified agencies.

Your Committee further finds that contractors need the freedom to choose with whom they will establish a bonding relationship rather than be directed by the owner of a construction project. Your Committee notes that thirty-seven other states have already banned the practice of directed suretyship.

Your Committee has amended this measure, based upon an agreement between the Department of Commerce and Consumer Affairs and the insurance industry, by:

- (1) Placing the language prohibiting the use of directed suretyship in a new section in chapter 431:10F, Hawaii Revised Statutes;
- (2) Adding language to allow the Insurance Commissioner to examine and investigate insurance related activities that may violate the prohibition on directed suretyships;
- (3) Allowing any person to submit to the Insurance Commissioner any complaint or materials that are relevant to the enforcement of the prohibition on directed suretyship;
- (4) Allowing any person who grants, awards, or issues contracts for construction or renovations to require the recipient of the contract to acquire or negotiate a surety bond or other contract guaranteeing completion through authorized surety insurers, or producers licensed to do business in the State, or both; and
- (5) Making this measure effective upon its approval.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1833, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1833, 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, none.

SCRep. 1601 (Majority) Commerce, Consumer Protection and Affordable Housing on H.B. No. 936

The purpose of this measure is to prohibit gift certificate issuers from charging back-end services fees for dormancy or inactivity during the first twenty-four months after the gift certificate was issued. This measure also requires gift certificate issuers to disclose service fees and prohibits gift certificate issuance fees.

Your Committee received testimony in support of this measure from American Express and VISA U.S.A., Inc. The Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Retail Merchants of Hawaii, and the Hawaii Food Industry Association submitted testimony in opposition. Comments were submitted by the Hawaii Credit Union League.

Your Committee finds that there are two different types of gift certificates. The first type is a single merchant certificate in which the recipient is limited to purchasing goods from a single merchant. The second type is the multi-seller certificate that enables a recipient to use the certificate at a variety of different stores.

Your Committee further finds existing law allows for limited availability of multi-seller certificates in the State. However, your Committee believes that it is important to strike a balance between giving consumers more choices with regard to gift certificates and protecting them from certain types of fees.

Therefore, your Committee has amended this measure by:

- (1) Allowing gift certificate issuers to charge a fee of no more than \$2 per gift certificate at the time of purchase; provided that certain disclosure requirements are met and that the issuance fee is not deducted from the initial balance of the certificate;
- (2) Prohibiting back-end service fees for dormancy, maintenance, and inactivity;
- (3) Allowing a gift certificate issuer to charge a fee of no more than \$2 for a replacement gift certificate;
- (4) Amending the definition of "gift certificate" or "certificate" to exclude certain types of electronic access devices, such as prepaid debit cards and payroll cards that are used to withdraw or transfer funds from a deposit and are not primarily intended for use as a gift; and
- (5) Changing the effective date of this measure in order to promote further discussion.

Your Committee notes that, in allowing gift certificate issuers to charge a \$2 replacement fee, such a replacement fee should only be charged when a gift certificate is lost, stolen, or mutilated.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 936, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 936, 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. Ayes with Reservations, 1 (Ige). Noes, 1 (Slom). Excused, none.

SCRep. 1602 (Joint) Commerce, Consumer Protection and Affordable Housing and Economic Development and Taxation on H.B. No. 116

The purpose of this measure is to ensure the safe and efficient integration of facilities necessary for the provision of advanced wireless communication services and to ensure the ready availability of reliable wireless service to public and government agencies and first-responders.

Your Committees received testimony in support of this measure from Cingular Wireless; Verizon Wireless; T-Mobile USA, Inc.; and Sprint Nextel. Testimony in opposition to this measure was submitted by the City and County of Honolulu's Department of Planning and Permitting and the Kailua Neighborhood Board.

Your Committees find that wireless communication service has become an integral and important part of consumers' daily lives. The intent of this measure is to ensure adequate coverage and sufficient wireless capacity on wireless networks by ensuring an efficient application and approval process for new wireless facilities.

Your Committees note the concerns raised by the City and County of Honolulu relating to, what the City and County of Honolulu perceives to be the measure's redundancy to county processes and a potential infringement of home rule, but believe this measure should move forward to encourage further discussion on those issues.

Your Committees have amended this measure by:

- (1) Amending chapter 205, Hawaii Revised Statutes, to allow wireless communication antennas to be a permitted use in the state agricultural district;
- (2) Making technical, nonsubstantive changes for the purposes of clarity and style; and
- (3) Changing the effective date to promote further discussion.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Economic Development and Taxation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 116, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 116, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 3 (Fukunaga, Ihara, Sakamoto).

SCRep. 1603 (Joint/Majority) Commerce, Consumer Protection and Affordable Housing and Ways and Means on H.B. No. 835

The purpose of this measure is to assist pineapple plantation workers affected by the closing of Del Monte Fresh Produce.

Specifically, this measure establishes a program for low-interest loans and grants for home acquisition and property rehabilitation for affected plantation workers. This measure also establishes a rental assistance program and provides supportive services to prepare displaced or affected workers for homeownership.

Your Committees received written testimony in support of this measure from the Hawaii Housing Finance and Development Corporation and the ILWU Local 142.

Your Committees find that the closing of Del Monte Fresh Produce will have a significant adverse affect on the pineapple plantation workers, as many workers and their families live in plantation homes owned by the company. With the closing of Del Monte Fresh Produce, many workers will find themselves undergoing a transition period during which they must continue to find a way to support themselves and their families. The intent of this measure is to assist the workers affected by the closing with supportive services, low-interest loans, and rental assistance.

Your Committees have amended this measure, based upon the collaborative effort of the Hawaii Housing Finance and Development Corporation and the ILWU Local 142, by:

- (1) Removing language establishing the Pineapple Workers and Retirees Housing Revolving Fund;
- (2) Amending the Pineapple Workers and Retirees Rental Housing Fund by changing it into the Pineapple Workers and Retirees Housing Assistance fund in order to provide mortgage payments or rent subsidies for affected workers; and
- (3) Removing the homeownership counseling program.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 835, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 835, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees. Ayes, 13. Noes, 1 (Slom). Excused, 3 (Ihara, Menor, Sakamoto).

SCRep. 1604 Judiciary and Labor on H.B. No. 1503

The purpose of this measure is to strengthen protections for dislocated workers by amending Hawaii's Dislocated Workers Law to provide a sixty-day notice to employees who become dislocated due to a sale, transfer, merger, and other business transaction.

The measure requires an employer to pay a civil penalty of \$500 for each day of the violation for failing to provide the required notice.

Testimony in support of this measure was received from the ILWU Local 142 and the Hawaii State AFL-CIO. Opposing testimony was received from the Chamber of Commerce of Hawaii, the Society for Human Resource Management – Hawaii Chapter (SHRM), the Retail Merchants of Hawaii, and the Hawai'i Hotel & Lodging Association. The Department of Labor and Industrial Relations provided comments.

The Hawai'i Hotel & Lodging Association expressed concerns that this measure will include a sale of an establishment that does not affect the status of the employees. Language, agreed upon by the Hawai'i Hotel & Lodging Association and the ILWU Local 142, has been added in Section 2 of this bill and discussed in the following paragraph in section (2)(a).

Your Committee has amended this bill by:

- (1) Amending the definition of "divestiture" to limit the scope of the measure to only cover the types of business transactions that cause the employee to become a dislocated worker.
- (2) Amending Section 394B-9, Hawaii Revised Statutes (HRS) by:
 - (A) Adding a new section (c) to exempt a covered establishment which is actively seeking a buyer for a sale, transfer, or merger until such time the sale, transfer, or merger results in a divestiture. If the transaction results in a divestiture then the covered establishment shall meet the requirements of this chapter; and
 - (B) Adding language to require that the money collected from the civil penalty be deposited in the Employment and Training Fund of section 383-128, HRS.
- (3) Amending the effective date to upon its approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1503, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1503, 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. 1605 Judiciary and Labor on H.B. No. 1246

The purpose of this measure is to establish a felony offense of theft of copper.

Your Committee held a hearing on this bill along with H.B. No. 373, S.D.1, on scrap dealers. Your Committee received testimony in support of these bills from the Honolulu Police Department, the Honolulu Prosecutor's Office, Hawaiian Electric Company, Kuliouou/Kalani Iki Neighborhood Board #2, the Attorney General's Office, and the State Department of Transportation. Your Committee received testimony in opposition to these bills from the Public Defender's Office, Okuda Metal, Inc., and Schnitzer Steel Hawaii Corp.

Your Committee finds that besides making the theft of copper a felony, there should be regulations on the sale and purchase of scrap metal by dealers. Scrap dealers transacting the sale of stolen copper contribute to the commission of the criminal conduct.

Your Committee amended the bill by:

- (1) Incorporating the scrap dealer regulation of H.B. No. 373, S.D.1;
- (2) Retaining the existing seller's agent language to keep their transactions lawful;
- (3) Defining copper more completely; and
- (4) Requiring the reporting of suspicious sales.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1246, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1246, 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, 1 (Nishihara).

SCRep. 1606 Judiciary and Labor on H.B. No. 1155

The purpose of this measure is to clarify the calculation of the value of damage to agricultural products to include future losses and the loss of future production.

Your Committee received testimony in support of the bill from the Honolulu Prosecutor's Office, Alexander and Baldwin, and Hawaii Crop Improvement Association. There was no opposition to the bill.

Your Committee finds that vandalism, theft, and arson are critical problems that have a significant impact upon Hawaii's agricultural industry. This bill will strengthen the present law in calculating damages.

Your Committee amended the bill to change the effective date from January 1, 2112 to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 1607 Judiciary and Labor on H.B. No. 1406

The purpose of this measure is to expand the offenses of endangering the welfare of a minor in the first and second degree to include all controlled substances not prescribed by a physician. The measure also makes unlawful the acts of permitting a minor to inject a controlled substance, the acts of permitting a minor to inject or inhale a controlled substance that has not been prescribed by a physician for the minor.

Currently, with regard to illicit drug use, the law only recognizes the act of an individual who causes or permits a minor to inject methamphetamine as an offense under endangering the welfare of a child. This bill expanded to prohibit all controlled substances.

Your Committee received testimony in support of the bill from the Attorney General's Office and from the Department of Public Safety. The Public Defender opposed the bill.

Your Committee amended the bill to clarify that it is unlawful if the controlled substance taken was not prescribed for the minor. Your Committee also amended the bill to make the effective date July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1406, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1406, 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, 1 (Kokubun).

SCRep. 1608 Judiciary and Labor on H.B. No. 1152

The purpose of this measure is to conform Hawaii's extended term sentencing law to address the constitutional issues raised in federal court cases as to its permissible parameters.

Your Committee received testimony in support of the bill from the Attorney General's Office and the Honolulu Prosecutor's Office. The Public Defender's Office provided comments on the bill.

Recent federal court cases have held that any fact, other than prior convictions, that increases the penalty for a crime beyond the ordinary statutory maximum, must be submitted to a jury and proved beyond a reasonable doubt. This measure imposes the proof "beyond a reasonable doubt" standard as determined by a jury in order to conform to these recent federal court rulings.

Your Committee amended the bill by deleting references to the term "poses" since it was a vague standard in determining dangerousness. Your Committee also amended the bill by changing the effective date from January 1, 2112 to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor 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, 4. Noes, none. Excused, 1 (Kokubun).

SCRep. 1609 Judiciary and Labor on H.B. No. 451

The purpose of this measure is to establish the graffiti eradication sentencing program within the Judiciary to coordinate the implementation, scheduling, and monitoring of graffiti eradication activities for graffiti offenders who have been sentenced to community service.

This measure also amends the offense of aggravated criminal property damage, section 708-823.5, Hawaii Revised Statutes, by deleting the five year look-back period to make the defendant subject to the charge of aggravated criminal property damage as long as the defendant has two prior convictions for criminal property damage, regardless of when they occurred.

Your Committee received testimony in support of this measure from the Downtown Neighborhood Board No. 13, Hui o Makiki, and a concerned citizen. The Judiciary offered comments on the measure.

Your Committee has amended this measure by deleting its contents and replacing them with the provisions of Senate Bill No. 228, S.D. 1, and Senate Bill No. 676, S.D. 1. As amended, this measure:

- (1) Provides that if a minor is found to have committed an act constituting graffiti, the court shall:
 - (A) Require the minor, the minor's parents, or the minor's legal guardians to remove the graffiti from the affected property within sixty days of the order and pay for the cost of paint and materials; and
 - (B) Order the minor to perform a minimum of eighty hours of community service to remove graffiti from other properties;
- (2) Reduces the number of criminal property damage convictions in the preceding five years necessary to charge a person with aggravated criminal property damage from two to one; and

- (3) Requires a person convicted of aggravated criminal property damage to perform eighty hours of community service eradicating graffiti, at the person's own expense if necessary; provided that the community service time increases to one hundred-sixty hours if the person has a prior conviction for aggravated criminal property damage.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 451, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 451, 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, 1 (Nishihara).

SCRep. 1610 Judiciary and Labor on H.B. No. 1818

The purpose of this measure is to permit the state and county government to rehire retired employees as permanent employees in critical-to-fill or labor-shortage positions, including exempt positions or positions exempt from the civil service laws, without affecting the retirement benefits of the rehired retirees.

Your Committee circulated a proposed Senate Draft 1 on March 30, 2007, and held a hearing on April 3, 2007. The purpose of the proposed draft is to close a loophole that could potentially allow a department head of an executive department to remain in a holdover capacity indefinitely. This loophole circumvents the constitutional requirement that the Senate advise and consent to all nominations made by the Governor for heads of executive departments.

Opposing testimony was received from the Department of Human Resources Development, Department of Land and Natural Resources, Department of Business, Economic Development & Tourism, and the Attorney General.

The Attorney General acknowledged Legislature's power in this measure by stating ". . . the Legislature's power to terminate the office of a cabinet director who is not renominated, and that the Legislature may do so, for example, as of the forty-fifth day of the legislative session following the expiration of the term of office of the cabinet member."

The Attorney General provided language stating "[u]pon the expiration of the term of a single executive department head, there shall be a vacancy, and if the single executive whose term expired is not nominated by the governor and confirmed by the senate by the end of the next regular session of the senate immediately following the expiration of the term creating the vacancy, that single executive shall cease to hold office, including in the capacity of a holdover, upon the end of that regular session of the senate."

The measure has been amended by:

- (1) Incorporating the language recommended by the Attorney General in Section 1 of the measure;
- (2) Changing the submission deadline for the Governor to submit a nomination from the forty-fifth to the forty-first day of a regular session;
- (3) Adding new language to provide that, in the event that the Governor does not designate an officer or employee to fill the vacant office within sixty days of the vacancy, certain senior employees of a respective department shall serve as the temporary executive; and
- (4) Adding new language to Section 2 that explicitly states that section 26-33, Hawaii Revised Statutes, does not affect the members of boards and commissions, except when the chair of a board or a commission is the executive of a department.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1818, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1818, 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, none.

SCRep. 1611 Judiciary and Labor on H.B. No. 1130

The purpose of this measure is to:

- (1) Clarify the treatment of internet activity under the campaign spending law;
- (2) Require noncandidate committees to register earlier under certain circumstances;
- (3) Modify the electronic filing law, including extending mandatory electronic filing to noncandidate committees and Board of Education candidates;
- (4) Clarify provisions related to caps on contributions from nonresident individuals and persons;
- (5) Reinstate language in section 11-209(a), Hawaii Revised Statutes, that was deleted by Act 203, Session Laws of Hawaii 2005, pertaining to eligibility of candidates for the Office of the Prosecuting Attorney for partial public financing;
- (6) Increase the amounts available to candidates who apply for partial public financing; and
- (7) Make technical changes relating to filing deadlines and filing periods.

Your Committee received testimony in support of this measure from the Campaign Spending Commission and a member of the Hawaii County Council. Voter Owned Elections Hawaii, the president of Hawaii Clean Elections, a member of the League of Women Voters and numerous individuals testified in support of the bill if amended to include comprehensive public funding provisions.

Your Committee finds it inappropriate to restrict the number of fundraising events that a candidate is permitted to hold based solely on whether the candidate is running for a statewide election.

Accordingly, your Committee, with the concurrence of the State Campaign Spending Commission Executive Director, has amended this measure by:

- (1) Adding a new section to the bill that amends section 11-203, Hawaii Revised Statutes, to delete subsections (b) and (d); and

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1130, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1130, 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. 1612 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 257

The purpose of this measure is to protect agricultural land by among other things:

- (1) Restricting use of agricultural land to agribusiness or subsistence farming in the county zoning and subdivision proceedings;
- (2) Clarifying that single-family dwellings and guest cottages in agricultural subdivisions without agribusiness, agricultural activity, or subsistence farming, are prohibited in agricultural districts;
- (3) Discontinuing the use of land study bureau soil classifications to categorize uses in agricultural districts;
- (4) Allowing agricultural lands to be subdivided and leased for permitted uses; provided that the principal use is for agricultural activities or agribusiness;
- (5) Increasing minimum lot sizes in agricultural districts from one acre to five acres; and
- (6) Requiring county special permits for rural district lands greater than fifteen acres and agricultural lands to be subject to the approval of the Land Use Commission.

Testimony in support of this measure was submitted by the Department of Agriculture; the Office of Planning, Department of Business, Economic Development, and Tourism; a Council Member, County of Maui; the Sierra Club, Hawai'i Chapter; and the Land Use Research Foundation of Hawaii. Testimony in opposition to this measure was submitted by the Dole Food Company Hawaii and the Hawaii Association of Realtors. The Department of Planning and Permitting, City and County of Honolulu and three individuals submitted comments.

Your Committee finds that similar provisions of this measure have been heard, decided on, and crossed over from the House of Representatives in S.B. No. 1236, S.D. 1, H.D. 1. Accordingly, your Committee has amended this measure by deleting its contents and replacing it with language from S.B. No. 1925, S.D. 2, which requires the State, in a combined effort with all state departments and agencies, to develop and maintain sustainable communities that will:

- (1) Generate at least fifty per cent of all of its energy requirements for the entire community under development, including but not limited to, residential homes and areas and services for and used by the entire community under development;
- (2) Implement a comprehensive recycling program that will enable the community to divert at least seventy-five per cent of its solid waste from the landfills;
- (3) Implement an extensive community wastewater recycling and treatment management system that would enable the community under development to treat and recycle all of its wastewater for landscaping water requirements onsite of the community and any agricultural water irrigation requirements offsite of the community;
- (4) Protect and preserve open space by designating at least fifty per cent of the entire tract of land for the residential community for open space; provided that:
 - (A) Open space shall not include areas designated for golf courses; and
 - (B) Open space shall include the shoreline, if the planned community abuts and includes shoreline space;
- (5) Promote and encourage visitation to any nearby cultural or historical sites, public beaches, shores, trails, and other outdoor recreational areas by not restricting public access to these areas; and
- (6) Provide affordable housing units by designating and reserving at least forty per cent of all of its residential units within the planned community for affordable housing units for residents to enable them to stay in Hawaii and provide shelter for their families.

Your Committee has further amended this measure to provide that state-issued permits to develop such communities would be expedited and receive priority over the processing of permit applications for the development of nonsustainable community development projects.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 257, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 257, 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, 3. Noes, none. Excused, 2 (Fukunaga, Slom).

SCRep. 1613 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 659

The purpose of this measure is to establish kalo, or taro, as the official state plant of Hawaii.

Testimony in support of this measure was submitted by three individuals.

Taro is sacred to Native Hawaiians and is an integral part of the Native Hawaiian culture. Taro is a culturally significant plant to the kanaka maoli, Hawaii's indigenous people. According to the kumulipo, the Hawaiian creation chant, Hawaiian genealogy emerges from the kalo plant. Taro holds great cultural and historic meaning to Native Hawaiians and is highly respected. Your Committee finds that establishing the kalo plant as the official state plant will ensure continued respect for this sacred ancestor of the Native Hawaiian people.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 659, H.D. 2, 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, none. Excused, 2 (Hee, Slom).

SCRep. 1614 Judiciary and Labor on H.B. No. 1909

The purpose of this measure is to establish legislative standards of conduct committees to enforce the Legislature's standards of conduct.

Your Committee received testimony in support of the intent of this measure from the League of Women Voters of Hawaii. The Hawaii State Ethics Commission commented on this measure.

Your Committee finds that public officials are rightfully held to high standards of conduct, and that it is important to impose stringent requirements to enhance public trust.

Accordingly, your Committee has amended this measure by deleting its contents and:

- (1) Adding a new section within chapter 78, HRS, Public Service, to require all elected officials to submit to testing for illegal drugs;
- (2) Adding a new section in chapter 84, HRS, entitled "employment of spouses; restrictions" with language derived from federal law governing executive branch employees' dealings with relatives pursuant to 5 U.S.C. section 3110;
- (3) Adding a new section to chapter 97, HRS, entitled "spouses of legislators; lobbying restricted" patterned after section 113 of United States Senate Bill 1, the proposed Legislative Transparency and Accountability Act of 2007, regarding prohibition against official contact with the spouse or immediate family member of a member of the United States Senate who is a registered lobbyist; and
- (4) Changing its effective date to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1909, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1909, HD1, SD1, 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. 1615 Judiciary and Labor on H.B. No. 676

The purpose of this measure is to protect pet animals and deter animal abuse by, among other things:

- (1) Expanding and clarifying the offense of cruelty to animals to include the following actions:
 - (A) Depriving a pet animal of necessary sustenance;
 - (B) Forcing another person to injure or kill a pet animal;
 - (C) Recklessly injuring or killing a pet animal with the intent to frighten or intimidate another person; or
 - (D) Recklessly disregarding the risk of frightening or intimidating another person.
- (2) Requiring a person convicted of such actions to be ordered to attend counseling to treat their behavior at their own expense.

Testimony in support of this measure was received from VOICES (the formerly battered women's caucus of Hawai'i) and a private citizen. Testimony in support of amending this measure to incorporate the provisions of SB 1665 was received from the Department of the Prosecuting Attorney, City and County of Honolulu. Testimony supporting raising the penalty from a misdemeanor to a felony was received from the Humane Society of the United States, the Hawaii Cat Foundation and three private citizens. The Animal CARE Foundation and eight private citizens submitted testimony opposing the measure because they believed the measure did not provide adequate penalties and should expand the law to cover inhumane treatment of other animals. One private citizen opposed the measure. Horizon Pest Management asked for the exemption of "lawful acts of pest control operators licensed by chapter 460J, Hawaii Revised Statutes (H.R.S.).

Your Committee has amended the measure by incorporating the provisions of SB 1665 which, among other things, includes the following:

- (1) Raising the penalty from a misdemeanor to a felony;
- (2) Creating a new offense of aggravated cruelty to pet animals and a definition for "pet animal";
- (3) Including endangering an animal by transporting the animal in the back of a pickup without properly restraining the animal; and
- (4) Exempting lawful acts of a pest control operator

licensed by chapter 460J, H.R.S.

It is the Committee's intent that this measure not pertain to the lawful and humane operations of breeders of pet animals. In applying the term "necessary sustenance", it should be narrowly construed as to provide access to water, food, shelter, veterinarian care, and adequate exercise.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 676, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 676, 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, 3. Ayes with Reservations, 1 (Gabbard). Noes, none. Excused, 2 (Inouye, Nishihara).

SCRep. 1616 Ways and Means on H.B. No. 1569

The purpose of this measure is to appropriate funds to pay for collective bargaining cost items, salary increases, and cost adjustments for employees in collective bargaining unit (10) and their excluded counterparts.

Your Committee received comments from the Office of Collective Bargaining.

Your Committee finds that negotiations between the State and the exclusive representative of collective bargaining unit (10) are currently in progress. Accordingly, this measure must be kept alive as a vehicle for making the necessary appropriations.

Your Committee has amended this measure by:

- (1) Appropriating funds for the Hawaii employer-union health benefits trust fund costs;

- (2) Specifying a figure of \$1 for each item of appropriation; and
- (3) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1569, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1569, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1617 Ways and Means on H.B. No. 1345

The purpose of this measure is to make emergency appropriations for emergency relief operations as a result of the October 15, 2006, Kiholo Bay earthquake.

The measure also provides funds to ensure that water irrigation sources in the North Hawaii island are sustained for the agricultural sector.

Your Committee received comments in support of this measure from the Department of Defense, the Department of Education, the Department of Land and Natural Resources, the Department of Accounting and General Services, the Department of Health, the University of Hawaii, the Judiciary, the Kohala Ditch Project Committee, the Mayor of Hawaii County, and the Daughters of Hawaii.

Your Committee has amended the measure by substituting its contents with Senate Bill No. 1431, S.D. 2, with minor changes, which provides the following:

- (1) An appropriation of \$900,000 for operational expenses associated with earthquake disaster recovery efforts, including, but not limited to national guard personnel on state active duty and helicopter operating expenses, also expenses associated with the October 15, 2006, Kiholo Bay earthquake disaster recovery efforts in the counties of Hawaii, Maui, Kauai, and the city and county of Honolulu;
- (2) An appropriation of \$24,000,000 from the emergency and budget reserve fund for earthquake disaster recovery projects to include the twenty-five per cent non-federal cost share for all earthquake disaster recovery projects and the National Resources Conservation Service's watershed protection program; and
- (3) Reporting to the Legislature by each department or agency expending funds authorized by this bill organized by county with expenditure summaries including dates, purpose and description, identification of recipients, and other related data.

As affirmed by the record of votes of the members 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. 1345, 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. 1345, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1618 Ways and Means on H.B. No. 155

The purpose of this measure is to increase the ability of the telescopes on Mauna Kea and Haleakala to conduct research by reducing artificial light from new installations at airports, harbors, and highways.

The Department of Transportation, the Institute for Astronomy at the University of Hawaii, and a Maui county councilmember submitted comments in support of the measure.

Your Committee finds that the telescope research conducted at the astronomy observatories on Mauna Kea and on Haleakala is world renowned. The sites are at risk because of increasing artificial light sources, particularly from airports, harbors, and highways.

The measure requires the Department of Transportation, in compliance with newer, stricter statutes, ordinances, and rules, to reduce artificial light at airports, harbors, and highways, to the extent practicable.

Your Committee has amended the measure by:

- (1) Adding a new part II, which requires the Department of Transportation to include biofuel storage and transmission infrastructure in all harbor improvement master plans to reduce Hawaii's dependence on oil imports;
- (2) Replacing the phrase "regarding the same area" with "regarding outdoor lighting" in sections 262- and 266- to clarify that the county ordinances relate to outdoor lighting and not the geographic locations cited;
- (3) Clarifying that only new installations of highway lighting are subject to section 264- , rather than all undefined new installations; and
- (4) Making technical nonsubstantive changes for the purposes of clarity, style, 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. 155, 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. 155, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1619 Ways and Means on H.B. No. 400

The purpose of this measure is to provide funding for drought mitigation projects and measures in each county and to appropriate funds for irrigation system capital improvement projects.

Three members of the Maui County Council, the Hawaii Farm Bureau, the County of Kauai Department of Water, and the Hawaii Agriculture Research Center submitted comments in support of the measure. The Department of Agriculture and the Department of Land and Natural Resources commented on the bill.

Your Committee finds that agriculture, and particularly crop production, is an important part of Hawaii's economy. Droughts can affect crop yields, the livestock industry, water supply, commerce, the environment, and public health.

Your Committee finds that an appropriation is necessary to further develop and implement previously developed drought plans. In addition, an appropriation is necessary to maintain and improve a reliable irrigation system on each island to ensure the viability of Hawaii's agricultural industry.

Your Committee has amended the measure by:

- (1) Directly appropriating the proceeds of the general obligation bonds authorized, rather than depositing those funds into the irrigation repair and maintenance fund in section 4 of the bill;
- (2) Changing the appropriations to unspecified amounts; and
- (3) Changing the effective date of the Act from upon approval 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. 400, 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. 400, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Whalen).

SCRep. 1620 Ways and Means on H.B. No. 1322

The purpose of this measure is to establish fees under the insurance code for licenses and services relating to limited line motor vehicle rental company producers.

Furthermore, this measure eliminates the requirement that licensed adjusters and independent bill reviewers must have and maintain a place of business in this State.

Your Committee received comments in support of this measure from the Department of Commerce and Consumer Affairs, Insurance Division.

Your Committee finds that this measure will correct an inadvertent error from a prior year's act which repealed the fee provisions rather than simply move them from one article of the code to another article, as had been intended. Your Committee also finds that by eliminating the requirement of having a place of business in this State, this measure will recognize the place where transactions are principally conducted as the place of business of adjusters and independent bill reviewers.

As affirmed by the record of votes of the members 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. 1322, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Chun Oakland, Menor).

SCRep. 1621 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 419 and 356

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF OAHU

G.M. No. 419 CHARLES ANDREW EHRHORN, for a term to expire 6-30-2011;

ISLAND BURIAL COUNCIL, ISLANDS OF KAUA'I AND NI'HAU

G.M. No. 356 CLISSON KUNANE AIPOALANI, for a term to expire 6-30-2010

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Charles Andrew Ehrhorn (Island of Oahu) and Clisson Kunane Aipoalani (Islands of Kaua'i and Ni'ihau) and to have the necessary qualifications to be nominated to the Island Burial Council.

Testimony in support of Charles Andrew Ehrhorn's nomination was submitted by the Department of Land and Natural Resources, and four individuals.

Mr. Ehrhorn received his Bachelor of Architecture from the University of Oregon and his Master of Regional Planning at Cornell University. He has extensive experience in architecture, land use, and regional planning, and spent over twenty years with Campbell Estate as an Asset Manager and Land Planning Coordinator and Manager before becoming a Consultant for C & J Land Planning, LLC in 2003. Mr. Ehrhorn is completing his first term on the Island Burial Council and is seeking a second term representing large property owners on Oahu. During his recent term, he has done an excellent job in providing the Council and the community with valuable land use and land development knowledge, experience, and insights. His demonstrated experience in land use and planning, and commitment to the Council during his last term makes him a valuable asset to the Island Burial Council, Island of Oahu.

Testimony in support of Clisson Kunane Aipoalani's nomination was submitted by the Department of Land and Natural Resources and two individuals.

Mr. Aipoalani is a graduate of Waimea High School and received his Associate of Arts degree in Data Processing and Business Management from Heald Business College. After an honorable discharge from the United States Army, he went on to hold various accounting clerk and data processing positions with AMFAC Sugar/Kekaha Sugar Co. Ltd., AMFAC Land Company, and Kauai Teacher Federal Credit Union. Currently, he serves as a Transportation Clerk at ITT Industries. Mr. Aipoalani is being nominated to represent the Waimea region on the Island Burial Council, Islands of Kaua'i and Ni'ihau. He has extensive knowledge and experience in caring for and protecting the iwi and is committed to continuing the legacy of the kupuna. He has a strong connection to the Waimea District on Kauai where his family still maintains their family gravesite at Po'oahonu. Mr. Aipoalani has the understanding and requisite cultural sensitivity to serve on and will be a valuable asset to the Island Burial Council, Islands of Kaua'i and Ni'ihau.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, 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, 1 (Hee).

SCRep. 1622 (Joint) Education and Energy and Environment on S.C.R. No. 194

The purpose of this measure is to protect people and property by requesting the University of Hawaii to conduct a study on the molucca albizia tree.

Testimony in support of this measure was submitted by the Hawaii Forest Industry Association, Paradise Park, Inc., and the Ala Wai Watershed Association.

Your Committees find that the molucca albizia was first introduced to Hawaii in 1917 as an ornamental tree and is now present on every island in the State. The molucca albizia has adapted to the semi-moist areas below 1,500 feet in elevation, can grow to more than one hundred feet tall, and has soft and brittle wood that makes its large branches susceptible to breaking in high winds. Your Committees further find that these attributes make the molucca albizia potentially dangerous to people and property in close proximity to it, including watershed areas. This measure requests the University of Hawaii to study the molucca albizia tree to determine whether and how it may be eradicated from Hawaii. Your Committees believe that this study is necessary to protect the health and safety of the State's residents.

Your Committees have amended this measure by adding language to request the University of Hawaii to include in its study, an inventory of trees and necessary components for eradication pilot projects in areas in addition to Manoa and the Ala Wai watershed.

As affirmed by the records of votes of the members of your Committees on Education and Energy and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 194, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 194, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Gabbard).

SCRep. 1623 (Joint) Education and Tourism and Government Operations on S.C.R. No. 42

The purpose of this measure is to increase experiential learning opportunities throughout the State by requesting the Department of Education to provide a percentage preference to contractors who offer experiential learning opportunities in competitive sealed bids or requests for proposals and include a requirement for experiential learning opportunities in competitive sealed bids criteria or evaluation factors for requests for proposals.

Testimony in support of this measure was submitted by the Workforce Development Council. Testimony in opposition to this measure was submitted by the Department of Education. Comments on this measure were submitted by the Department of Accounting and General Services and the State Procurement Office.

Your Committees find that the State needs to focus efforts and resources on developing a highly qualified and skilled workforce to meet the changing needs of the State. Experiential learning is one way by which students can benefit from the opportunities to learn and gain experience in various fields while businesses can also benefit from additional assistance and workforce development. Experiential learning is learning through actual experience, allowing students to test academic theories through real world applications. Your Committee believes that experiential learning provides students with an invaluable opportunity to relate their studies to real world experiences.

Your Committees further find that construction is a strong component of Hawaii's economy. The supply of building trade artisans needs to be augmented in order to meet the needs of Hawaii's growing and booming construction industry. This measure seeks to meet the needs of the workforce and the construction industry by requesting the Department of Education to favorably consider bids or requests for proposals that include experiential learning opportunities when securing services for public school capital improvement projects. Testimony provided questioned the propriety of establishing preferences, when the same or similar end can be accomplished through including experiential learning opportunities as a requirement for sealed bids criteria or in evaluation factors for requests for proposals. Testimony provided also indicated that this practice may be readily instituted by any government agency, with the Department of Accounting and General Services representing that it would consider the practice as well.

Accordingly, your Committees have amended this measure and its title by:

- (1) Encouraging the Department of Education and the Department of Accounting and General Services to provide experiential learning opportunities for students by including an experiential learning opportunity requirement in sealed bid criteria and in the evaluation factors for requests for proposals and changing the title and content of this measure to reflect this change;
- (2) Removing language regarding the establishment of a percentage preference for contractors offering experiential learning opportunities in competitive sealed bids or requests for proposals; and
- (3) Including a reporting requirement for the Department of Accounting and General Services on its efforts to support experiential learning opportunities under this measure.

As affirmed by the records of votes of the members of your Committees on Education and Tourism and Government Operations 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, 6. Noes, none. Excused, 4 (Chun Oakland, Hee, Taniguchi, Tsutsui).

SCRep. 1624 (Joint) Education and Tourism and Government Operations on S.R. No. 22

The purpose of this measure is to increase experiential learning opportunities throughout the State by requesting the Department of Education to provide a percentage preference to contractors who offer experiential learning opportunities in competitive sealed bids or requests for proposals and include a requirement for experiential learning opportunities in competitive sealed bids criteria or evaluation factors for requests for proposals.

Testimony in support of this measure was submitted by the Workforce Development Council. Testimony in opposition to this measure was submitted by the Department of Education. Comments on this measure were submitted by the Department of Accounting and General Services and the State Procurement Office.

Your Committees find that the State needs to focus efforts and resources on developing a highly qualified and skilled workforce to meet the changing needs of the State. Experiential learning is one way by which students can benefit from the opportunities to learn and gain experience in various fields while businesses can also benefit from additional assistance and workforce development. Experiential learning is learning through actual experience, allowing students to test academic theories through real world applications. Your Committee believes that experiential learning provides students with an invaluable opportunity to relate their studies to real world experiences.

Your Committees further find that construction is a strong component of Hawaii's economy. The supply of building trade artisans needs to be augmented in order to meet the needs of Hawaii's growing and booming construction industry. This measure seeks to meet the needs of the workforce and the construction industry by requesting the Department of Education to favorably consider bids or requests for proposals that include experiential learning opportunities when securing services for public school capital improvement projects. Testimony provided questioned the propriety of establishing preferences, when the same or similar end can be accomplished through including experiential learning opportunities as a requirement for sealed bids criteria or in evaluation factors for requests for proposals. Testimony provided also indicated that this practice may be readily instituted by any government agency, with the Department of Accounting and General Services representing that it would consider the practice as well.

Accordingly, your Committees have amended this measure and its title by:

- (1) Encouraging the Department of Education and the Department of Accounting and General Services to provide experiential learning opportunities for students by including an experiential learning opportunity requirement in sealed bid criteria and in the evaluation factors for requests for proposals and changing the title and content of this measure to reflect this change;
- (2) Removing language regarding the establishment of a percentage preference for contractors offering experiential learning opportunities in competitive sealed bids or requests for proposals; and
- (3) Including a reporting requirement for the Department of Accounting and General Services on its efforts to support experiential learning opportunities under this measure.

As affirmed by the records of votes of the members of your Committees on Education and Tourism and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 22, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 22, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 4 (Chun Oakland, Hee, Taniguchi, Tsutsui).

SCRep. 1625 (Joint) Health and Education on S.C.R. No. 113

The purpose of this measure is to increase public awareness and prevention of skin cancer.

Specifically, this measure:

- (1) Encourages the Department of Health to:
 - (A) Develop a program, that includes public service announcements, to educate all residents and visitors on the dangers of skin cancer and the importance of sun protection;
 - (B) Develop a program to encourage residents to receive regular skin cancer screenings from their health care provider; and
 - (C) Examine the benefits of dark automobile window tinting for persons with skin conditions that make them more sensitive to sunlight;
- (2) Urges the Department of Health to:
 - (A) Work with the Department of Education to develop and implement a program in all public schools to educate Hawaii's students on the dangers of sun exposure and the ways that they may protect themselves against skin cancer; and
 - (B) Begin data collection on the incidence of all forms of skin cancer among residents of Hawaii, including melanoma, basal cell carcinoma, and squamous cell carcinoma; and
- (3) Encourages the Department of Health to develop a program to encourage residents to receive regular skin cancer screenings from their health care provider.

Testimony in support of this measure was submitted by the University of Hawai'i and one individual. Comments supporting the intent of this measure were submitted by the Department of Education and the Department of Health.

Your Committees find that citizens of and visitors to Hawaii are exposed to high doses of ultraviolet radiation from the sun on a daily basis. Your Committees further find that ninety per cent of all skin cancer cases are developed from sun exposure that is easily preventable by using simple protection measures.

Your Committees further find that valuable state resources could be saved through prevention efforts including public education and awareness campaigns and by tracking incidences of skin cancer to better understand its causes and effects in Hawaii.

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 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, 10. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1626 (Joint) Health and Education on S.R. No. 70

The purpose of this measure is to increase public awareness and prevention of skin cancer.

Specifically, this measure:

- (1) Encourages the Department of Health to:
 - (A) Develop a program, that includes public service announcements, to educate all residents and visitors on the dangers of skin cancer and the importance of sun protection;
 - (B) Develop a program to encourage residents to receive regular skin cancer screenings from their health care provider; and
 - (C) Examine the benefits of dark automobile window tinting for persons with skin conditions that make them more sensitive to sunlight;
- (2) Urges the Department of Health to:
 - (A) Work with the Department of Education to develop and implement a program in all public schools to educate Hawaii's students on the dangers of sun exposure and the ways that they may protect themselves against skin cancer; and
 - (B) Begin data collection on the incidence of all forms of skin cancer among residents of Hawaii, including melanoma, basal cell carcinoma, and squamous cell carcinoma; and
- (3) Encourages the Department of Health to develop a program to encourage residents to receive regular skin cancer screenings from their health care provider.

Testimony in support of this measure was submitted by the University of Hawai'i and one individual. Comments supporting the intent of this measure were submitted by the Department of Education and the Department of Health.

Your Committees find that citizens of and visitors to Hawaii are exposed to high doses of ultraviolet radiation from the sun on a daily basis. Your Committees further find that ninety per cent of all skin cancer cases are developed from sun exposure that is easily preventable by using simple protection measures.

Your Committees further find that valuable state resources could be saved through prevention efforts including public education and awareness campaigns and by tracking incidences of skin cancer to better understand its causes and effects in Hawaii.

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 concur with the intent and purpose of S.R. No. 70 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 10. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1627 Health on S.C.R. No. 212

The purpose of this measure is to examine all relevant issues, other than medical malpractice liability and insurance premiums, which may contribute to the exodus of physicians from the State.

Your Committee received testimony in support of this measure with comments from the Consumer Lawyers of Hawaii and the Department of Health.

Your Committee finds that a severe shortage of physicians currently exists in Hawaii. The actual cause of this shortage needs to be ascertained so as to not exacerbate the physician shortage in the future.

Your Committee amended this measure by including the State's Department of Labor and Industrial Relations Workforce Development Council, a representative of Consumer Lawyers of Hawaii, and a representative of the health professional organizations in the task force membership.

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. 212, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 212, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1628 Health on S.C.R. No. 202

The purpose of this measure is to ensure that the children in Hawaii are adequately protected from the pneumococcal disease by requesting the Department of Health to review the State's vaccination requirements and to determine whether vaccination for this disease should be added to the current list of required vaccinations.

Your Committee received testimony in support of this measure from Wyeth Pharmaceuticals and one individual. Your Committee received testimony in opposition to this measure from the Department of Health.

Your Committee finds that the pneumococcal conjugate vaccine has been shown to be safe, effective, and widely available. However, many children in Hawaii are still unprotected against the potentially fatal infections caused by the invasive pneumococcal disease.

Your Committee further finds that the Department of Health stated in its testimony that they have already began the process of convening an Administrative Rules Working Group that will update the school immunization requirements. It is the intent of your Committee that this measure serve to encourage the Department of Health to expedite this process in light of the urgent need to have appropriate and up-to-date immunization requirements that will protect the health of children in 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. 202 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1629 Health on S.R. No. 129

The purpose of this measure is to ensure that the children in Hawaii are adequately protected from the pneumococcal disease by requesting the Department of Health to review the State's vaccination requirements and to determine whether vaccination for this disease should be added to the current list of required vaccinations.

Your Committee received testimony in support of this measure from Wyeth Pharmaceuticals and one individual. Your Committee received testimony in opposition to this measure from the Department of Health.

Your Committee finds that the pneumococcal conjugate vaccine has been shown to be safe, effective, and widely available. However, many children in Hawaii are still unprotected against the potentially fatal infections caused by the invasive pneumococcal disease.

Your Committee further finds that the Department of Health stated in its testimony that they have already began the process of convening an Administrative Rules Working Group that will update the school immunization requirements. It is the intent of your Committee that this measure serve to encourage the Department of Health to expedite this process in light of the urgent need to have appropriate and up-to-date immunization requirements that will protect the health of children in 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. 129 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1630 (Joint/Majority) Intergovernmental and Military Affairs and Transportation and International Affairs on S.C.R. No. 216

The purpose of this measure is to request that Hawaii's Congressional Delegation support the Global Democracy Promotion Act.

Your Committees did not receive testimony on this measure.

Your Committees find that the "Global Gag Rule" was implemented in 2001 by President George W. Bush and is a harmful policy that bans foreign family planning programs that receive financial aid from the United States, from using their own moneys to provide counseling on abortion services, family planning advocacy, referrals, and other services to women.

Your Committees further find that the "Global Gag Rule" undermines a key goal of United States foreign policy to improve healthcare in developing nations and is the cause of the deaths of some of the poorest women in the world.

Your Committees further find that, according to the World Health Organization, over 80,000 women and girls die from unsafe abortions every year and that number is expected to reach as many as 200,000.

Your Committees further find that the Global Democracy Promotion Act makes clear that funds from the United States may not be denied to overseas nongovernmental organizations based on the type of medical services provided.

It is the intent of your Committees to request that Hawaii's Congressional Delegation support the Global Democracy Promotion Act, which would repeal the "Global Gag Rule" and release much-needed funds for international family planning programs.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 216 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 4. Noes, 2 (Gabbard, Hemmings). Excused, 2 (Hooser, Taniguchi).

SCRep. 1631 (Joint/Majority) Intergovernmental and Military Affairs and Transportation and International Affairs on S.R. No. 140

The purpose of this measure is to request that Hawaii's Congressional Delegation support the Global Democracy Promotion Act.

Your Committees did not receive testimony on this measure.

Your Committees find that the "Global Gag Rule" was implemented in 2001 by President George W. Bush and is a harmful policy that bans foreign family planning programs that receive financial aid from the United States, from using their own moneys to provide counseling on abortion services, family planning advocacy, referrals, and other services to women.

Your Committees further find that the "Global Gag Rule" undermines a key goal of United States foreign policy to improve healthcare in developing nations and is the cause of the deaths of some of the poorest women in the world.

Your Committees further find that, according to the World Health Organization, over 80,000 women and girls die from unsafe abortions every year and that number is expected to reach as many as 200,000.

Your Committees further find that the Global Democracy Promotion Act makes clear that funds from the United States may not be denied to overseas nongovernmental organizations based on the type of medical services provided.

It is the intent of your Committees to request that Hawaii's Congressional Delegation support the Global Democracy Promotion Act, which would repeal the "Global Gag Rule" and release much-needed funds for international family planning programs.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 140 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 4. Noes, 2 (Gabbard, Hemmings). Excused, 2 (Hooser, Taniguchi).

SCRep. 1632 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 64

The purpose of this measure is to promote increased self-governance by Hawaiian homestead community organizations over the affairs of their distinct Native Hawaiian communities on Hawaiian Home Lands by requesting the Department of Hawaiian Home Lands to establish a Hawaiian homestead community self-governance task force.

Specifically, this measure requests that the task force review the steps necessary for the State to delegate authorities relating to the administration of the Hawaiian Homes Commission Act, 1920, as amended, to democratically-elected Hawaiian homestead community self-governance organizations, including criteria, methods or procedures, and requirements that will be necessary to develop, implement, and effectuate the delegation of administrative authority.

Testimony in support of this measure was submitted by the Department of Hawaiian Home Lands, Hui Kako`o `Aina Ho`opulapula, and the Waimea Hawaiian Homesteaders' Association, Inc.

Act 302, Session Laws of Hawaii 2001, was enacted to promote increased self-governance by Hawaiian homestead community organizations over the affairs of their distinct Native Hawaiian communities on Hawaiian Home Lands. Although Act 302, now codified under section 201.6 of the Hawaiian Homes Commission Act, 1920, as amended, is currently pending consent by the United States Congress, Hawaiian homestead community organizations want to begin the process of implementing section 201.6. Thus, your Committee finds that establishing a Hawaiian homestead community self-governance task force will assist in moving this process forward, and enable discussion, and the development and implementation of the steps that will be necessary to delegate authorities relating to the Hawaiian Homes Commission Act, 1920, as amended, to Hawaiian homestead community self-governance organizations.

Your Committee has amended this measure by clarifying throughout the measure that the purpose of the task force will be to develop and review the steps necessary to delegate authorities to Hawaiian homestead community self-governance organizations rather than merely review the steps.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 64, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 64, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hee).

SCRep. 1633 Ways and Means on H.B. No. 1435

The purpose of this measure is to specify what constitutes private funds for the purposes of the matching requirements under Act 97, Session Laws of Hawaii 2006.

This measure also extends until June 30, 2009, the date on which funds appropriated by Act 97, Session Laws of Hawaii 2006, shall lapse.

Your Committee received comments in support of the measure from the State Foundation on Culture and the Arts, the Honolulu Symphony, the ILWU, Local 142, and several concerned citizens.

Your Committee finds that Act 97 appropriated general funds for fiscal year 2006-2007 into the State of Hawaii endowment fund for the production of music by an Oahu-based symphony orchestra. The Act requires matching private funds, but does not specify the forms in which the private funds can be made.

Your Committee has amended this measure by making technical nonsubstantive 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 H.B. No. 1435, 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. 1435, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Kim, Whalen).

SCRep. 1634 Ways and Means on H.B. No. 310

The purpose of this measure is to establish a Hawaii Broadband Task Force to create a Hawaii statewide internet access plan for the development of a high-speed internet broadband system.

Your Committee received comments in support of this measure from the University of Hawaii, NovSol, Global Brain, and three concerned citizens. The Department of Accounting and General Services and the Department of Business, Economic Development, and Tourism submitted comments on the measure. A concerned citizen submitted comments opposed to the measure.

Your Committee has amended the measure by:

- (1) Changing the composition of the Task Force to include:
 - (A) An unspecified number of members of the Senate Committee on Economic Development and Taxation, appointed by the President of the Senate;
 - (B) An unspecified number of members of the House of Representatives Committee on Economic Development and Business Concerns appointed by the Speaker of the House of Representatives;
 - (C) Representatives from federal, state, and county government entities;
 - (D) Representatives from Hawaii's private sector technology, telecommunication, and investment industries; and
 - (E) Representatives of nonprofit organizations; and
- (2) Requiring the Task Force to:
 - (A) Identify action that will produce increased investment in, and the availability of advanced broadband capabilities at more affordable rates;

- (B) Identify administrative actions that will promote broadband access and usage within the State;
- (C) Recommend proposals to eliminate barriers to broadband access;
- (D) Focus attention on broadband use by educational, healthcare, and other institutions;
- (E) Consult with stakeholders to obtain funding for broadband deployment and development projects;
- (F) Identify best practices to establish a database for deploying broadband; and
- (G) Encourage government agencies to use broadband and to study the feasibility of, and the utility of various services that broadband provides.

As affirmed by the record of votes of the members 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. 310, 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. 310, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Whalen).

SCRep. 1635 (Majority) Ways and Means on H.B. No. 777

The purpose of this measure is to recruit and retain qualified teachers for employment in rural schools in the State.

Specifically, this measure creates a new educator loan forgiveness program within the Department of Education similar to the educator loan program within the University of Hawaii that seeks to recruit and retain teachers for employment in hard-to-fill positions in the Hawaii public schools.

Your Committee received comments in support of this measure from the Hawaii State Teachers Association. The Department of Budget and Finance offered comments in opposition. The Department of Education and the University of Hawaii offered comments.

Your Committee finds that this measure will result in creating a program and special fund within the Department of Education that are parallel to an existing program and special fund within the University of Hawaii.

Accordingly, upon further consideration, your Committee has amended this measure to:

- (1) Delete the proposed educator loan forgiveness program and special fund;
- (2) Expand the existing Hawaii educator loan program within the University of Hawaii by adding to it the new features of the deleted educator loan forgiveness program;
- (3) Deleting the redundant forgiveness, repayment, and collection provisions of the Hawaii educator loan program in section 304A-702, Hawaii Revised Statutes, as they are now contained in section 304A-701;
- (4) Deleting the appropriations for the erstwhile educator loan forgiveness program special fund; and
- (5) Making technical nonsubstantive amendments for the purposes of clarity and style.

As a result of these amendments, the State will avoid inefficiency and confusion of having two parallel programs operate within the Department of Education and the University of Hawaii. Your Committee finds that the consolidated and expanded Hawaii educator loan program incorporates the recruitment and retention of teachers to teach in rural areas of 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 H.B. No. 777, 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. 777, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Whalen).

SCRep. 1636 Ways and Means on H.B. No. 1787

The purpose of this measure is to promote the application for energy efficiency performance contracts by state agencies.

Specifically, this measure:

- (1) Replaces the definition of "energy-savings performance contract" with "energy performance contract" along the lines of how that term is defined in section 36-41(d), Hawaii Revised Statutes;
- (2) Extends the maximum term of energy performance contracts from fifteen to twenty years;
- (3) Includes commissioning and retro-commissioning in the definition of energy performance contracts for state facilities;
- (4) Deletes provisions authorizing the Comptroller and Director of Finance to exempt an energy project from advertising and competitive bidding requirements; and
- (5) Allows the Comptroller, rather than the senior agency officer, along with the Director of Finance to approve any alterations of energy performance contracting.

Comments in support of this measure were submitted by the Department of Business, Economic Development, and Tourism, the Department of Accounting and General Services, the Hawaii Energy Policy Forum, Honolulu Seawater Air Conditioning, LLC, the Sierra Club, Hawaii Chapter, and thirteen concerned individuals. Hawaiian Electric Company submitted comments on this measure.

Your Committee finds that extending the duration of energy performance contracts from fifteen to twenty years, and providing greater flexibility in the procurement exemption process for state energy projects will lead to the promotion of energy efficiency in state contracting. As a result, the State as a whole will experience greater conservation and energy efficiency. Your Committee further finds that it is important to

include commissioning and retro-commissioning in the definition of energy performance contracts for state facilities to ensure that energy performance meets and continues to meet established criteria.

Your Committee has amended this measure by:

- (1) Adding definitions of “commissioning” and “retro-commissioning”; and
- (2) Replacing “section 103D-208” with the words “or their designees” at page 5, line 6.

As affirmed by the record of votes of the members 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. 1787, 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. 1787, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1637 Ways and Means on H.B. No. 1670

The purpose of this measure is to create the Ingenuity Company, a private, for-profit limited liability company that will assist inventors and other creators of intellectual property and benefit the education and workforce development sectors.

Specifically, Ingenuity Company will:

- (1) Acquire, invest in, license, use, and sell intellectual property and other property for the overall benefit of inventors, labor unions, and public educators; and
- (2) Uphold the intellectual property rights of, and ensure fair labor practices and health and environmental standards for, inventors and creators of intellectual property.

Comments in support of this measure were received by the Hawaii State Teachers Association, the Professional Inventors Alliance, Unite Here Local 5 Hawaii, Vivalog Technologies, and two individuals. The Department of Budget and Finance submitted comments in opposition. The Department of Education and the Department of Business, Economic Development, and Tourism submitted comments.

Your Committee finds that Hawaii needs to attract inventors and other creators of intellectual property to diversify and strengthen the State’s economy and build its reputation as a center of innovation. Your Committee also finds that the Ingenuity Company, which will be governed by a Board of Directors representing both the creators of intellectual property and educational or labor beneficiaries, is an opportunity to fund educational initiatives contributing to workforce skills needed in a global economy.

Your Committee has amended this measure by:

- (1) Deleting the provision that required the Board of Directors to meet on the second Tuesday of each month to provide a general requirement that the Board shall meet monthly;
- (2) Delete the provision authorizing the managing member to appoint board members; and
- (3) Making technical nonsubstantive changes for the purposes of 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. 1670, 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. 1670, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1638 Ways and Means on H.B. No. 226

The purpose of this measure is to reduce greenhouse gas emissions in Hawaii.

Specifically, this measure:

- (1) Requires the Department of Health to establish a statewide greenhouse gas emissions limit, equivalent to the statewide levels in 1990, which must be met by 2020;
- (2) Requires the Department to adopt rules relating to greenhouse gas emission limits and emission reduction measures to achieve the maximum technologically feasible and cost-effective reductions;
- (3) Requires the Department to regularly report and verify statewide greenhouse gas emissions and also to monitor and enforce compliance; and
- (4) Authorizes the adoption of market-based mechanisms as a means of ensuring compliance.

Your Committee received comments in support of this measure from the Sierra Club, Hawaii Chapter, Honolulu Seawater Air Conditioning, L.L.C., and forty-eight concerned individuals. The Department of Business, Economic Development, and Tourism and the Hawaiian Electric Company submitted comments on this measure.

Your Committee finds that it is essential that Hawaii make progress in its efforts to reduce emissions of greenhouse gases. A comprehensive statewide greenhouse gas reduction program will serve as an example to other states, but will also position the State’s economy, technology centers, financial institutions, and businesses to benefit from national and international efforts to reduce emissions of greenhouse gases.

Your Committee finds that, to fully create a comprehensive strategy for reducing greenhouse gas emissions in the State, the scope of the problem must be fully known. Your Committee believes that an inventory of greenhouse gas sources must be made prior to the implementation of any emissions reduction plan.

Accordingly, your Committee has amended this measure by:

- (1) Adding provisions, designated as part I, to:

- (A) Require the Department of Health to inventory Hawaii emissions sources and prepare an update to "Inventory of Hawaii Greenhouse Gas Emissions Estimates for 1990," to be submitted to the Legislature in 2008 and 2009;
- (B) Appropriate moneys for the preparation of the inventory and the update;
- (C) Appropriate moneys to the Hawaii Energy Policy Forum of the University of Hawaii at Manoa to convene stakeholders to develop a plan with a timetable for greenhouse gas emissions reductions;
- (2) Making the effective date of the foregoing provisions July 1, 2007;
- (3) Designating the existing provisions of the measure as part II and renumbering all sections consecutively; and
- (4) 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 H.B. No. 226, 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. 226, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1639 (Majority) Ways and Means on H.B. No. 1356

The purpose of this measure is to support former foster youths.

Specifically, the measure increases the age up to which a former foster youth can apply for board allowance while pursuing higher education from twenty-one to twenty-six and establishes that the maximum duration of board allowance is sixty months.

The Legal Aid Society of Hawaii, the Hawaii Family Forum & the Roman Catholic Church in Hawaii, and the Hawaii Youth Services Network submitted comments in support of the measure. The Department of Human Services submitted comments.

Your Committee finds that this measure improves education prospects of former foster youths. Under current law, there is only a short timeframe during which a former foster youth can apply for certain benefits and often, the former foster youths are not aware of becoming eligible for these benefits upon reaching majority.

Your Committee finds that increasing the age of eligibility of former foster youths to apply for board allowance and consequently to lengthen the timeframe during which they can apply for this benefit provides the former foster youths with an opportunity to pursue higher education and to become a well- educated adult.

Your Committee amended the measure by making a technical nonsubstantive amendment to comply with Ramseyer formatting conventions.

As affirmed by the record of votes of the members 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. 1356, 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. 1356, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Menor).

SCRep. 1640 Ways and Means on H.B. No. 104

The purpose of this measure is to meet rising health care costs and ensure that Hawaii's residents have continued access to quality health care.

This measure accomplishes this purpose by:

- (1) Establishing a process by which medicaid fee-for-service individual provider reimbursement rates are increased annually for inflation;
- (2) Retroactively adjusting for inflation, payments made to providers of hospital outpatient services and other individual providers to account for the lack of a rate increase for the past five years; and
- (3) Appropriating funds:
 - (A) To increase the medicaid fee schedule to one hundred per cent of the medicare fee schedule for the current year;
 - (B) To adjust for inflation payments made to medicaid fee-for-service hospitals during fiscal biennium 2005-2007; and
 - (C) For the State's portion of the federal disproportionate share hospital allowance.

Your Committee received comments in support of this measure from Hawaii Health Pacific, the Hawaii Medical Services Association, the Chamber of Commerce of Hawaii, the Hawaii Primary Care Association, and the American Physical Therapy Association, Hawaii chapter. The Department of Human Services and the Healthcare Association of Hawaii offered comments.

Upon further consideration, your Committee has amended this measure by changing all appropriated amounts to unspecified amounts for the purpose of facilitating 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. 104, 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. 104, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1641 Ways and Means on H.B. No. 1008

The purpose of this measure is to establish the Hawaii children's health care program and the Hawaii infant care program as temporary three-year pilot programs to expand and monitor health care coverage for certain eligible children in Hawaii.

Specifically, this measure:

- (1) Provides continuous, quality health care services to uninsured newborn children who are one day, but not more than thirty days of age through the Hawaii infant care program; provided that these children may enroll in the Hawaii children's health care program upon reaching thirty-one days of age;
- (2) Provides health care coverage to certain uninsured children who are at least thirty-one days, but less than nineteen years old through a public-private partnership between the Department of Human Services and one or more managed care plans operating in the State under chapter 432, Hawaii Revised Statutes, that offers accident and health or sickness insurance plans;
- (3) Provides medical care free-of-charge for certain children less than nineteen years of age whose family income is at or below three hundred per cent of the federal poverty level for Hawaii;
- (4) Provides medical assistance under QUEST-Net at no charge to children less than nineteen years of age whose family income is above two hundred fifty per cent and does not exceed three hundred per cent of the federal poverty level for Hawaii and who are otherwise eligible for QUEST-Net benefits;
- (5) Requires the Department of Human Services to submit to the Legislature a report on the pilot programs prior to the convening of the 2008 Regular Session, and annually, thereafter; and
- (6) Makes appropriations.

Your Committee received comments in support of this measure from the Hawaii Primary Care Association, the Hawaii Family Forum, the Roman Catholic Church in Hawaii, Hawaii Pacific Health, and the Hawaii Medical Services Association. The Department of Human Services and the Attorney General offered comments.

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

- (1) Clarifying that children to be served must live in Hawaii to avoid the ambiguity of Hawaii residency requirements; and
- (2) Changing all appropriated amounts to unspecified amounts for the purpose of facilitating 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. 1008, 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. 1008, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1642 Ways and Means on H.B. No. 367

The purpose of this measure is to reduce the incidence of alcohol and drug abuse.

Specifically, this measure:

- (1) Encourages emergency room physicians to offer to refer patients whom they believe abuse drugs or alcohol, to alcohol and drug abuse screening and counseling; and
- (2) Appropriates an unspecified amount to establish a two-year pilot program, to be administered by the John A. Burns School of Medicine, to offer screening, brief intervention, and treatment referral, within the emergency department of a major urban medical facility in Honolulu.

Your Committee received comments in support of this measure from the Office of the Lieutenant Governor and the Board of Medical Examiners. The Department of Health, the University of Hawaii John A. Burns School of Medicine, and a concerned licensed social worker submitted comments.

Your Committee finds that screening, counseling, and referral to treatment programs are effective techniques to reduce alcohol and drug problems. An emergency room setting offers an opportunity when patients are most receptive to intervention and counseling to address underlying drug or alcohol issues. Your Committee further finds that this measure provides a means to maximize this opportune moment to intervene and offer outreach to help treat drug and alcohol problems.

Your Committee has amended this measure by removing the existing language and replacing it with S.B. No. 1481, S.D. 2, which establishes and funds a pilot program for screening, brief intervention, and referral to substance abuse treatment. Your Committee believes the language of S.B. No. 1481, S.D. 2, more clearly describes the model federal program upon which the envisioned pilot program is based.

As affirmed by the record of votes of the members 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. 367, 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. 367, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1643 Ways and Means on H.B. No. 531

The purpose of this measure is to study the feasibility of expanding Hawaii's early intervention section to continue services for children three to five years of age.

Specifically, this measure creates a temporary "Hawaii 3-5 transition" task force convened by the Department of Health to identify the potential number of children for various program services, research evidence-based practices, define an array of services, project costs, conduct a needs assessment of families, and report to the Legislature not later than twenty days prior to the convening of the Regular Session of 2008. The report is to include recommendations regarding the feasibility of expanding Hawaii's early intervention section to serve children between the ages of three to five years of age with developmental delays and, if feasible, eligibility and service models, and implementation plan, and a timeline to begin services. The measure also appropriates \$120,000 for fiscal year 2007-2008 to fund the operation of the task force.

Your Committee received comments in support of this measure from the Department of Education, the State Council on Developmental Disabilities, the Good Beginnings Alliance, the Hawaii Down Syndrome Congress, the Aloha Place, and eleven individuals. The Department of Health and the Center on Disability Studies offered comments.

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

- (1) Clarifying in the purpose section that Section 619 of Part B of the Individuals with Disabilities Education Improvement Act implements the earlier landmark Public Law 94-142, known as the Individuals with Disabilities Education Act, which ensures a free and appropriate public education for individuals with disabilities;
- (2) Changing the \$120,000 appropriating amount to an unspecified amount for the purpose of facilitating further discussion; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 531, 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. 531, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1644 Ways and Means on H.B. No. 1746

The purpose of this measure is to extend the sunset date of the law permitting employee organizations to establish a voluntary employees' beneficiary association trust.

The measure also requires a report to the Legislature on the status of the trust two years after implementation and then annually.

The Hawaii State Teachers Association and five individuals submitted comments in support of the measure. The Hawaii Government Employees Association submitted comments. The Department of Budget and Finance submitted comments in opposition to the measure.

Your Committee finds that permitting employee organizations to establish a voluntary employees' beneficiary association trust in addition to the existing Hawaii Employer-Union Health Benefits Trust Fund provides certain employees with an alternative for their health benefit needs. In addition, the existence of an additional health benefits trust fund can achieve substantial savings for the State and improved services for the members through competing health services.

Your Committee amended the measure by correcting an erroneous statement in the purpose section about the duration of the pilot program by changing the reference from eight years to three, the length established under the original act.

As affirmed by the record of votes of the members 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. 1746, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1746, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1645 (Majority) Ways and Means on H.B. No. 859

The purpose of this measure is to clarify that certain statutory actions shall not be used to invalidate collective bargaining agreements in effect on and after June 30, 2007 and that such actions may be included in collective bargaining agreements.

Your Committee received comments in support of this measure from the Hawaii Government Employees Association/AFSCME and the Hawaii State Teachers Association. The Department of Human Resources Development, the Office of Collective Bargaining, the Department of Transportation, the Department of Education, the Judiciary, the City and County of Honolulu Police Department, the Department of Human Resources of the County of Hawaii, and the County of Hawaii Police Department offered comments in opposition.

Your Committee finds that this measure clarifies the scope of permissible topics of negotiation in the existing collective bargaining law between the public employer and the exclusive representative of the bargaining unit by clarifying which topics are not excluded in those negotiations.

Your Committee has amended this measure by:

- (1) Changing the effective date of the measure to July 1, 2007; and
- (2) Correcting the date of reenactment of section 89-9(d), Hawaii Revised Statutes, from July 1, 2007 to July 1, 2008.

As affirmed by the record of votes of the members 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. 859, 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. 859, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Ayes with Reservations, 1 (Kim). Noes, 2 (Hemmings, Whalen). Excused, none.

SCRep. 1646 Ways and Means on H.B. No. 1500

The purpose of this measure is to temporarily increase the maximum weekly unemployment benefit amount to seventy-five per cent of an average weekly wage.

Generally, the measure also temporarily increases to \$150, the weekly earnings disregarded by an employee and increases the taxable wage base for an employee to \$13,000. The measure also changes the requirements of the adequate reserve fund to reflect the temporary change.

Your Committee received comments in support of the measure from the Hawaii State AFL-CIO, the Retail Merchants of Hawaii, the Chamber of Commerce of Hawaii, and the ILWU Local 142. The Attorney General submitted comments on this measure. The National Federation of Independent Businesses submitted comments in opposition to the measure.

Your Committee finds that unemployment benefits are necessary to allow an unemployed worker to pay for necessities of life during periods of unemployment. The benefits enable the local workforce to remain self-sufficient and independent while seeking gainful employment.

Your Committee has amended the measure by:

- (1) Clarifying the calculation of the adequate reserve fund for years 2008 to 2010; and
- (2) 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 H.B. No. 1500, 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. 1500, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Ayes with Reservations, 1 (Whalen). Noes, none. Excused, 1 (Menor).

SCRep. 1647 Ways and Means on H.B. No. 1570

The purpose of this measure is to appropriate funds to pay for the salary increases and collective bargaining cost items for collective bargaining unit (11).

The foregoing includes contributions to the Hawaii Employer-Union Health Benefits Trust Fund, for employees in collective bargaining unit (11) and for their excluded counterparts.

Your Committee received comments in support of the measure from the Hawaii Firefighters Association. Comments were received from the Office of Collective Bargaining.

Your Committee finds that the funding amounts for salary increases and cost items have been finalized pursuant to both arbitration and agreement.

Your Committee has amended this measure by inserting the finalized dollar amounts for the respective 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. 1570, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1570, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1648 Ways and Means on H.B. No. 379

The purpose of this measure is to increase fees and travel-related allowances paid to witnesses in criminal cases.

Specifically, the measure increases:

- (1) Witnesses' daily fees from \$20 to \$55; and
- (2) Per diem payment to witnesses who travel from out of state, and witnesses who travel inter-island and stay overnight, from \$110 to \$160 per day to attend court proceedings.

The Prosecuting Attorney of the City and County of Honolulu submitted comments in support of this measure. The Department of Budget and Finance submitted comments.

Your Committee finds that the Judiciary may need time to accommodate the increase in costs of fees and travel-related allowances to witnesses and to adopt any new forms necessary to reflect these changes. Accordingly, your Committee has amended this measure by changing the effective date to January 1, 2008.

As affirmed by the record of votes of the members 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, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 379, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1649 Ways and Means on H.B. No. 497

The purpose of this measure is to create additional bikeways.

More specifically, the bill requires the Department of Transportation to use at least two per cent of eligible federal funds and available state funds out of the state highway fund to build multi-use paths, bicycle paths, bicycle lanes and bikeways. In addition, the measure requires bicycling community representation as part of a public process to determine location and signage.

The American Association of Retired Persons, the Hawaii Bicycling League, the Oahu Sierra Club, and three individuals submitted comments in support of the measure.

Your Committee finds that there are not sufficient bikeways to accommodate commuters and people looking for alternative transportation, given Hawaii's ideal weather conditions and gentle terrain. Safe bikeways would provide for healthy commuting between home and the workplace as well as for other short trips.

This measure guarantees a dedicated funding source and minimum budget to create additional bikeways, in accordance with the recent vote to make the City and County of Honolulu more bicycle-friendly.

Your Committee amended the bill by deleting repetitious language on page 3, lines 19-21.

As affirmed by the record of votes of the members 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. 497, 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. 497, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1650 Ways and Means on H.B. No. 1605

The purpose of this measure is to alleviate traffic congestion, maximize traffic flow, and enhance driver safety on Maui.

Specifically, this measure appropriates funds for the development and implementation of an intelligent transportation system architectural plan for Maui, including a Maui traffic control center.

Your Committee received comments in support of this measure from one Maui County Council member.

Your Committee finds that traffic delays continue to intensify on Maui, creating slow transit times for commuters and public safety issues. Your Committee finds that an intelligent transportation system applies communications and information technology to resolve traffic control issues and reduce congestion. Intelligent transportation systems use a combination of field devices, including traffic cameras, linked with a traffic control center to monitor traffic conditions and provide timely traffic information to drivers and authorities. Accordingly, your Committee believes that this measure will provide a solution to many of Maui's traffic problems.

Your Committee has amended this measure by:

- (1) Changing the source of funds appropriated from general revenues to the state highway fund;
- (2) Adding language to clarify that the project is necessary to qualify for federal aid; and
- (3) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the members 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. 1605, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1605, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1651 Ways and Means on H.B. No. 249

The purpose of this measure is to further hunting tourism.

More specifically, the bill:

- (1) Provides for a fee of \$95 for a seven-day hunting license on a private and commercial shooting preserve;
- (2) Exempts from the hunter education program a person who obtains the seven-day license and is accompanied by a licensed hunting guide; and
- (3) Allows the Department of Land and Natural Resources to set fees for private and commercial shooting preserves and farmer's licenses.

The Hawaii Rifle Association and the Palawai Outfitters submitted comments in support of the measure. The Department of Land and Natural Resources submitted comments. One individual submitted comments in opposition to the measure.

Your Committee finds that hunting tourism is underdeveloped in Hawaii and that the proposed amendments to this bill permit tourists and visitors to pursue hunting activities on private and commercial shooting preserves while in Hawaii.

Your Committee amended the measure by:

- (1) Adding provisions for a three-day hunting license on a private or commercial shooting preserve for a fee of \$50; and
- (2) Incorporating the Department of Land and Natural Resources recommendations regarding additional requirements for persons obtaining a three-day or a seven-day hunting license.

As affirmed by the record of votes of the members 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. 249, 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. 249, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1652 Ways and Means on H.B. No. 34

The purpose of this measure is to require the Employees' Retirement System to:

- (1) Identify and scrutinize companies having business operations in Sudan in which the Employees' Retirement System has direct or indirect holdings or could possibly have such holdings in the future;
- (2) Require the Employees' Retirement System to follow specified notice procedures to warn those companies of a possible divestment of stock by the Employees' Retirement System; and
- (3) Require the divestment if companies do not take corrective action to refrain from doing business in Sudan.

Your Committee received comments in support of the measure from the League of Women Voters of Hawaii, the Hawaii Coalition for Dafur, Humanity United, the University of Hawaii Professional Assembly, the Hawaii Committee for Africa, the Center for Law and Social Strategy, the Hawaii Family Forum and the Hawaii Catholic Conference, the Hawaii Reserves, Kaimuki Christian Church, and a number of concerned citizens. Comments were received from the Employees' Retirement System.

Your Committee finds that placing economic pressure on the Sudanese government by prohibiting the Employees' Retirement System from investing in companies that do business with Sudan is an important step to be taken to remedy the tragic situation in the Darfur Region of Sudan.

Your Committee has amended this measure by adopting changes that were recommended by the Employees' Retirement System. Specifically, your Committee has amended this measure by:

- (1) Recasting the measure as an uncodified session law;
- (2) Changing the definition of a "scrutinized" company by replacing specific percentages with the qualitative terms "material" and "most";
- (3) Extending the deadline for compiling the scrutinized companies list from ninety to one hundred and eighty days;
- (4) Allowing divestment to be postponed if the Employees' Retirement System determines that a company is making sufficient progress towards the cessation of scrutinized active business operations;
- (5) Replacing the phased divestment schedule with an eighteen-month deadline;
- (6) Authorizing the Employees' Retirement System to relax a divestment schedule if divestment will result in public fund losses exceeding fifty basis points;
- (7) Eliminating the requirement that a copy of the annual report to the Legislature be sent to the United States Presidential Envoy to Sudan;
- (8) Allowing the Employees' Retirement System to not take any action that is not consistent with obligations under the exclusive benefit rule; and
- (9) Deleting a redundant provision on enforcement by the Attorney General.

Your Committee 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. 34, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 34, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1653 Ways and Means on H.B. No. 250

The purpose of this measure is to allow the Aloha Tower Development Corporation to assist the Department of Transportation, Harbors Division, in the development of needed commercial harbor facilities at Honolulu Harbor.

Your Committee received comments in support of the measure from the Department of Business, Economic Development, and Tourism, Aloha Tower Development Corporation, the Department of Transportation, the Hawaii Harbor User Group, the Chamber of Commerce of Hawaii, and Alexander & Baldwin, Inc.

Your Committee finds that a partnership between the Department of Transportation and the Aloha Tower Development Corporation for the development of Honolulu Harbor infrastructure projects will lead to an expedited execution of the projects and hence meet the critical demand for harbor expansion and upgrades.

Your Committee amended the bill to allow Aloha Tower Development Corporation to assist the Hawaii Community Development Authority in the development of projects in the Kewalo basin and its adjacent lands.

As affirmed by the record of votes of the members 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. 250, 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. 250, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1654 Ways and Means on H.B. No. 399

The purpose of this measure is to appropriate funds for the operating expenses of the Hawaii Association of Conservation Districts.

Your Committee received comments in support of the measure from the Department of Land and Natural Resources, the Department of Agriculture, the Puna Soil and Water Conservation District, the Central Maui Soil and Water Conservation District, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau Federation, the Hawaii Crop Improvement Association, the Windward Soil and Water Conservation District, the Maui County Farm Bureau, and one individual.

Your Committee finds that the Hawaii Association of Conservation Districts is not sufficiently funded to operate all sixteen soil and water conservation districts properly.

Your Committee finds that an appropriation resolves this issue.

Your Committee amended the measure by changing the appropriation from \$500,000 to an unspecified amount to 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. 399, 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. 399, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1655 Ways and Means on H.B. No. 1221

The purpose of this measure is to create a livestock revitalization and food security program to administer and disburse funds to qualified cattle, dairy, hog, and poultry farms.

Your Committee received comments in support of this measure from the Department of Agriculture, the University of Hawaii, the Hawaii Farm Bureau Federation, the Hawaii Teamsters and Allied Workers Local 996, Kauai Kunana Dairy, and the Hawaii Egg Producers Association. HY-Land Ranch and Ulehawa Farm, Inc. submitted comments in support of the measure with amendments.

Your Committee finds that within the past year, two egg farms and one dairy farm have gone out of business due to production cost increases, largely attributed to the rising cost of feed for livestock animals. Such closures increase the State's dependence on imported foods and threaten the State's food security and ability to achieve agricultural self-sufficiency.

Closure of local dairies and poultry farms also mean local consumers can no longer buy fresh, locally produced milk, chickens, beef, pork, and eggs. Without these local industries, these commodities would have to be imported into the State, incurring up to ten days of shipping, decreasing the overall quality of these products, especially the fresh milk and eggs.

This measure would allow the livestock industry to invest in modern equipment, expand and improve their herds and flocks, and develop new markets and products to ultimately stabilize their operations and become more competitive with mainland suppliers.

Your Committee has amended the measure by removing the provision requiring the Department of Agriculture to adopt rules to effectuate the purposes of this Act.

As affirmed by the record of votes of the members 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. 1221, 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. 1221, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1656 Ways and Means on H.B. No. 1270

The purpose of this measure is to enhance the ability of the Office of Planning to manage and coordinate a statewide geographic information and data integration program.

Specifically, this measure clarifies the Office of Planning's role in maintaining and coordinating a statewide enterprise geographic information system. This measure also appropriates an unspecified amount for the state geographic information system software enterprise license agreement, and a further unspecified amount for deposit into the statewide geospatial information and data integration special fund. This measure finally appropriates an unspecified amount to the Office of the Auditor for the development of the Hawaii 2050 Sustainability Plan.

Your Committee received comments in support of this measure from the Department of Land and Natural Resources, the Board of Agriculture, the State Office of Planning, the Hawaii Community Development Authority, the Department of Planning and Permitting of the City and County of Honolulu, and the Pacific Disaster Center.

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

- (1) Inserting a new part III to clarify that the Director of the Office of Planning, on the day after the 2006 general election, and any director thereafter to serve in that capacity, shall submit to the advice and consent of the Senate, and renumbering remaining parts and sections consecutively;
- (2) Inserting language to promote and encourage open and free data sharing among all government agencies; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1270, 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. 1270, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (Chun Oakland, English, Tokuda, Whalen).

SCRep. 1657 Ways and Means on H.B. No. 902

The purpose of this measure is to achieve long-term agricultural viability and use of important agricultural lands by establishing an important agricultural land agricultural business tax credit.

Specifically, this measure:

- (1) Creates a nonrefundable tax credit that staggers the percentage of costs claimable under the tax credit over a five-year period;
- (2) Reduces the tax credit by the amount of funds received by an agricultural business during the taxable year from the Irrigation Repair and Maintenance Special Fund under section 167-24, Hawaii Revised Statutes;
- (3) Appropriates an unspecified amount to the Department of Taxation for the costs to administer the Important Agricultural Land Agricultural Business Tax Credit; and
- (4) Appropriates an unspecified amount to the Department of Agriculture for the costs to administer the Important Agricultural Land Agricultural Business Tax Credit.

Testimony in support of this measure was submitted by the Hawaii Farm Bureau Federation; the Hawaii Crop Improvement Association; the Land Use Research Foundation of Hawaii; the Hawaiian Electric Company; the Maui Electric Company, Ltd.; Hawaii Electric Light Company, Inc.; Alexander and Baldwin, Inc.; the Hawaiian Commercial and Sugar Company; and the Kauai Coffee Company, Inc. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

In 2005, the Legislature enacted Act 183, Session Laws of Hawaii 2005, to preserve, protect, and ensure the availability of agriculturally suitable lands, and established a process to identify incentives to encourage farmers and landowners to designate their lands as important agricultural lands. Your Committee finds that establishing a tax credit incentive program for agricultural businesses on important agricultural lands will assist in enhancing the agricultural viability on important agricultural lands.

The Department of Taxation submitted to the previous committee a fiscal impact statement that indicated that the revenue loss to the State would be approximately \$27,800,000 annually. In its methodology, the Department stated that qualifying inflation-adjusted farm expenses totals about \$70,600,000, based on 2002 Bureau of Census data, and estimated that one-half of farm land would qualify as important agricultural lands. In 2006, allocations from the Irrigation Repair and Maintenance Special Fund were approximately \$15,000,000, and an estimated fifty per cent of that would be designated as important agricultural lands. (\$35,300,000 - \$7,500,000 = \$27,800,000).

Your Committee has amended this measure by:

- (1) Adopting the technical amendments suggested by the Department of Taxation for the purposes of clarity and consistency;
- (2) Clarifying that the Department of Agriculture shall submit a report with an evaluation of the effectiveness of the tax credit to the Legislature prior to the convening of each Regular Session;
- (3) Clarifying that the effective date of this measure is upon its approval and that the appropriation sections are effective on July 1, 2007, to avoid redundancy in this measure and to promote further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of style 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. 902, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 902, H.D. 2, S.D. 3.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (Chun Oakland, Menor).

SCRep. 1658 Commerce, Consumer Protection and Affordable Housing on H.B. No. 10

The purpose of this measure is to make rebate agreements between drug manufacturers and the Department of Human Services mandatory.

This measure also requires the Department of Human Services to inform health care providers about drug costs for manufacturers with rebate agreements and those without rebate agreements.

Your Committee received written comments in support of this measure from the ILWU Local 142, AARP Hawaii, the National Multiple Sclerosis Society, Child and Family Service, the Hawaii Alliance for Retired Americans, the Policy Board for Elder Affairs, the Social Justice Council of the First Unitarian Church of Honolulu, and one individual. Written comments in opposition to this measure were submitted by the Pharmaceutical Research and Manufacturers of America.

Your Committee finds that requiring, rather than allowing (as in existing law), drug manufacturers or labelers to make rebate payments to the State will result in lower prices than currently offered through the Rx Plus Program. Your Committee believes Hawaii residents deserve open access to the most appropriate medications, without any restrictions, at reasonable prices.

Your Committee has amended this measure to 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 Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 10, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 10, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, none.

SCRep. 1659 Commerce, Consumer Protection and Affordable Housing on H.B. No. 71

The purpose of this measure is to monitor and evaluate the quality of nurse aides practicing in the State by providing a process for the certification and recertification of nurse aides who work in nursing facilities participating in Medicare and Medicaid programs and in other state-licensed and state-certified health care settings.

Written comments in support of this measure were submitted by the Department of Commerce and Consumer Affairs, the Department of Human Services, the Healthcare Association of Hawaii, and Hawaii Long Term Care Association. Written comments were also submitted by the Department of Health.

Your Committee finds that nurse aides provide a valuable service in the health care community by assisting nurses in a variety of health care settings. Many become nurse aides on the path toward becoming licensed practical nurses or registered nurses. Your Committee further finds that in order to ensure minimum levels of competency and for the health and safety of patients, nurse aides in Hawaii should be regulated. This measure establishes procedures for the certification and recertification of nurse aides, including those who work in state-licensed and state-certified health care settings that do not receive Medicare or Medicaid funding. Your Committee determines that the regulation of nurse aides will allow the Departments of Commerce and Consumer Affairs, Human Services, and Health to appropriately monitor and evaluate the quality and competency of nurse aides practicing in the State.

Accordingly, your Committee has amended this measure by making numerous technical, nonsubstantive changes for purposes of clarity and style, including, among other things:

- (1) Clarifying that Medicare or Medicaid nurse aides shall not be charged for maintenance of the nurse aide registry; and
- (2) Providing internal references to new sections.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 71, 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. 71, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, none.

SCRep. 1660 (Majority) Commerce, Consumer Protection and Affordable Housing on H.B. No. 1456

The purpose of this measure is to ensure that individuals living in rural areas of the State have access to appropriate mental health care services by authorizing appropriately trained and supervised psychologists to prescribe psychotropic medications for the treatment of mental illness.

Your Committee received written comments in support of this measure from the American Psychological Association, the Hawai'i Psychological Association, the Hawaii Medical Service Association, the Hawai'i Primary Care Association, the Executive Director of the West Hawaii Community Health Center, the Board of the West Hawaii Community Health Center, Papa Ola Lokahi, Hamakua Health Center, Ho'ola Lahui Hawai'i, the Waikiki Health Center, the Community Clinic of Maui, Kokua Kalihi Valley, Molokai Community Health Center, the Medical Director of the Waianae Coast Comprehensive Health Center, and four individuals.

Written comments in opposition to this measure were received from the Board of Medical Examiners, the Hawaii Psychiatric Medical Association, the Hawaii Disability Rights Center, the O'ahu affiliate of the National Alliance on Mental Illness, the Hawai'i Society of Addiction Medicine, and sixty individuals.

The Board of Psychology submitted written comments.

Your Committee finds that there is limited access to mental health care treatment services for those living in the rural areas of the State.

Your Committee further finds that the delivery of comprehensive, accessible, and affordable mental health care may be enhanced by providing trained and supervised psychologists with limited prescriptive authority for the specific purpose of providing care in federally qualified health centers. This measure will address the urgent need for timely, appropriate, and cost-effective mental health and pharmacological services for qualified health centers that are most in need of psychologists with prescriptive authority.

Your Committee has amended this measure by:

- (1) Placing the Department of Commerce and Consumer Affairs in charge of the advisory committee created by section 465-H, Hawaii Revised Statutes, rather than the Department of Health; and
- (2) 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 Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1456, 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. 1456, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 3. Ayes with Reservations, 1 (Espero). Noes, 1 (Slom). Excused, 2 (Ihara, Sakamoto).

SCRep. 1661 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1479

The purpose of this measure is to require group health issuers to offer all group health plans to self-employed individuals in their service areas.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs, the Hawaii Association of Realtors, and the Maui Chamber of Commerce. The Hawaii Association of Health Plans submitted written comments in opposition to this measure. The Hawaii Medical Service Association submitted written comments.

Your Committee finds that presently, there is no mandate that group health insurers offer group health plans to self-employed individuals. This measure will require group health insurers to offer group health plans and will also allow insurers to impose certain limitations with regard to the timing of enrollment and reenrollment in order to control adverse selection and to plan member costs.

Your Committee has amended this measure by amending the definition of a "self-employed individual" to require that the individual be licensed by the Department of Commerce and Consumer Affairs for the business the individual operates.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1479, 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. 1479, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, none.

SCRep. 1662 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1641

The purpose of this measure is to ensure public safety by requiring that individuals who use restricted pesticides are properly licensed.

The measure accomplishes this purpose by defining a pest control operator as a commercial pesticide applicator who holds a license pursuant to chapter 460J, Hawaii Revised Statutes, and by making it illegal for a dealer to sell restricted use pesticides to structural pest control applicators whose license is more than one hundred twenty-two days delinquent.

Your Committee received written comments in support of this measure from the Hawaii Pest Control Association.

Your Committee finds that formerly licensed pest control operators have continued to use restricted chemicals without proper licenses. Your Committee further finds that it is important to protect the public's health and safety by ensuring that individuals who use these often lethal chemicals are appropriately licensed.

Your Committee has amended this measure, upon the recommendation of the Hawaii Pest Control Association, to change the time period for which a pest control operator must have held a pest control license in order for a pesticide dealer to sell restricted use pesticides to the operator or the operator's employee, from one hundred twenty-two days to one hundred twenty days.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1641, 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. 1641, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Espero, Ige).

SCRep. 1663 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1018

The purpose of this measure is to create a new category of liquor license for condominium hotels.

Your Committee received written comments on this measure from Outrigger Hotels & Resorts; the Asian American Network for Cancer Awareness Research and Training; the National Federation of Filipino American Associations Region 12; the United Filipino Council of Hawaii; the Oahu Filipino Community Council; the Filipino Coalition for Solidarity; the Philippine Nurses Association-Hawaii; Nursing Advocates & Mentors, Inc.; and three individuals.

Your Committee finds that the advent of the condominium hotel ownership and operating structure is a relatively new concept that has recently been gaining popularity in this State. While many former hotel operations have converted to a condominium hotel ownership and operating structure, this new structure has created an interpretation and application problem with respect to liquor licensing laws. The intent of this measure is to clarify the liquor licensing laws by creating a new category specific to condominium hotels.

Your Committee notes that an amendment to insert language to allow smoking in bars and restaurants that have a special liquor license was suggested.

However, your Committee has only amended this measure to make technical amendments as suggested by Outrigger Hotels & Resorts.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1018, 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. 1018, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Espero, Ige).

SCRep. 1664 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1950

The purpose of this measure is to amend the provisions of section 201H-38(a), Hawaii Revised Statutes (HRS), that exempt certain government housing development projects from planning, zoning, and construction standards by:

- (1) Providing county legislative bodies with the flexibility and authority to approve a project with or without modification; and
- (2) Increasing the window for county legislative body project approvals and disapprovals and Land Use Commission land use boundary approvals and disapprovals from forty-five days to an unspecified amount of time.

Your Committee received written comments in support of this measure from the Maui County Council and Community Planning and Engineering. Written comments in opposition to this measure was received from the Hawaii Housing Finance and Development Corporation, the Department of Community Services of the City and County of Honolulu, the Kaua'i County Housing Agency, and the Office of Housing and Community Development of the County of Hawaii.

Your Committee finds that in 2006, the Legislature, through Act 217, Session Laws of Hawaii 2006 (Act 217), allowed counties to approve certain types of housing projects with or without modifications through an expedited process. However, that same year, Act 180, Session Laws of Hawaii 2006, repealed the State's housing laws and re-codified a portion of it in chapter 201H, HRS. The intent of the Legislature was to include the provisions of Act 217 in the re-codification of Hawaii's housing laws.

Your Committee also finds that the current forty-five day time period in which a county legislative body and the Land Use Commission must conduct due diligence and approve a project is too short to allow for meaningful discussion.

This measure will accomplish the intent of Act 217 and will also allow the counties and the Land Use Commission more time to review expedited projects under section 201H-38(a), HRS.

Your Committee has amended this measure to add a definition of "eligible project" to section 201H-1, HRS, and has repealed the definition of "eligible project" in section 201H-122, HRS.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1950, 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. 1950, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, none.

SCRep. 1665 Commerce, Consumer Protection and Affordable Housing on H.B. No. 426

The purpose of this measure is to provide individuals receiving public assistance greater accessibility to psychotropic medications.

Specifically, this measure provides prescriptive authority under chapter 457, Hawaii Revised Statutes, to Advanced Practice Registered Nurses and repeals the sunset date on the law that ensures continuous access to psychotropic medications for Medicaid fee-for-service and QUEST plan beneficiaries.

Your Committee received written comments from one individual.

Your Committee finds that enabling Advanced Practice Registered Nurses with prescriptive authority to prescribe psychotropic medications to Medicaid and QUEST patients will help improve access to quality health care for Medicaid beneficiaries.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 426, H.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Espero, Ige).

SCRep. 1666 Commerce, Consumer Protection and Affordable Housing on H.B. No. 791

The purpose of this measure is to:

- (1) Enact a gasoline ethanol content by grade requirement, and repeal a similar existing statute; and

- (2) Require fuel distributors to make available gasoline that does not contain ethanol for those who wish to purchase non-ethanol fuel.

Your Committee received testimony in support of this measure from the Mayor of the County of Hawaii; Experimental Aircraft Association, Local Chapter-1182 Hilo; Hawaii Boaters Political Action Association; Street Bikers United Hawaii; and three individuals. Testimony in opposition was received from the Department of Agriculture; Western States Petroleum Association; Chevron USA; Tesoro Hawaii Corporation; and one individual. Comments were received from the Department of Business, Economic Development, and Tourism.

Your Committee finds that there is a need to provide non-ethanol gasoline for use in boats, small gasoline powered tools, and experimental and light-sport aircraft. Doing so would protect the investments made by the owners of such items and prevent the need for these owners to make costly repairs to the fuel systems of these items. Your Committee further finds that, while this measure will provide for those individuals in need of non-ethanol fuel, it also provides an important phase out provision to further the State's goal of energy independence.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 791, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 6. Ayes with Reservations, 1 (Ige). Noes, none. Excused, none.

SCRep. 1667 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1628

The purpose of this measure is to require macadamia nut package labeling to specify the percentage of nuts by weight grown in Hawaii and provides penalties for violations.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs.

Your Committee finds the macadamia nut industry is a critical part of the agricultural production chain and Hawaii's reputation for producing high quality macadamia nuts needs to be protected and distinguished from macadamia nuts that are imported to the State.

Your Committee also finds that the industry is an important part of Hawaii's economy and labeling will maintain the competitiveness of Hawaii's macadamia nuts. This measure will also protect unwary consumers from purchasing products containing imported macadamia nuts that do not disclose the products' true contents or attempt to mislead consumers through its labeling.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing 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, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Espero, Ige).

SCRep. 1668 Judiciary and Labor on H.B. No. 833

The purpose of this measure is to exempt Medicaid waiver service from the scope of worker's compensation, temporary disability and prepaid health care laws.

Your Committee received testimony in support from Life Connections, Inc., Aloha Habilitation Services, Inc., Nursing Advocates & Mentors, Inc., Catholic Charities Hawai'i, Filipino Coalition for Solidarity, Congress of Visayan Organizations, National Federation of Filipino American Associations, Oahu Filipino Community Council, Philippine Nurses Association-Hawaii, Responsive Caregivers of Hawaii, Home & Community Services of Hawaii, Inc., Kobayashi Sugita & Goda, United Filipino Council of Hawaii, and Supporting Exceptional Citizens of Hawaii. Comments were received from the Attorney General, the Department of Labor and Industrial Relations (DLIR) and the State Council on Developmental Disabilities and eighteen private citizens. Opposing testimony was received from a private citizen.

Currently, numerous individuals provide a valuable service to the State of Hawaii by providing Medicaid waiver services to disabled and elderly adults. Sections 386-1, 392-5 and 393-5, Hawaii Revised Statutes, already exempt providers of Medicaid waiver services in the employ of the "recipient of social service payments".

Your Committee finds that this measure is necessary to clarify that the "recipient of social service payments" includes a "corporation or private agency that contracts directly with the department of human services". Such clarification is consistent with existing law and reflects the past practices of Medicaid waiver service providers under the prior determinations of the law by the Director of Labor and Industrial Relations.

Your Committee finds that this measure properly clarifies the existing exemptions in sections 386-1, 392-5 and 393-5, Hawaii Revised Statutes, (HRS), by including domestic services in the exemptions while excluding Medicaid waiver services known as "adult day health" from the exemptions. While "adult day health" services were previously covered under these existing exemptions, the industry practice has been to utilize employees to provide such services at day care facilities.

Your Committee has amended the measure by requiring a study to be done on the financial impact and consequences for service providers who provide Medicaid waiver service for persons with developmental disabilities and mental retardation as recommended by the State Council on Developmental Disabilities. This study is warranted even though this measure does not expand the scope of the existing exemptions in sections 386-1, 392-5, and 393-5, HRS.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 833, 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. 833, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1669 Judiciary and Labor on H.B. No. 356

The purpose of this measure is to protect children by making it a traffic violation to leave a child unsupervised in a motor vehicle.

Specifically, this bill prohibits leaving a child under the age of nine in a motor vehicle unless supervised by an adult or a minor who is at least fifteen years of age. It also requires the examiner of drivers to test the license applicants' knowledge of the new traffic violation. Rental car companies would also be required to notify lessees of the motor vehicle laws regarding leaving a child unsupervised in a motor vehicle.

Your Committee received testimony in support of this measure from the Department of Human Services, the Honolulu Police Department, the Hawaii Family Forum and the Roman Catholic Church in the State of Hawaii, Kids and Cars, and the Healthy Mothers, Healthy Babies Coalition of Hawaii. The State Public Defender opposed the bill.

Your Committee finds that leaving a child alone in a motor vehicle poses substantial risk of injury or death from suffocation in a hot parked vehicle or of kidnapping in the course of motor vehicle theft. Although parents mean well, the seemingly innocuous practice of leaving a child in a motor vehicle, even what may be thought of at the outset as being "momentarily", to buy groceries or perform other errands can have disastrous consequences.

Your Committee further finds that, under section 709-904(2), Hawaii Revised Statutes, a person may be prosecuted for the misdemeanor offense of endangering the welfare of a minor in the second degree only if the person knowingly endangered the minor's physical or mental welfare by leaving the minor in the vehicle. The requirement for a knowing state of mind makes it difficult for the prosecution to prove a case against the driver.

This bill attempts to ease prosecution of these cases by making the driver strictly liable for leaving the child unattended in the car. However, making the driver strictly liable in all circumstances ignores the fact that there are some situations, for example, briefly leaving an eight-year-old child in a car with a fourteen-year-old high school freshman sibling, that do not warrant the sanction of even a traffic violation.

Accordingly, your Committee has amended this measure to require the prosecution to prove that the act of leaving a child unattended in a motor vehicle was done recklessly. Your Committee believes that this will ensure that only conduct that warrants the condemnation of conviction will be punished under the new law. Your Committee has also amended the bill by changing the effective date to July 1, 2070, to facilitate further discussion of this difficult issue.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 356, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 356, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Kokubun).

SCRep. 1670 Judiciary and Labor on H.B. No. 1830

The purpose of this measure is to establish a safe haven for newborns and to provide for their future health and safety.

The primary focus of this bill is the health and safety of the child. Your Committee finds that if the life of even one newborn is saved because a mother is able to safely leave her baby at a hospital or other safe haven instead of abandoning the child in a life threatening situation, then this bill would have accomplished its goal.

The bill would accomplish its goal by:

- (1) Providing immunity from prosecution to persons who leave an unharmed newborn at a hospital, fire station, police station, or with emergency services personnel within seventy-two hours of the child's birth;
- (2) Providing immunity from liability to the personnel of the hospital, fire station, or other personnel who receive the newborn;
- (3) Requiring the person leaving the newborn to provide written information on the family medical history of the child; and
- (4) Requiring personnel to make a reasonable effort to obtain certain information of the family and medical history of the child.

Your Committee finds that this bill addresses the concerns expressed by the Governor when she vetoed a similar bill in 2003. The requiring of obtaining information on the child's medical and genealogical history will greatly aid in the development of the child. This would also allow for the development of a support system for the interest of the child.

Your Committee finds that as of January 2007, there are forty-seven states that have enacted some form of "safe haven" legislation. Your Committee further finds that efforts should be made and are being made to prevent, educate, and service unintended pregnancies and unwanted births. However, since programs may not be one hundred percent effective, a child should not be penalized by the mistakes of the adults. The innocent child should not be allowed to die or suffer in a life of misery or despair because of the failures of programs or adult behavior.

Your Committee heard testimony of incidents, in Hawaii, where parents did not want their child and were looking for a way to give up the child. Emergency medical service personnel responded to a child birth where the mother did not want her child. Your Committee finds that it is imperative that these children not be abandoned and be allowed to live in an environment that would assure their health and safety.

Your Committee received testimony in support of the bill from Parents and Children Together, Hawaii Family Forum, two emergency medical service personnel, and two individuals. Your Committee received testimony in opposition to the bill from the Governor's Policy Office and from the State Department of Human Services.

Your Committee amended the bill by changing the effective date from January 1, 2112 to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1830, 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. 1830, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 3 (Inouye, Nishihara, Gabbard). Noes, none. Excused, 1 (Kokubun).

SCRep. 1671 Judiciary and Labor on H.B. No. 469

The purpose of this measure is to eliminate discrimination against victims of domestic violence in real estate transactions.

Your Committee received testimony in support of this measure from the Hawai'i Civil Rights Commission; Voices, the Formerly Battered Women's Caucus of Hawai'i; the Board of the Hawai'i Women Lawyers; and the Legal Aid Society of Hawai'i. The Hawaii Association of Realtors (HAR) provided comments. The Community Associations Institute Hawaii Chapter and the Hawaii Council of Associations of Apartment Owners testified in opposition to the measure. The National Association of Real Property Managers concurred with the testimony of the HAR, and added comments.

The Civil Rights Commission proposed that this measure be amended by adding a new section within chapter 521, Hawaii Revised Statutes, to prohibit a landlord from evicting a tenant based on an incident of domestic violence when the tenant obtains a restraining order or calls the police to prevent future incidents. Your Committee notes that every incident of alleged discrimination cited by the Legal Aid Society involved a landlord and a tenant, rather than a sale or purchase of real property.

Your Committee has amended this measure by:

- (1) Amending section 521-74, Hawaii Revised Statutes, retaliatory evictions and rent increases prohibited, by adding a new subsection that prohibits a landlord from instituting court proceedings to recover possession of the dwelling unit or otherwise causing the tenant to quit the dwelling unit involuntarily solely because of the tenant's status as a victim of domestic violence; and
- (2) Making technical, nonsubstantive revisions for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 469, 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. 469, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 5. Ayes with Reservations, 2 (Nishihara, Gabbard). Noes, none. Excused, none.

SCRep. 1672 Judiciary and Labor on H.B. No. 964

The purpose of this measure is to ensure the safety of workers by providing a cost effective detection and deterrence tool of drug testing.

This bill would allow for the use of substance abuse on-site screening that meets the requirements of the United States Food and Drug Administration or is manufactured in a facility licensed by the United States Food and Drug Administration.

Your Committee finds that drug abuse has become a major health and safety challenge facing Hawaii's construction industry. Drug abuse has resulted in accidents at the work site, sub-quality workmanship, and higher worker's compensation claims and premiums.

Your Committee finds that there is a need to allow for quicker and less expensive substance abuse on-site screening tests. It is not the intent of your Committee to de-regulate the oversight of these tests. Your Committee finds that the Department of Labor and Industrial Relations should be more involved in the regulation and oversight of the on-site screening tests.

Your Committee received testimony in support of the bill from the State Department of Labor and Industrial Relations, the Building Industry Association of Hawaii, Reliable Drug Testing Services, Inc., Emerald Bay Consulting, LLC, the Hawaii Carpenters Union, The Pacific Resources Partnership, Branan Medical Corporation, General Contractors Association of Hawaii, Kapolei Property Development, LLC, Ralph S. Inouye Co., Ltd., S&M Sakamoto, Inc., Waiawa Ridge Development, LLC, Hidano Constuction, Inc., Castle & Cooke Homes Hawaii, Inc., and Hawaiian Dredging Construction Company, Inc. Testimony in opposition to the bill was received from the State Department of Health, Straub Doctors on Call, Clinical Labs of Hawaii, and one individual.

Your Committee amended the bill by changing the effective date from July 1, 2255 to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 964, 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. 964, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Kokubun).

SCRep. 1673 Judiciary and Labor on H.B. No. 1757

The purpose of this measure is to revise the structure of fines for violations of various commercial vehicle laws.

Specifically, this bill:

- (1) Requires the Department of Transportation to create a process for mailing in uncontested fine payments;
- (2) Increases the fines and penalties for violation of commercial vehicle length and weight restrictions; and
- (3) Repeals the progressive fine and penalty structure for repeat violation of commercial vehicle length and weight restrictions.

Your Committee received comments in support of the measure from the Department of Transportation, the Hawaii Teamsters and Allied Workers Local 996, the Hawaii Transportation Association, U. Okada & Co., Ltd., and Horizon Lines.

Your Committee finds that the current system in place for disposing of violations of commercial vehicle length and weight restrictions is burdensome on violators, commercial trucking and delivery companies, law enforcement personnel, and the courts.

Your Committee further finds that permitting operators to mail in uncontested fines saves time and money for everyone involved in the process. In addition, while the bill eliminates progressive fines and penalties for repeat violators, it doubles the fines and penalties for violation of commercial vehicle length and weight restrictions. Your Committee finds that these increased fines are sufficient to deter potential violators and to punish those who commit these violations.

Your Committee amended the measure by:

- (1) Adding a savings clause as a new section;
- (2) Renumbering subsequent sections accordingly; and

- (3) Making technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1757, 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. 1757, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 1674 Judiciary and Labor on H.B. No. 1608

The purpose of this measure is to give the Governor, the Director of Transportation, a Mayor or a Director of Transportation of a county emergency powers when a substantial endangerment to public health and safety is or will be caused by the temporary closure of, or the lack of access to, an area by a state highway, which requires immediate action.

Your Committee received testimony from two organizations and one private individual. The Department of Transportation supported the bill whereas the private individual supported the bill with suggested amendments. The State Procurement Office opposed the current language of the bill that exempted all contracts for a traffic emergency zone from the Procurement Code.

The measure has been amended by the following:

- (1) Changed language in subsection (b) of section 264- to require procurement pursuant to section 103D-307, Hawaii Revised Statutes (HRS), as requested by the Chief Procurement Officer;
- (2) Added language for the State or county to indemnify the owner of a cane haul road from any liability that may arise out of the use of such cane haul road when designated as a state highway;
- (3) Added two new definitions for "county highway" and "state highway" and referenced these terms to existing definitions; and
- (4) Provided language to have each designation of a traffic emergency zone expire within five years.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1608, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1608, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 1675 Ways and Means on H.B. No. 1866

The purpose of this measure is to give the Director of Commerce and Consumer Affairs licensing authority to regulate mixed martial arts contests.

Furthermore, this measure bans no rules combat, extreme or ultimate fighting, or similar contests.

Your Committee received comments in support of the measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that mixed martial arts are currently unregulated. Without regulatory safeguards in place, there is a possibility of serious injuries to contestants and spectators, or that events may not be authentic, and thus work a fraud upon spectators to those events.

Your Committee has amended this measure by:

- (1) Setting out the prohibition against no rules combat, extreme or ultimate fighting, or similar contests as a separate section in the new chapter;
- (2) Changing the effective date of this Act to provide that:
 - (A) The powers and duties of the director under the new chapter created by this Act take effect upon approval;
 - (B) The appropriation section takes effect on July 1, 2007; and
 - (C) The rest of the measure, including the repeal of chapter 440D, Hawaii Revised Statutes, takes effect on July 1, 2009.
- (3) Changing the appropriations to blank amounts; and
- (4) 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. 1866, 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. 1866, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Whalen).

SCRep. 1676 Ways and Means on H.B. No. 1004

The purpose of this measure is to improve the ability of the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs to carry out its statutory duties by:

- (1) Requiring the Division of Consumer Advocacy to restructure its operations according to its December 2006, report to the Legislature; and
- (2) Appropriating funds to meet restructuring costs.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs and its Division of Consumer Advocacy; the Public Utilities Commission; Hawaii Energy Policy Forum; Retail Merchants of Hawaii, and Hawaiian Electric Company, Inc.

Your Committee finds that this measure will provide the Division of Consumer Advocacy with the flexibility necessary to function more effectively and efficiently in response to changing regulatory conditions, duties, requirements, and advances in technology.

Your Committee has amended this measure by:

- (1) Designating sections 1 through 7 as Part I;
- (2) Adding a new Part II, which appropriates funds to the Office of the Auditor for research and support services necessary to protect Hawaii consumers by developing additional deterrents for identity theft, and in particular those related to the compromise of electronic data and information, and social security numbers in public records; and
- (3) Changing the unspecified appropriation amounts to \$1 throughout the measure 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 H.B. No. 1004, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1004, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 11. Noes, none. Excused, none.

SCRep. 1677 Ways and Means on H.B. No. 1001

The purpose of this measure is to provide an expedited process to develop affordable housing projects in the State.

Your Committee received comments in support of this measure from the Office of Hawaiian Affairs, Housing Hawaii, Partners in Care, and seventy-one concerned citizens. The Land Use Research Foundation of Hawaii, the Hawaii Housing Finance and Development Corporation, and a concerned citizen submitted comments on this measure. The Department of Land and Natural Resources and the City and County of Honolulu's Department of Planning and Permitting submitted comments in opposition to the measure.

Your Committee finds that the shortage of affordable housing continues to manifest itself in an ever-growing homeless population and multiple families occupying a residence intended for a single family. Additionally, homeless shelters report many families and single persons would not be homeless if more affordable housing units were available.

This measure addresses the urgency of the lack of affordable housing in the State by providing an expedited process to build more affordable housing projects.

Your Committee has amended the measure by:

- (1) Amending the definition of "eligible project" to require the number of units in a project to be no more than allowed by applicable zoning laws;
- (2) Amending the definition of "rental unit" to allow for multiple exclusions to the definition for projects with more than one resident manager or caretaker;
- (3) Deleting a duplicative provision regarding special management area and shoreline setback requirements; and
- (4) 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 H.B. No. 1001, 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. 1001, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Whalen).

SCRep. 1678 Ways and Means on H.B. No. 1268

The purpose of this measure is to prepare Hawaii's students for their future success in the global economy by providing innovative educational programs, particularly in technical areas, that mix academic instruction with project-based contextual learning experiences to encourage students' greater participation and achievement.

Specifically, this measure:

- (1) Requires the Department of Education to establish the Applied Learning High School Academy Program;
- (2) Statutorily establishes the Hawaii Excellence Through Science and Technology Academy Program, the Fostering Inspiration and Relevance Through Science and Technology Pre-Academy Program, the Robotics and Space Contextual Learning Program, the Research Experiences for Teachers Program, and the Professional Development Program to provide innovative learning experiences for students and teachers;
- (3) Establishes a business/education internship and mentorship program within the Department of Business, Economic Development, and Tourism to provide experiential learning experiences for students and graduates of Hawaii high schools;
- (4) Addresses the chronic math and science teacher shortage in Hawaii schools by appropriating funds to be used as stipends to attract science, technology, engineering, and math graduates to post baccalaureate programs at the University of Hawaii; and
- (5) Makes additional appropriations for the purposes of the Act.

The Governor, the University of Hawaii, the Hawaii Science & Technology Council, the High Technology Development Corporation, the American Society of Civil Engineers, 3D Innovations, LLC., Pukoa Scientific, LLC., and several individuals submitted comments in support of this measure. The Department of Business, Economic Development, and Tourism submitted comments in support and proposed amendments. The Department of Education and the Hawaii State Teachers Association submitted comments in support of the intent of the bill.

Your Committee finds that we must provide our youth with innovative methods to learn the skills that they will need to survive and excel in today's global, technologically oriented society. Your Committee recognizes that smaller learning community programs already exist in Hawaii

to address both student interest and needs of the workforce. This measure complements those existing programs and creates additional opportunities focusing on science, technology, engineering, and math, initiatives, often referred to as STEM, for students. Additionally, the measure provides initiatives that will attract, develop, and retain STEM oriented teachers for all grade levels. Your Committee finds that Hawaii's economic success in the global marketplace is directly tied to our children's education in STEM fields that enables them to think critically and be adaptive, and to participate successfully in the technological economy of the twenty-first century. This measure will provide a critical link between education and the workplace.

Your Committee has amended this measure to:

- (1) Clarify that the five-year plan that a high school must develop to convert to an applied learning high school academy is intended to be submitted to the Department of Education at the same time that the letter of intent to convert to an applied learning school is submitted;
- (2) Clarify that the five-year plan is a "conversion plan" to more accurately reflect the purpose of the plan and replace inconsistent references to the "five-year plan," the "plan," and "application plan," with the term "conversion plan"; and
- (3) Make 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 H.B. No. 1268, 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. 1268, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 11. Noes, none. Excused, none.

SCRep. 1679 Ways and Means on H.B. No. 1083

The purpose of this measure is to authorize the High Technology Development Corporation to negotiate a lease agreement and lease guaranty for a period of five years for approximately ninety-nine thousand square feet of laboratory and office space in a life sciences research complex in Kakaako.

The High Technology Development Corporation, Hawaii Community Development Authority, University of Hawaii'i John A. Burns School of Medicine, Hawaii Science & Technology Council, American Society of Civil Engineers, Kamehameha Schools, KUD International and Phase 3 Properties, and Honolulu Seawater Air Conditioning, LLC submitted written testimony in support of this measure.

Your Committee finds that this measure begins to address the shortage of specialized laboratory space needed if Hawaii's high technology sector is to continue its growth.

Your Committee has amended this measure by:

- (1) Designating sections 1 through 5 as Part I and changing the lease period from five years to an unspecified term; and
- (2) Adding two new parts from bills previously heard and approved by this Committee as follows:
 - (A) Part II appropriates funds for the Hawaii Small Business Innovation Research Grant Program and the Hawaii Small Business Technology Transfer Program (S.B. No. 323, S.D. 2); and
 - (B) Part III establishes a research and development follow-on funding program for Hawaii-based small businesses that received federal funding through the Hawaii Technology Development Venture or the National Defense Center of Excellence for Research in Ocean Sciences and appropriates funds as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to be expended by the Hawaii Strategic Development Corporation for that purpose (S.B. No. 1688, 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 is in accord with the intent and purpose of H.B. No. 1083, 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. 1083, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Tokuda).

SCRep. 1680 Ways and Means on H.B. No. 1003

The purpose of this measure is to facilitate the growth of the alternative fuel industry in the State by encouraging increased diversity in the energy systems, reducing dependence on imported fuels, and introducing bioenergy resources into the overall energy system.

Specifically, this measure:

- (1) Statutorily establishes the Hawaii Natural Energy Institute of the University of Hawaii at Manoa to:
 - (A) Research and develop renewable energy in coordination with government and private agencies;
 - (B) Demonstrate efficient energy end-use technologies;
 - (C) Increase funding for research and development; and
 - (D) Submit annual reports to the Legislature; and
- (2) Creates the energy systems development special fund for developing an integrated approach and portfolio management for renewable energy and end-use energy-efficient technologies;
- (3) Establishes the Hawaii biofuels program to manage the State's transition to energy self-sufficiency;
- (4) Establishes the biofuels development revolving loan fund to assist public and private projects to research, establish, and implement the Hawaii biofuels program;

- (5) Requires the Department of Business, Economic Development, and Tourism to develop a bioenergy master plan in consultation with representatives of the relevant stakeholders and submit an interim and final report to the 2008 and 2009 Regular Sessions of the Legislature, respectively; and
- (6) Makes appropriations for the purposes of this measure.

Your Committee received comments in support of this measure from the Hawaii Natural Energy Institute of the University of Hawaii at Manoa, Hawaiian Electric Company, Inc. and its subsidiary utility companies, Hawaii Energy Policy Forum, and Honolulu Seawater Air Conditioning, LLC.

The Department of Business, Economic Development, and Tourism, the Department of Budget and Finance, the University of Hawaii Environmental Center, and the Hawaii Renewable Energy Alliance submitted comments on this measure.

Your Committee finds that Hawaii's environmental health and economic future depend on the development and widespread use of renewable energy technology. Your Committee believes that this measure will encourage the growth of a renewable and alternative energy industry in Hawaii by creating a framework for researching, developing, planning, implementing, and funding energy efficiency technologies.

Your Committee has amended this measure by:

- (1) Requiring the Hawaii Natural Energy Institute to work in coordination with, rather than coordinate the activities of, state and federal agencies, and private agencies;
- (2) Including state agencies with energy planning and policy analysis as a primary function and other relevant stakeholders as members of the advisory council;
- (3) Requiring the Hawaii Natural Energy Institute to work with the state energy resources coordinator to develop a plan of action to move Hawaii toward energy self-sufficiency; and
- (4) 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 H.B. No. 1003, 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. 1003, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1681 Ways and Means on H.B. No. 150

The purpose of this measure is to fund various homeless shelters and transitional housing programs and services.

The measure also:

- (1) Requires the Hawaii Housing Finance and Development Corporation to create an affordable housing inventory registry and to report annually to the Legislature on expenditures from the Rental Housing Trust Fund;
- (2) Increases the percentage of conveyance tax dedicated to the Rental Housing Trust Fund;
- (3) Exempts special purpose revenue bonds that are issued to assist in the development of low- and moderate-income housing projects from the procurement code; and
- (4) Provides funding for various affordable and public housing programs.

Your Committee received comments in support of this measure from the Mayor of Hawaii County, the County of Hawaii Office of Housing and Community Development, Partners in Care, the Hawaii Association of Realtors, the Hawaii Family Forum and the Roman Catholic Church, Catholic Charities of Hawaii, and a concerned citizen. The Department of Taxation and Housing Hawaii submitted comments with amendments. The Hawaii Housing Finance and Development Corporation, the Tax Foundation of Hawaii and the Land Use Research Foundation submitted comments on this measure.

Your Committee finds that the homeless population in the State numbers approximately six thousand twenty-nine, of whom over four thousand are homeless persons living in unsheltered conditions. Coupled with the homelessness problem is the problem of providing affordable rentals and housing for Hawaii's residents. Many people would not be in homeless shelters if there was an adequate supply of affordable rentals.

This measure addresses the issue of homelessness in Hawaii as well as the lack of affordable housing for Hawaii's residents.

Your Committee has amended the bill by making technical amendments at page 9, lines 16-20 to reflect no funds from the conveyance tax will be going into 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 H.B. No. 150, 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. 150, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1682 Ways and Means on H.B. No. 1359

The purpose of this measure is to ensure affordable prescription drug medications for Hawaii's uninsured, underinsured, low-income, elderly, and disabled residents.

Specifically, this measure creates a Hawaii State Pharmacy Assistance Program by merging the current State Pharmacy Assistance Program, which coordinates the Medicare Part D drug benefit, and the newly established Hawaii Rx Plus Program under a single comprehensive Hawaii State Pharmacy Assistance Program umbrella.

Your Committee received comments in support of this measure from the Department of Human Services with recommendations for amendments. The American Association of Retired Persons offered comments.

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

- (1) Adding a new section to establish the Hawaii Rx plus program in chapter 346, Hawaii Revised Statutes;
- (2) Adding a new definition of "program" to refer to the Hawaii state pharmacy assistance program;
- (3) Deleting the circular requirement that tier one, two, and three enrollees be enrolled in the program to be eligible to enroll in the program;
- (4) Deleting the contents of proposed new subsection 346-342(m), Hawaii Revised Statutes, and replacing it with language that requires a manufacturer that sells prescription drugs in the State enter into a rebate agreement with the department as approved by the federal Centers for Medicare and Medicaid Services; and
- (5) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1359, 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. 1359, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1683 (Majority) Ways and Means on H.B. No. 212

The purpose of this measure is to appropriate funds for the state health planning and development agency to develop and maintain a statewide comprehensive health care workforce map and database.

Your Committee received comments in support of this measure from the University of Hawaii John A. Burns school of medicine, the Mayor of Hawaii county, Hawaii Pacific Health, and fifteen individuals. The Department of Human Services, one Maui county council member, and five individuals offered comments.

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

- (1) Inserting, as Part I of the measure, a temporary Maui health initiative task force to develop a comprehensive strategic health plan for the county of Maui that will:
 - (A) Determine the current and future health care needs of Maui county;
 - (B) Develop an integrated plan for providing health care, including primary, acute, and long-term care, urgent and emergency care, and disaster preparedness;
 - (C) Determine an appropriate role for Maui county health care facilities within the statewide system of emergency and trauma care; and
 - (D) Reporting to the Legislature, the Mayor of Maui county, and State Health Planning and Development Agency no later than twenty days prior to the convening of the regular session of 2008;
- (2) Requiring the State Health Planning and Development Agency, within sixty days of receipt of the task force's report, to integrate the report into the Hawaii health performance plan;
- (3) Requiring the State Health Planning and Development Agency to grant expedited approval to any application for a certificate of need for a health care facility or hospital or medical or emergency services in Maui county that demonstrates financial viability and meets the Hawaii health performance plan relating to Maui county;
- (4) Appropriating an unspecified amount out of the state health planning and development special fund to the task force;
- (5) Designating the original contents of the measure as part II and requiring the John A. Burns School of Medicine, rather than the State Health Planning and Development Agency, to:
 - (A) Compile and analyze existing data on the supply and distribution of licensed health care practitioners, technicians, and other health care workers in the State by profession, specialty, and practice location;
 - (B) Develop projections through 2020 of the workforce supply and demand to identify shortages;
 - (C) Develop a plan to address and reduce any identified shortages of health care workers;
 - (D) Develop a plan to collect and systematically update the data; and
 - (E) Ensure that data collected is accurate and secure and that data specific to any practitioner is disclosed only with the express written consent of the practitioner; and
- (6) Appropriating an unspecified amount out of the state health planning and development special fund for fiscal year 2007-2008 and 2008-2009 for the John A. Burns School of Medicine.

As affirmed by the record of votes of the members 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. 212, 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. 212, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, 1 (Hemmings). Excused, 2 (English, Whalen).

SCRep. 1684 Ways and Means on H.B. No. 1220

The purpose of this measure is to:

- (1) Establish the seal of quality special fund to support the costs associated with the seal of quality program; and
- (2) Mandate that all revenues from the operation of the program and appropriations made by the Legislature shall be deposited in the fund.

Your Committee received comments in support of the measure from: the Department of Agriculture; the Maui Community College; the Hawaii Farm Bureau Federation; the Hawaii Agriculture Research Center; Green Point Nurseries, Inc.; the North Shore Cattle Company; the Manoa Honey Company; Paradise Flower Farms; Nalo Farms; Hamakua Springs; the Kamauoha Foundation; Kamiya Gold Inc.; the Kona Pacific Farmers Cooperative; and Alii Kula Lavender.

Your Committee finds that the seal of quality program was established to promote and ensure a high standard of quality for fresh and processed agricultural products produced in Hawaii. The seal of quality program assists participants by establishing an identifiable brand to promote local products and help them sell in the market place.

Your Committee finds that the seal of quality special fund will provide a steady source of funding that enables the program to become self-reliant as the program moves forward, allowing for leverage of available federal funds and easier program management. Moneys deposited into the special fund will be expended to support the seal of quality program, including future comprehensive marketing campaigns to raise consumer awareness and add value to local products.

Your Committee has amended the bill by:

- (1) Clarifying that the moneys to be deposited into the special fund include:
 - (A) Revenues from the seal of quality program;
 - (B) Fines collected under section 148-66, Hawaii Revised Statutes; and
 - (C) Appropriations made by the Legislature; and
- (2) Clarifying that the special fund may also be expended for any other expense necessary for the administration of the 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 H.B. No. 1220, 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. 1220, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Kim).

SCRep. 1685 Ways and Means on H.B. No. 1292

The purpose of this measure is to protect the tax qualified status of the Employees' Retirement System by tightening certain participation requirements.

Among other things, the bill:

- (1) Implements a one-time irrevocable election by elective officers to join the Employees' Retirement System; and
- (2) Prohibits elective officers and judges from retiring upon reaching the statutory maximum on retirement benefits and delaying receipt of those benefits until a future separation date.

Your Committee received comments in support of this measure from the Department of Budget and Finance and a member of the Maui County Council. Comments were received from the Employees' Retirement System and a concerned citizen.

Your Committee finds that this measure is an administrative measure that is necessary to protect the tax qualified status of the Employees' Retirement System and to ensure the continued favorable tax treatment of employee contributions made on a pre-tax basis.

Your Committee has amended this measure 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1292, 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. 1292, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 11. Noes, none. Excused, none.

SCRep. 1686 (Majority) Ways and Means on H.B. No. 760

The purpose of this measure is to provide wage protection to employees working under state or county contracts at a wage no less than the prorated hourly equivalent of the poverty threshold for the State of Hawaii.

Specifically, this measure requires nonprofit organizations under contract for services in excess of \$25,000 and for profit organizations under contract for services in excess of \$5,000 (reduced from the current statutory minimum of \$25,000), to meet certain wage, hour, and working condition requirements. Wages under such contracts must provide an annual income equivalent to the current annual poverty guidelines for Hawaii for a family of four; provided that employees of nonprofit organizations shall be paid at wages or salaries not less than the wages paid to public officers and employees for similar work. This measure also requires the inclusion of various provisions requiring the contractor to enhance employees' ability to organize.

Your Committee received comments in support of this measure from the Hawaii State AFL-CIO, the Hawaii Teamsters and Allied Workers Local 996, the Hawaii State Teachers Association, ILWU Local 142, and the HGEA/AFSCME, Local 152, AFL-CIO. The Hawaii Alliance of Nonprofit Organizations, the Family Support Services of West Hawaii, the Legal Aid Society of Hawaii, and the Institute for Human Services, Inc. offered comments in opposition. The ARC in Hawaii offered comments.

Your Committee finds that certain nonprofit organizations have continued to express concerns that, although a living wage is desirable, nonprofit organizations, by their nature and the services they provide, are not in a financial position to afford to pay their employees wages equal to those paid to public officers and employees for similar work which, in many cases, would mean matching union wage scales. However, your

Committee notes that any possible confusion has been clarified by your Committee on Judiciary and Labor, which has amended this measure in the S.D. 1 draft by inserting a new subsection (h) to section 103-55, Hawaii Revised Statutes, to exclude nonprofits that are qualified community rehabilitation programs under sections 103D-1009 to 103D-1011, Hawaii Revised Statutes, and nonprofits that provide health or human services under chapter 103F, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050 for the purpose of facilitating further discussion; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 760, 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. 760, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Ayes with Reservations, 1 (Whalen). Noes, 1 (Hemmings). Excused, none.

SCRep. 1687 Ways and Means on H.B. No. 1231

The purpose of this measure is to appropriate funds to satisfy claims against the State for judgments, settlements, and miscellaneous payments.

The Department of the Attorney General submitted comments in support of this bill.

Your Committee has amended this bill by:

- (1) Appropriating additional funds for two new claims that have been resolved, totaling \$301,360.00;
- (2) Increasing the amount of one claim to reflect additional fees, costs, and interest;
- (3) Decreasing the amount of one claim to reflect partial payment of the claim from available federal funds; and
- (4) Changing the effective date of the measure from "upon its approval" to "July 1, 2007."

As affirmed by the record of votes of the members 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. 1231, 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. 1231, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1688 Ways and Means on H.B. No. 357

The purpose of this measure is to increase the safety of pedestrians, especially those who are elderly.

Specifically, the bill appropriates funds to the City and County of Honolulu to establish a two-year pilot project to test crosswalk safety enhancements and programs.

The Department of Transportation and the Hawaii Bicycling League submitted comments on the bill.

Your Committee finds that approximately five hundred sixty pedestrian injuries occur annually, most of them involving an elderly person. Currently, many pedestrian signals require pedestrians to cross streets very quickly and the elderly are not able to cross various intersections and crosswalks before the signal changes.

Your Committee has amended the bill by replacing its contents with House Bill No. 806, S.D. 1.

The amended measure appropriates funds to the Department of Transportation to:

- (1) Work with the counties and nonprofit organizations to take immediate action steps to make crosswalks and roadways safer;
- (2) Conduct a study to identify intersections at which the time for crossing is too short for elderly pedestrians; and
- (3) Develop additional plans to make crosswalks and roadways safer.

Your Committee finds that appropriating funds and taking immediate steps and planning future steps to increase safety at crosswalks, as well as studying which intersections and crosswalks pose great risks for crossing by pedestrians, are important actions that should be undertaken as quickly as possible in light of the increasing numbers of fatal accidents involving pedestrians.

The amounts appropriated by this measure have been changed to \$1 to facilitate further 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 H.B. No. 357, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 357, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1689 Ways and Means on H.B. No. 1277

The purpose of this measure is to:

- (1) Repeal the attractions and educational facilities tax credit for Ko Olina Resort and Marina, and Makaha Resort; and
- (2) Establish for the Leeward Coast and nearby areas a revitalization tax credit for affordable rental housing and educational and training facilities for the visitor industry and for certain commercial projects.

The tax credit would be used against taxes incurred under chapters 235 (income tax), 237 (general excise), and 237D (transient accommodations), Hawaii Revised Statutes, and would be worth up to \$7,500,000 annually, up to an aggregate of \$75,000,000, for the period starting May 31, 2007, and ending before June 1, 2012.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; the Department of Taxation; and the Office of Planning. Comments were received from the Tax Foundation of Hawaii.

Your Committee finds that the income tax credits for attractions and educational facilities for Ko Olina Resort and Marina, and the Makaha Resort, enacted by Act 100, Session Laws of Hawaii 2003, have not been claimed by any taxpayer. Your Committee determines that those tax credits of \$75,000,000 in the aggregate can be redirected to stimulate development of the Leeward Coast.

Your Committee further finds that the development of Ko Olina and the continued strength of the State's visitor industry has expanded the need for affordable workforce housing and training to prepare for the State's future economic growth. Because of the success of Ko Olina, your Committee believes that the tax credits can be redesignated and used to serve and revive the Leeward Coast through affordable rental housing, visitor industry education and training opportunities, and media, film, and music education facilities.

Accordingly, your Committee has amended this measure by:

- (1) Deleting a tax credit for commercial projects, as being overly broad;
- (2) Deleting tax credits for chapters 237 and 237D, Hawaii Revised Statutes, the general excise tax and transient accommodations tax, respectively;
- (3) Making media, film, and music educational facilities established on the Leeward Coast eligible for the tax credit;
- (4) Apportioning the maximum annual income tax credit amounts per category as follows:
 - (A) A maximum of \$5,000,000 of tax credits in the aggregate for all qualified taxpayers that may be used or refunded in any one taxable year for credits earned for affordable rental housing developments;
 - (B) A maximum of \$1,250,000 of tax credits in the aggregate for all qualified taxpayers that may be used or refunded in any one taxable year for credits earned for educational or training facilities, or both, for the visitor industry; and
 - (C) A maximum of \$1,250,000 of tax credits in the aggregate for all qualified taxpayers that may be used or refunded in any one taxable year for credits earned for media, film, and music educational facilities;
- (5) Clarifying that the qualified costs must be expended upon an educational or training facility, or both, for the visitor industry within the Leeward Coast;
- (6) Establishing that the qualified costs must be expended upon a media, film, and music educational facility within the Leeward Coast;
- (7) Providing for a refundable tax credit;
- (8) Deleting the requirement that the taxpayer identify in a certified statement the income tax liability against which the tax credits are claimed;
- (9) Changing the definition of "affordable rental housing" to require:
 - (A) Ninety per cent of the units shall be for rental to households with incomes at or below eighty per cent of the median income for the Honolulu metropolitan statistical area, adjusted for household size, as most recently determined by the United States Department of Housing and Urban Development; and
 - (B) Ten per cent of the units shall be for rental to households with incomes at or below sixty per cent of the medium income for the Honolulu metropolitan statistical area, adjusted for household size, as most recently determined by the United States Department of Housing and Urban Development;
- (10) Clarifying the definition of "Leeward Coast" to mean the geographic area encompassed by the nineteenth and twenty-first senatorial districts as of January 1, 2007, and those lands owned by the Department of Hawaiian Home Lands within the nineteenth senatorial district as it is defined as of January 1, 2007;
- (11) Clarifying the definition of "qualified costs";
- (12) Adding a proviso that if costs are incurred for such facilities under this section, and not used as an educational facility for a period of not less than eight years, or ultimately, no such facility is constructed, and in the case of affordable rental housing, such facility is not operated as affordable rental housing for a period of not less than thirty years, the costs incurred shall not be deemed as qualified costs and any tax credit claimed shall be recaptured; and
- (13) Clarifying the purpose section.

Your Committee urges the Committee on Conference on this measure to consider keeping the land in perpetuity for affordable rental housing by exploring the concept of a land trust. A land trust would allow the selling of a structure without selling the realty upon which the structure is situated.

As affirmed by the record of votes of the members 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. 1277, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1277, H.D. 2, S.D. 3.

Signed by the Chair on behalf of the Committee. Ayes, 11. Noes, none. Excused, none.

SCRep. 1690 **Ways and Means on H.B. No. 1639**

The purpose of this measure is to:

- (1) Exclude rental income derived from agricultural leases on important agricultural lands from gross and adjusted gross income, and taxable income for income tax purposes, under certain conditions;
- (2) Exempt rental income derived from agricultural leases on important agricultural lands from the general excise tax law, under certain conditions;
- (3) Establish a reimbursable real property income tax credit for one hundred per cent of the actual amount of real property tax paid by taxpayers on lands designated as important agricultural lands; and
- (4) Provide farmer and employee housing on lands designated as important agricultural lands.

Written comments in support of this measure were submitted by the Department of Agriculture; the Land Use Research Foundation of Hawaii; the Hawaii Farm Bureau Federation; the Hawaii Agriculture Research Center; Alexander and Baldwin, Inc.; the Hawaiian Commercial and Sugar Company; and the Kauai Coffee Company, Inc. Written comments in opposition to this measure were submitted by the Office of Planning, Department of Business, Economic Development, and Tourism and the Department of Planning and Permitting, City and County of Honolulu. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

Act 183, Session Laws of Hawaii 2005, was enacted to preserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency, and assure the availability of agriculturally suitable lands. Furthermore, Act 183 established a process to identify incentives to encourage farmers and landowners to designate their lands as important agricultural lands. Your Committee finds that establishing incentive programs relating to important agricultural lands will assist in enhancing the agricultural viability on important agricultural lands.

Of particular note, your Committee received a fiscal impact statement from the Department of Taxation that this measure, if enacted, would result in the general excise tax exemption reducing general fund revenues by \$160,000 annually. If this measure is made effective currently, the income tax exclusion would cost the State \$216,000 annually, and the real property tax credit will reduce revenues by \$10,000,000 per year because of the aggregated cap provision. The Department of Taxation indicated that revenue impacts could vary widely, depending on the amount of agricultural land designated as important agricultural lands. The fiscal impact statement submitted did not specify the methodology by which the fiscal impact was calculated.

Your Committee has amended this measure by:

- (1) Deleting references to agricultural activity in Part I of this measure and replacing it with references to agribusiness, and adding a definition for "agribusiness" for further clarity;
- (2) Adding language in Part II that the real property tax credit will be available for taxable years beginning after December 31, 2007, and will not be available for taxable years beginning after December 31, 2027;
- (3) Adding an appropriation of an unspecified amount in Part II for fiscal biennium 2007-2009 for the Department of Agriculture to collect and analyze data to make an aggregated quantitative and qualitative assessment of the full impact of the important agricultural lands tax credit;
- (4) Adding a Part IV to this measure that amends section 205-5, Hawaii Revised Statutes, by adding a new subsection allowing an unspecified minimum lot size on designated important agricultural lands; and
- (5) Making technical, nonsubstantive amendments for the purposes of style 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. 1639, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1639, H.D. 2, S.D. 3.

Signed by the Chair on behalf of the Committee. Ayes, 11. Noes, none. Excused, none.

SCRep. 1691 Ways and Means on H.B. No. 1114

The purpose of this measure is to promote diversified agriculture in the State.

Specifically, this measure:

- (1) Refocuses and redefines the role and mission of the Agribusiness Development Corporation to its primary responsibility of coordinating and administering the transition of agricultural infrastructure from plantation operations into use by diversified agriculture; and
- (2) Transforms the Molokai irrigation system water users advisory board into the Molokai irrigation system governing board to manage the Molokai irrigation system.

Your Committee has received comments in opposition to this measure from the Department of Agriculture, and the Chairperson and Executive Director of the Agribusiness Development Corporation.

Your Committee finds that at its creation, the Agribusiness Development Corporation's principal responsibility was to take control over the agricultural infrastructure, including irrigation systems, roads, and structures, of large plantation sugar cane and pineapple operations and convert the use of this infrastructure to the benefit of smaller multiple diversified agricultural enterprises. However, the Agribusiness Development Corporation was also directed to provide other services to these diversified agricultural enterprises, including but not limited to undertaking market analysis and promotional studies, providing grants, loans and seed moneys ensuring availability of adequate air and ground transportation to allow local agricultural products to reach local, national, and international markets, and providing training and educational services for persons engaged in agricultural activities.

In spite of all these tasks and responsibilities, the Agribusiness Development Corporation has concentrated its efforts on its primary responsibility, that is, taking over the infrastructure of closing plantation operations, particularly irrigation systems, and maintaining and operating the infrastructure to serve surrounding agricultural lands dependent on the agricultural infrastructure.

Your Committee further finds that historically there have been complaints from the water users of the Molokai irrigation system regarding the maintenance, operation, and costs of the system that are passed down to the water users. One of the purposes of this measure is to give the water users of the Molokai irrigation system more responsibility in the governance of the Molokai irrigation system.

Your Committee has amended this measure by:

- (1) Providing that the Molokai irrigation system governing board's duties and responsibilities shall be to provide direction to the Department of Agriculture by:
 - (A) Setting policy for the operation and directing the expenditures of funds for the irrigation system;
 - (B) Providing support for improvements to the irrigations facilities;
 - (C) Participating in the long-range planning of the irrigation system; and
 - (D) Acting as a liaison between the irrigation system water users and the Department of Agriculture; and
- (2) Making technical nonsubstantive changes to this measure 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. 1114, 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. 1114, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1692 Ways and Means on H.B. No. 1283

The purpose of this measure is to ensure the availability of affordable housing in the Kakaako area by:

- (1) Allowing the Hawaii Community Development Authority (HCDA) to repurchase residential or redevelopment property at any time by deleting the ten year restriction; and
- (2) Allowing the HCDA to sell the fee simple interest in reserved housing units within the Kakaako Community Development District.

Written comments in support of this measure was submitted by the HCDA and two individuals.

Your Committee finds that this measure will provide the HCDA with additional tools to develop long-term projects and to provide further opportunity to offer affordable housing units.

Your Committee has amended this measure by:

- (1) Designating sections 1 and 2 as Part I of the measure; and
- (2) Adding a new Part II, which:
 - (A) Establishes a Kakaako Central Small Business District;
 - (B) Requires the HCDA to confer and obtain consensus from real property owners within and adjacent to a proposed public facility prior to undertaking any public facility as part of the district-wide improvement program;
 - (C) Requires that the dedication for public school facilities in the Kakaako Community Development District be on a fair-share basis, as determined by the Department of Education, and agreed to in writing by the Department of Education and the developer; and
 - (D) Transfers funds from the Hawaii Community Development Revolving Fund to the Department of Education for capital improvement projects for public schools directly adjoining or serving the Kakaako Community Development District, with student populations that reflect a disproportionate share of low socioeconomic strata and unmet community needs, and for the future study and design of a new public school facility located in the Kakaako Community Development District.

As affirmed by the record of votes of the members 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. 1283, 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. 1283, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 11. Noes, none. Excused, none.

SCRep. 1693 Ways and Means on H.B. No. 718

The purpose of this measure is to ensure that principles of aquatic conservation continue to be instilled in young children for the preservation of ocean resources and perpetuation of Hawaiian cultural traditions.

More specifically, this measure requires the Hawaii Community Development Authority to set aside portions of two tax map parcels of property, comprising approximately fifteen thousand square feet, for a facility to be used by the Kewalo Keiki Fishing Conservancy. In addition, the measure appropriates necessary funds.

Forty-five individuals submitted comments in support of the measure. The Attorney General and the Hawaii Community Development Authority submitted comments in opposition to the measure.

Your Committee finds that it is important to teach Hawaii's keiki about fishing and ocean conservation and that the Kewalo Keiki Fishing Conservancy performs this function as a unique fishing school at Kewalo Basin.

Your Committee further finds that the measure requires the Hawaii Community Development Authority to set aside the so called old ice chute and fuel dock operations at the Kewalo basin cove. After environmental remediation, this facility will be provided to the Kewalo Basin Fishing Conservancy so it can continue its teaching efforts.

Your Committee has amended the measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 718, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 718, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 11. Noes, none. Excused, none.

SCRep. 1694 Ways and Means on H.B. No. 1516

The purpose of this measure is to assist Honolulu Marine, Inc., dba Kewalo Shipyard, with relocating from Kewalo Basin to the Keehi Small Boat Harbor.

Specifically, this measure includes funds for improvements to the Keehi Small Boat Harbor, including the:

- (1) Grading and leveling of the selected property;
- (2) Installation of port security infrastructure around the entire property boundary; and
- (3) Construction of a finger pier, sea retaining walls, and bulk heads.

Comments in support of this measure were submitted by the Hawaii Boaters Political Action Association and Honolulu Marine, Inc. The Department of Transportation submitted comments in opposition. The Hawaii Community Development Authority and the Department of Land and Natural Resources submitted comments.

Your Committee finds that Honolulu Marine, Inc. continues to provide vital marine repair facilities and services to the Hawaii maritime community. Your Committee recognizes that, based on plans for the redevelopment of the Kakaako business district, Honolulu Marine, Inc. must be relocated to help prepare the Kakaako area for future development.

Your Committee has amended this measure by changing the expending agency from the Department of Transportation to the Hawaii Community Development Authority to more accurately reflect the appropriate state entity responsible for the relocation.

As affirmed by the record of votes of the members 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. 1516, 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. 1516, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 11. Noes, none. Excused, none.

SCRep. 1695 Ways and Means on H.B. No. 652

The purpose of this measure is to enhance dam and reservoir safety.

Specifically, this measure:

- (1) Adds a new part to chapter 179D, Hawaii Revised Statutes, that:
 - (A) Requires each dam owner to hold a valid certificate of approval to impound water;
 - (B) Allows authorized representatives of the Department of Land and Natural Resources to enter upon any property, public or private, at reasonable times, without prior notice, to inspect dams and reservoirs;
 - (C) Allows the Department of Land and Natural Resources to seek and obtain injunctive relief in the circuit court to enforce the provisions of chapter 179D, Hawaii Revised Statutes;
 - (D) Allows the Department of Land and Natural Resources to take emergency actions relating to any dam or reservoir to remedy any dangerous conditions threatening life and property;
 - (E) Establishes the dam safety special fund;
 - (F) Allows the Department of Land and Natural Resources to attach liens on all property of a dam owner to ensure reimbursement of costs and expenses incurred by the State in enforcing the provisions of this chapter;
 - (G) Requires all dams built prior to and after the effective date of this measure to be registered and certified;
 - (H) Expands the specific responsibilities of dam and reservoir owners to maintain and operate their dams and reservoirs; and
 - (I) Requires the Department of Land and Natural Resources to submit annual reports to the Governor, the President of the Senate, and the Speaker of the House of Representatives, relating to the dam and reservoir safety program; and
- (2) Makes amendments to existing provisions contained in chapter 179D, Hawaii Revised Statutes, that:
 - (A) Add ten new definitions to section 179D-3, Hawaii Revised Statutes, to conform with the new sections included in the new part added to the chapter by part I of this measure;
 - (B) Amend the definition of "dam" to allow the Board of Land and Natural Resources to specifically, by rule, exempt certain artificial barriers from the definition of a dam;
 - (C) Expand the enumerated duties of the Board of Land and Natural Resources contained in section 179D-6(b), Hawaii Revised Statutes, to conform to the provisions of the new part added to the chapter by part I of this measure;
 - (D) Provide that the findings, actions, and order of the Board of Land and Natural Resources are final, binding, and conclusive on dam owners and operators, subject to judicial review; and
 - (E) Increase the administrative penalties and allow imposition of criminal penalties for any violations of the chapter, rules adopted to effectuate the chapter, or orders of the Board of Land and Natural Resources issued pursuant to the chapter; and

- (3) Makes an appropriation into and out of the newly established dam safety special fund to carry out the purposes of the dam safety special fund.

Your Committee received comments in support of this measure from the American Society of Civil Engineers. Comments were also received from the Attorney General, the Department of Land and Natural Resources, and Alexander & Baldwin, Inc.

In the aftermath of the tragic Kaloko Dam collapse on Kauai that took seven lives and caused tremendous property and crop loss, dam and reservoir safety remains utmost in the minds of the residents of this State. Dams and reservoirs of even more potentially high hazard remain perched above large urban areas, such as the Nuanu Reservoir and the Wahiawa Dam, holding back Lake Wilson in Wahiawa. The failure of either of these dams and reservoirs could result in extreme loss of life and massive damage to urban and agricultural properties. Accordingly, dam and reservoir safety remains a high priority to your Committee.

Your Committee has amended this measure by:

- (1) Clarifying that the Department of Land and Natural Resources may seek an administrative subpoena to secure relevant documents through the Office of the Attorney General;
- (2) Setting forth in a separate section and clarifying the right of the Department of Land and Natural Resources to attach and perfect liens on all real property owned by a dam owner in the State to ensure the reimbursement of costs and expenses of the Department in enforcing this chapter;
- (3) Repealing section 179D-5, Hawaii Revised Statutes, as its provisions are redundant with section 179D-8, Hawaii Revised Statutes, as amended;
- (4) Changing the amount of the appropriations in sections 12 and 13 to unspecified amounts to allow further discussion on this matter; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 652, 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. 652, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (Chun Oakland, English, Tokuda, Whalen).

SCRep. 1696 Ways and Means on H.B. No. 1095

The purpose of this measure is to make certain amendments to the laws relating to county low and moderate income housing projects.

Specifically, this measure:

- (1) Provides a definition in section 46-15.1, Hawaii Revised Statutes (housing; county powers), for low and moderate income housing by incorporating the definition for low and moderate income housing projects contained in section 39A-281, Hawaii Revised Statutes (special purpose revenue bonds for low and moderate income housing);
- (2) Allows the counties to extend loans to private nonprofit organizations and public instrumentalities for the development of low and moderate income housing projects;
- (3) Replaces references to repealed chapter 201G, Hawaii Revised Statutes (Housing and Community Development Corporation of Hawaii), with chapter 201H, Hawaii Revised Statutes (Hawaii Housing Finance and Development Corporation); and
- (4) Makes other technical nonsubstantive housekeeping changes for consistency.

Your Committee received comments in support of this measure from the Hawaii Housing coalition. Your Committee also received comments on this measure from UniDev Hawaii, LLC.

Your Committee finds that this measure makes county low and moderate income housing projects more compatible with similar projects developed pursuant to chapter 201H, relating to the Hawaii Housing Finance and Development Corporation, and chapter 39A, relating to special purpose revenue bonds to assist in the development of low- and moderate-income housing, and improves the counties' ability to assist in the development of affordable housing.

As affirmed by the record of votes of the members 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. 1095, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Whalen).

SCRep. 1697 Ways and Means on H.B. No. 1493

The purpose of this measure is to exempt employees of the Crime Victim Compensation Commission from the civil service law.

More specifically, the bill:

- (1) Exempts newly hired employees of the Crime Victim Compensation Commission from civil service laws as established in chapter 76, Hawaii Revised Statutes; but
- (2) Retains coverage under the collective bargaining law under chapter 89, Hawaii Revised Statutes, for all employees.

The Crime Victim Compensation Commission submitted comments in support of the measure.

Your Committee finds that the Crime Victim Compensation Commission fulfills important functions, such as mitigating the physical, emotional, and financial impacts suffered by victims of a violent crime.

Your Committee further finds that the Commission requires a specialized, entrepreneurial staff to adequately serve victims of violent crime in Hawaii and that it is necessary to attract new employees with these characteristics. By continuing coverage under the collective bargaining law this bill protects the rights of employees, while providing the Commission with greater flexibility in hiring staff.

As affirmed by the record of votes of the members 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. 1493, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 10. Noes, none. Excused, 1 (Menor).

SCRep. 1698 (Majority) Ways and Means on H.B. No. 861

The purpose of this measure is to ensure that public works projects financed using special purpose revenue bonds, are in compliance with chapter 104, Hawaii Revised Statutes (wages on public works).

Specifically, this measure:

- (1) Directs the Director of Finance to notify the Director of Labor and Industrial Relations whenever the former issues special purpose revenue bonds for a public works project that is subject to chapter 104, Hawaii Revised Statutes, but is not directly undertaken by a governmental agency, in order to allow the Director of Labor and Industrial Relations to carry out the latter's duties under chapter 104, Hawaii Revised Statutes; and
- (2) Provides that in the event that a project is undertaken by a project party pursuant to a project agreement and financed or refinanced by special purpose revenue bonds, all as defined under chapter 39A, Hawaii Revised Statutes, and the project party has entered into a collective bargaining agreement with a bona fide labor union governing the project party's workforce, then the terms of the collective bargaining agreement shall be deemed the prevailing wages and terms serving as compliance with the provisions of section 104-2, Hawaii Revised Statutes, relating to prevailing wages, hours, and pay issues.

Your Committee received comments in support of this measure from the Hawaii State AFL-CIO, the International Brotherhood of Electrical Workers, and the Hawaii State Teachers Association. The Department of Budget and Finance and the Department of Labor and Industrial Relations offered comments in opposition to this measure, and Hawaiian Electric Company, Inc. submitted comments.

Your Committee finds that pursuant to section 104-2, Hawaii Revised Statutes, a public work may include any project where the funds to undertake the project are derived from the sale of bonds whose interest is exempt from state or federal taxes, such as special purpose revenue bonds issued pursuant to chapter 39A, Hawaii Revised Statutes. However, it should be noted that the changes to the law made by this measure do not apply to projects that are financed by the proceeds of special purpose revenue bonds issued prior to the effective date 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 H.B. No. 861, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, 2 (Hemmings, Whalen). Excused, none.

SCRep. 1699 Ways and Means on H.B. No. 1063

The purpose of this measure is to increase the previously authorized funding for the Operation About Face program.

Specifically, this measure authorizes the Department of Defense to expend interdepartmentally transferred funds from the Department of Human Services for the program. The funding amount is increased from \$4,700,000 to \$7,900,000 in item I-20 of section 3 of Act 178, Session Laws of Hawaii 2005, as amended. The Program will provide services to youth from age eleven to young adulthood in English, mathematics, and basic life skills.

Your Committee received comments in support of this measure from the Department of Defense.

Your Committee finds that this measure, which is recommended by the Governor for immediate passage in accordance with section 9 of article VII of the State Constitution, will allow the Department of Defense to receive and expend all the federal temporary assistance to needy families funds received from the Department of Human Services for the Hawaii national guard's Operation About Face statewide family of 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. 1063, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Whalen).

SCRep. 1700 Ways and Means on H.B. No. 1201

The purpose of this measure is to clarify the participation of beneficiaries in the process of preparing the Office of Hawaiian Affairs' biennial and supplemental budgets.

Specifically, this measure amends section 10-14.5, Hawaii Revised Statutes (Office of Hawaiian Affairs budget preparation) by:

- (1) Authorizing the Board of Trustees of the Office of Hawaiian Affairs to choose the best method of providing opportunities for beneficiaries to be involved with the preparation of its budget annually; and
- (2) Clarifying that public meetings on the proposed budget in every county are not required.

Comments in support of this measure were received from the Office of Hawaiian Affairs.

Your Committee finds that this measure will help to streamline the process by which the Office of Hawaiian Affairs prepares its budget. Your Committee further finds that giving the Office of Hawaiian Affairs discretionary authority to choose the best method of involving its beneficiaries will be an efficient and cost-effective option.

As affirmed by the record of votes of the members 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. 1201, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 11. Noes, none. Excused, none.

SCRep. 1701 Ways and Means on H.B. No. 1848

The purpose of this measure is to appropriate funds to establish the maka'i o ke kai community grant program to assist communities in near-shore resource management and monitoring.

The measure also:

- (1) Engages local communities in the management of Hawaii's near-shore fishery resources; and
- (2) Establishes a community task force to advise the Department of Land and Natural Resources in its fisheries rulemaking process.

Your Committee received comments in support of the measure from the Nature Conservancy of Hawaii and seven concerned individuals. The Department of Land and Natural Resources, the Mayor of Maui County, and ten concerned individuals submitted comments on this measure. The Malama Maunaloa submitted comments in opposition to the measure.

Your Committee finds that Hawaii's near-shore reef fisheries have declined by seventy-five per cent over the past century due to over-use, run off, sedimentation, and invasive species. Scientists estimate that commercial reef-fish species, such as o'io, weke, and kumu have declined by more than seventy-five per cent in the past one hundred years.

The maka'i o ke kai program is a partnership in marine resource enforcement, education, outreach, monitoring, and surveillance between local community members and the Department of Land and Natural Resources, as well as other resource managers and regulators.

This measure supports the maka'i o ke kai program by enabling communities to directly manage the marine resources surrounding their communities to ultimately preserve and protect Hawaii's near-shore habitat.

As affirmed by the record of votes of the members 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. 1848, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, 4 (Chun Oakland, English, Tokuda, Whalen).

SCRep. 1702 Tourism and Government Operations on Gov. Msg. No. 265

Recommending that the Senate advise and consent to the nomination of the following:

COMPTROLLER OF THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

G.M. No. 265 RUSS K. SAITO, for a term to expire 12-6-2010

Your Committee received testimony in support of the nominee from the Department of Human Resources Development; Automotive Management Division, Department of Accounting and General Services; Campaign Spending Commission; State Procurement Office; U.S. Small Business Administration; a Honolulu City Council Member; a Maui County Council Member; First Hawaiian Bank; Hawaiian Telcom; Grove Farm; Outrigger Enterprises, Inc.; Questor Associates; Ralph S. Inouye Co Ltd; Subcontractors Association of Hawaii; Building Industry Association; Structural Engineers Association of Hawaii; Masa Fujioka & Associates; Coalition of Hawaii Engineering & Architectural Professionals; Hidano Construction, Inc.; Hawaii Island Contractors' Association; General Contractors Association of Hawaii; GJB & Associates LLC; American Society of Civil Engineers; American Council of Engineering Companies of Hawaii; The American Institute of Architects Hawaii State Council; and nineteen individuals.

Russ K. Saito currently serves as the Comptroller, originally appointed in December, 2002. The nominee received a Bachelors and Masters Degree in Electrical Engineering from the University of Hawaii, and a Masters Degree in Business Management from Central Michigan University, Hawaii Campus.

Mr. Saito's experience includes various management positions with GTE/Verizon from 1977 to 2002, and staff engineer positions with that company from 1968 to 1977.

Mr. Saito's notable accomplishments as Comptroller include: (1) improving the speed of payment to contractors and streamlining the financial management process; (2) improving the fairness and openness of the procurement process; (3) promoting the adoption of administrative rules to help small businesses to grow in areas critical to the State's economy; (4) improving the way the State responds to emergencies; establishing effective project management and standards based control of public works and information technology implementation and operations; (5) overseeing the transfer of school repair and maintenance and construction programs to the Department of Education; and (6) expediting the creation of transitional housing and shelter space.

More specifically, your Committee further notes that Mr. Saito has, among other things:

- (1) With regard to procurement, increased openness and fairness in the award of state contracts, and brought efficiency, integrity, and transparency to the State procurement process;
- (2) With regard to financial reporting, on behalf of the State of Hawaii being awarded the Certificate of Achievement for Excellence in Financial Reporting for the Department of Accounting and General Services Comprehensive Annual Financial Report, for every report since 2003;
- (3) With regard to paying vendors for goods and services, provided the State with optimized financial management by establishing the Accounting and Audit Review Committee to address statewide accounting and auditing policy, review action plans for resolving audit findings, and provide monthly management reports;
- (4) With regard to government accessibility, helped improve citizen access by offering electronic newsletters, web-cast events and news conferences, emails to the Governor from the public, and online applications for service on boards and commissions;
- (5) With regard to the transaction of government business, facilitated the doing of business between the State and private citizens over the Internet;

- (6) With regard to promoting small business, set aside smaller contracts for award to small businesses and required that large contractors be evaluated in part on their use of small businesses as subcontractors on larger contracts;
- (7) With regard to natural disasters, facilitated a program to enable state buildings to withstand the effects of natural and man-made disasters; and
- (8) With regard to land management, has digitized the land court and file plan map collection and is currently digitizing shoreline maps and photographs.

Mr. Saito received unanimous support from testifiers, including high praises for his efficiency, fairness, promptness, and integrity. Your Committee has been pleased with the nominee's testimony on a myriad of measures considered by your Committee. Mr. Saito gives straightforward answers, rational reasons, background information, and documentation.

Mr. Saito states in his testimony that he has tried to perform his duties responsibly and with integrity, and to treat all people with respect and fairness. During his tenure as Comptroller, he has strived to make a difference in restoring trust in government and making government work better. In sum, Mr. Saito reiterates his goals for the Department of Accounting and General Services (DAGS), to mirror DAGS mission statement, "To help agencies better serve the public by providing, at best value and with integrity: superior public facilities, expert technology solution and services, operational support, fiscal guidance, oversight of administrative services and preservation and promotion of cultural heritage." These are goals that are congruent with your Committees' view of the mission of DAGS.

As affirmed by the records of votes of the members of your Committee on Tourism and Government Operations that are attached to this report, your Committee, after full consideration of the background, 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, none.

SCRep. 1703 Education on H.C.R. No. 55

The purpose of this measure is to foster peaceful school environments by requesting a study on the feasibility of integrating peace education into the public school curriculum.

Testimony in support of this measure was submitted by the Department of Education, the Pacific Buddhist Academy, Honoka'a High School, and eight individuals.

Your Committee finds that the world around us is fraught with violence and killing, be that in the form of the war in Iraq or in our own schools and neighborhoods, as in the case of the Columbine High School killings. Your Committee further finds that, although Hawaii promotes the spirit of aloha, incidents of violence have managed to work their way into the fabric of our communities. In order to foster peaceful school environments and communities, especially for our keiki, the State must actively address and promote a mindset of peace in our schools and communities. Existing programs that are dedicated to reducing violence and promoting peace throughout the world should be examined and consulted with to ascertain the feasibility of incorporating similar education into the public schools. Your Committee believes that the Department of Education can and should play a significant role in properly educating our keiki to become non-violent, peaceful adults by any appropriate means possible.

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. 55, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, none.

SCRep. 1704 Education on S.C.R. No. 139

The purpose of this measure is to foster peaceful school environments by requesting a study on the feasibility of integrating peace education into the public school curriculum.

Testimony in support of this measure was submitted by the Department of Education, the Pacific Buddhist Academy, Honoka'a High School, and eight individuals.

Your Committee finds that the world around us is fraught with violence and killing, be that in the form of the war in Iraq or in our own schools and neighborhoods, as in the case of the Columbine High School killings. Your Committee further finds that, although Hawaii promotes the spirit of aloha, incidents of violence have managed to work their way into the fabric of our communities. In order to foster peaceful school environments and communities, especially for our keiki, the State must actively address and promote a mindset of peace in our schools and communities. Existing programs that are dedicated to reducing violence and promoting peace throughout the world should be examined and consulted with to ascertain the feasibility of incorporating similar education into the public schools. Your Committee believes that the Department of Education can and should play a significant role in properly educating our keiki to become non-violent, peaceful adults by any appropriate means possible.

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. 139 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, none.

SCRep. 1705 Education on S.R. No. 93

The purpose of this measure is to foster peaceful school environments by requesting a study on the feasibility of integrating peace education into the public school curriculum.

Testimony in support of this measure was submitted by the Department of Education, the Pacific Buddhist Academy, Honoka'a High School, and eight individuals.

Your Committee finds that the world around us is fraught with violence and killing, be that in the form of the war in Iraq or in our own schools and neighborhoods, as in the case of the Columbine High School killings. Your Committee further finds that, although Hawaii promotes the spirit of aloha, incidents of violence have managed to work their way into the fabric of our communities. In order to foster peaceful school

environments and communities, especially for our keiki, the State must actively address and promote a mindset of peace in our schools and communities. Existing programs that are dedicated to reducing violence and promoting peace throughout the world should be examined and consulted with to ascertain the feasibility of incorporating similar education into the public schools. Your Committee believes that the Department of Education can and should play a significant role in properly educating our keiki to become non-violent, peaceful adults by any appropriate means possible.

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. 93 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, none.

SCRep. 1706 Education on S.C.R. No. 173

The purpose of this measure is to express support for international education for Hawaii's students.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii System, the University of Hawaii at Manoa, the NAFSA Hawaii Pacific District, and seven individuals.

Your Committee finds that the world in which we live has become a global society, supporting global ideas and a global economy. Your Committee further finds that, although Hawaii is a beautiful and wonderful place in which to live, work, and learn, an education that encompasses international viewpoints and experiences provides an enriched educational experience that distinguishes future leaders and will define the economic, socioeconomic, and political future of Hawaii. Our local institutions must promote an education that provides for skills, knowledge, and opportunities for local students to study abroad and acquire linguistic and intercultural skills to interact with individuals from and in a multitude of different nations and cultures. This measure signifies the Legislature's support for international education for local students to provide for increased awareness and education to understand and address the current and future problems of Hawaii and throughout the world.

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. 173 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 1 (Hee).

SCRep. 1707 Education on S.R. No. 113

The purpose of this measure is to express support for international education for Hawaii's students.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii System, the University of Hawaii at Manoa, the NAFSA Hawaii Pacific District, and seven individuals.

Your Committee finds that the world in which we live has become a global society, supporting global ideas and a global economy. Your Committee further finds that, although Hawaii is a beautiful and wonderful place in which to live, work, and learn, an education that encompasses international viewpoints and experiences provides an enriched educational experience that distinguishes future leaders and will define the economic, socioeconomic, and political future of Hawaii. Our local institutions must promote an education that provides for skills, knowledge, and opportunities for local students to study abroad and acquire linguistic and intercultural skills to interact with individuals from and in a multitude of different nations and cultures. This measure signifies the Legislature's support for international education for local students to provide for increased awareness and education to understand and address the current and future problems of Hawaii and throughout the world.

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. 113 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 1 (Hee).

SCRep. 1708 (Joint) Education and Health on S.C.R. No. 37

The purpose of this measure is to promote organ donation in the State by urging the Department of Education and the Department of Health to collaborate on increasing awareness efforts of the benefits of organ donation.

Testimony in support of this measure was submitted by the Department of Health, the Organ Donor Center of Hawaii, and two individuals.

Your Committees find that successful organ and tissue donations drastically improve the lives of recipients and in many cases save lives. Your Committees further find that organ and tissue donations can be made with minimal or diminished negative impact on donors, facilitated through efforts by several states to alleviate some of the financial burden that may be involved. Unfortunately, although there are currently over 94,000 individuals on the nation's organ transplant waitlist, only less than fifty per cent of potential donors consent to being possible organ or tissue donors. As a result, thousands of individuals die each year because they are unable to receive necessary transplants.

Your Committees believe that a lack of awareness or exposure to misinformation regarding organ and tissue transplants is a barrier to more successful organ donations and transplants. The Departments of Health and Education should join forces to educate students and facilitate not only increased awareness of the facts and benefits of organ and tissue donation, but also to help increase the number of potential donors. The Legislature remains committed to supporting organ and tissue donations and will continue, through this as well as future measures, to address ways to make organ and tissue donations more feasible.

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. 37 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 10. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1709 (Joint) Education and Health on S.R. No. 17

The purpose of this measure is to promote organ donation in the State by urging the Department of Education and the Department of Health to collaborate on increasing awareness efforts of the benefits of organ donation.

Testimony in support of this measure was submitted by the Department of Health, the Organ Donor Center of Hawaii, and two individuals.

Your Committees find that successful organ and tissue donations drastically improve the lives of recipients and in many cases save lives. Your Committees further find that organ and tissue donations can be made with minimal or diminished negative impact on donors, facilitated through efforts by several states to alleviate some of the financial burden that may be involved. Unfortunately, although there are currently over 94,000 individuals on the nation's organ transplant waitlist, only less than fifty per cent of potential donors consent to being possible organ or tissue donors. As a result, thousands of individuals die each year because they are unable to receive necessary transplants.

Your Committees believe that a lack of awareness or exposure to misinformation regarding organ and tissue transplants is a barrier to more successful organ donations and transplants. The Departments of Health and Education should join forces to educate students and facilitate not only increased awareness of the facts and benefits of organ and tissue donation, but also to help increase the number of potential donors. The Legislature remains committed to supporting organ and tissue donations and will continue, through this as well as future measures, to address ways to make organ and tissue donations more feasible.

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. 17 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 10. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1710 Education on S.C.R. No. 55

The purpose of this measure is to request the Department of Education to conduct a review and analysis of the Predictive Assessment of Reading Program to determine the feasibility of using it as a potential literacy benefit for public schools.

Testimony in opposition of this measure was submitted by the Department of Education.

Your Committee finds that ASSETS School has successfully utilized the Predictive Assessment of Reading Program, a standardized assessment for identifying students in risk categories, providing remedial instruction, and predicting the level of literacy skills children in grades kindergarten through third will achieve by eighth grade. The Department of Education currently struggles with addressing the literacy problem of public school students, a statistic that falls far behind the national figures.

Your Committee received testimony from the Department of Education indicating that it currently utilizes the Dynamic Indicators of Basic Early Learning Skills Assessment, designed to monitor the acquisition of basic early literacy skills. Therefore, the Department of Education believes the Predictive Assessment of Reading Program bears great similarity to its current method for assessment and considers its usage to be duplicative. However, your Committee believes that given the success of ASSETS School, the Predictive Assessment of Reading Program should at least be evaluated and that the Department should consider its usage based on such evaluation and comparison to its current methodology.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying the details of the Predictive Assessment of Reading Program, including on whom it may be used, the duration of the assessment, the ease of obtaining results, and the form and information provided by the results; and
- (2) Clarifying that the Department of Education is requested to review and analyze the Predictive Assessment of Reading to determine its feasibility and consider its usage as a literacy benefit for public school students.

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. 55, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 55, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 7. Noes, none. Excused, none.

SCRep. 1711 Education on S.R. No. 31

The purpose of this measure is to request the Department of Education to conduct a review and analysis of the Predictive Assessment of Reading Program to determine the feasibility of using it as a potential literacy benefit for public schools.

Testimony in opposition of this measure was submitted by the Department of Education.

Your Committee finds that ASSETS School has successfully utilized the Predictive Assessment of Reading Program, a standardized assessment for identifying students in risk categories, providing remedial instruction, and predicting the level of literacy skills children in grades kindergarten through third will achieve by eighth grade. The Department of Education currently struggles with addressing the literacy problem of public school students, a statistic that falls far behind the national figures.

Your Committee received testimony from the Department of Education indicating that it currently utilizes the Dynamic Indicators of Basic Early Learning Skills Assessment, designed to monitor the acquisition of basic early literacy skills. Therefore, the Department of Education believes the Predictive Assessment of Reading Program bears great similarity to its current method for assessment and considers its usage to be duplicative. However, your Committee believes that given the success of ASSETS School, the Predictive Assessment of Reading Program should at least be evaluated and that the Department should consider its usage based on such evaluation and comparison to its current methodology.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying the details of the Predictive Assessment of Reading Program, including on whom it may be used, the duration of the assessment, the ease of obtaining results, and the form and information provided by the results; and
- (2) Clarifying that the Department of Education is requested to review and analyze the Predictive Assessment of Reading to determine its feasibility and consider its usage as a literacy benefit for public school students.

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, 7. Noes, none. Excused, none.

SCRep. 1712 (Joint) Intergovernmental and Military Affairs and Transportation and International Affairs on S.C.R. No. 154

The purpose of this measure is to request that the Senate Committee on Transportation and International Affairs and the House of Representatives Committee on Transportation convene a joint hearing with the participation of the Department of Transportation and the Department of Planning and Permitting of the City and County of Honolulu to consider the likely impacts on traffic by the proposed Turtle Bay Resort expansion.

Your Committees received testimony in support of this measure from Kuli'ou'ou/Kalani Iki Neighborhood Board #2; UNITE HERE! Local 5 Hawai'i; Keep the North Shore Country; Defend O'ahu Coalition; McNulty Civil Engineering; and thirty-five individuals.

Your Committees received testimony in opposition to this measure from Kuilima Resort Company.

Your Committees find that the Department of Transportation's mission is to provide a safe, efficient, accessible, and inter-modal transportation system that ensures the mobility of people and goods, and enhances and preserves economic prosperity and quality of life.

Your Committees also find that Kamehameha Highway is a narrow, two-lane roadway that has seen tremendous traffic volume increases in recent years and is the only regional roadway on the North Shore of O'ahu. In addition, the O'ahu Regional Transportation Plan for the year 2030 includes no significant capacity improvement for this highway within the next twenty-three years.

Your Committees further find that the Kuilima Resort Company's 2005 Traffic Impact Analysis Report update estimates the expanded Turtle Bay Resort will generate up to two thousand fifty-four additional vehicle trips per hour and that the Kamehameha Highway cannot support the projected increase in vehicular traffic without improvements to provide additional capacity.

In light of these concerns, your Committees amended this measure by changing the title and focus of the measure by requesting that:

- (1) A North Shore Kamehameha Highway Traffic Congestion Task Force be established to conduct an assessment of traffic impacts of the proposed Turtle Bay Resort expansion and other developments in the region and to recommend mitigative measures that may be required by the expansion;
- (2) The North Shore Kamehameha Highway Traffic Congestion Task Force be co-chaired by the Department of Transportation Services, and the Department of Planning and Permitting of the City and County of Honolulu;
- (3) If the North Shore Kamehameha Highway Traffic Congestion Task Force finds that if the impacts of the proposed expansion bring the highway levels of service and volume-to-capacity ratio outside of national and State highway guidelines, then the Task Force is requested to:
 - (A) Recommend potential mitigative measures and broad estimates of the costs and timelines involved to implement the mitigative measures; and
 - (B) Make specific recommendations for measures, such as project phasing related to highway capacity expansion, that may be required of the developer;
- (4) The North Shore Kamehameha Highway Traffic Congestion Task Force seek community input from residents and businesses located in the North Shore area, including the appropriate neighborhood boards, and conduct community public hearings or informational briefings; and
- (5) The North Shore Kamehameha Highway Traffic Task Force report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2008.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 154, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 154, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 3 (Hooser, Taniguchi, Gabbard).

SCRep. 1713 (Joint) Intergovernmental and Military Affairs and Transportation and International Affairs on S.R. No. 107

The purpose of this measure is to request that the Senate Committee on Transportation and International Affairs and the House of Representatives Committee on Transportation convene a joint hearing with the participation of the Department of Transportation and the Department of Planning and Permitting of the City and County of Honolulu to consider the likely impacts on traffic by the proposed Turtle Bay Resort expansion.

Your Committees received testimony in support of this measure from Kuli'ou'ou/Kalani Iki Neighborhood Board #2; UNITE HERE! Local 5 Hawai'i; Keep the North Shore Country; Defend O'ahu Coalition; McNulty Civil Engineering; and thirty-five individuals.

Your Committees received testimony in opposition to this measure from Kuilima Resort Company.

Your Committees find that the Department of Transportation's mission is to provide a safe, efficient, accessible, and inter-modal transportation system that ensures the mobility of people and goods, and enhances and preserves economic prosperity and quality of life.

Your Committees also find that Kamehameha Highway is a narrow, two-lane roadway that has seen tremendous traffic volume increases in recent years and is the only regional roadway on the North Shore of O'ahu. In addition, the O'ahu Regional Transportation Plan for the year 2030 includes no significant capacity improvement for this highway within the next twenty-three years.

Your Committees further find that the Kuilima Resort Company's 2005 Traffic Impact Analysis Report update estimates the expanded Turtle Bay Resort will generate up to two thousand fifty-four additional vehicle trips per hour and that the Kamehameha Highway cannot support the projected increase in vehicular traffic without improvements to provide additional capacity.

In light of these concerns, your Committees amended this measure by changing the title and focus of the measure by requesting that:

- (1) A North Shore Kamehameha Highway Traffic Congestion Task Force be established to conduct an assessment of traffic impacts of the proposed Turtle Bay Resort expansion and other developments in the region and to recommend mitigative measures that may be required by the expansion;

- (2) The North Shore Kamehameha Highway Traffic Congestion Task Force be co-chaired by the Department of Transportation Services, and the Department of Planning and Permitting of the City and County of Honolulu;
- (3) If the North Shore Kamehameha Highway Traffic Congestion Task Force finds that if the impacts of the proposed expansion bring the highway levels of service and volume-to-capacity ratio outside of national and State highway guidelines, then the Task Force is requested to:
 - (A) Recommend potential mitigative measures and broad estimates of the costs and timelines involved to implement the mitigative measures; and
 - (B) Make specific recommendations for measures, such as project phasing related to highway capacity expansion, that may be required of the developer;
- (4) The North Shore Kamehameha Highway Traffic Congestion Task Force seek community input from residents and businesses located in the North Shore area, including the appropriate neighborhood boards, and conduct community public hearings or informational briefings; and
- (5) The North Shore Kamehameha Highway Traffic Task Force report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2008.

As affirmed by the records of votes of the members of your Committees on Intergovernmental and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 107, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 107, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 3 (Hooser, Taniguchi, Gabbard).

SCRep. 1714 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 150

The purpose of this measure is to ensure access to state-controlled beaches by requesting that the Department of Land and Natural Resources establish uniform rules and permitting procedures for public beach weddings.

Testimony in support of this measure was submitted by the Maui Wedding Association, the Maui Wedding Network, and six individuals. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Hawaii beaches are becoming popular locations for wedding ceremonies for residents and tourists, however, couples planning weddings have received conflicting information about permitting procedures and requirements, often being told that permits are not required. The Department of Land and Natural Resources has acknowledged that uniform rules and permitting procedures need to be adopted to address these inconsistencies. Your Committee finds that requesting the Department to establish uniform rules and permitting procedures for weddings on state-controlled beaches will ensure consistent intra-agency enforcement of these rules and ensure continued access to state-controlled beaches for various activities, including weddings.

Your Committee has amended this measure by:

- (1) Deleting the request for the Department of Land and Natural Resources to require a beach wedding permit when twenty-five or more chairs are to be set-up on the beach and unattended for thirty minutes or more;
- (2) Emphasizing that in cooperating with the counties in establishing appropriate rules and permits for beach weddings, the Department establish rules that are consistent between the State and counties;
- (3) Requesting that the Department provide opportunities for input and collaboration with wedding service providers for beach weddings in Hawaii during the rulemaking process; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 150, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 150, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Slom).

SCRep. 1715 Water, Land, Agriculture and Hawaiian Affairs on S.R. No. 103

The purpose of this measure is to ensure access to state-controlled beaches by requesting that the Department of Land and Natural Resources establish uniform rules and permitting procedures for public beach weddings.

Testimony in support of this measure was submitted by the Maui Wedding Association, the Maui Wedding Network, and six individuals. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Hawaii beaches are becoming popular locations for wedding ceremonies for residents and tourists, however, couples planning weddings have received conflicting information about permitting procedures and requirements, often being told that permits are not required. The Department of Land and Natural Resources has acknowledged that uniform rules and permitting procedures need to be adopted to address these inconsistencies. Your Committee finds that requesting the Department to establish uniform rules and permitting procedures for weddings on state-controlled beaches will ensure consistent intra-agency enforcement of these rules and ensure continued access to state-controlled beaches for various activities, including weddings.

Your Committee has amended this measure by:

- (1) Deleting the request for the Department of Land and Natural Resources to require a beach wedding permit when twenty-five or more chairs are to be set-up on the beach and unattended for thirty minutes or more;
- (2) Emphasizing that in cooperating with the counties in establishing appropriate rules and permits for beach weddings, the Department establish rules that are consistent between the State and counties;

- (3) Requesting that the Department provide opportunities for input and collaboration with wedding service providers for beach weddings in Hawaii during the rulemaking process; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, 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, 3. Noes, none. Excused, 2 (Fukunaga, Slom).

SCRep. 1716 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 116

The purpose of this measure is to request the Department of Land and Natural Resources to continue to expand its efforts in identifying and designating appropriate places that can sustain the impact of off-road vehicle operation, and to evaluate the possibility of extending the days and hours of operation of the existing areas that permit the operation of off-road vehicles.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Hawaii Motorcycle Dealer's Association, nine individuals, and a petition with over three hundred signatures.

Your Committee finds that the use and operation of off-road vehicles, such as motorcycles, all-terrain vehicles, dune buggies, and dirt bikes, have the potential to desecrate sacred burial grounds, further threaten endangered species, and harm the natural ecosystems on public lands. The Department of Land and Natural Resources is making progress in identifying and opening new sites for off-road vehicle operation that can accommodate these types of vehicles in a manner that does not degrade the environment, damage historic and cultural sites, or negatively impact adjacent neighbors in urban or residential areas. Your Committee encourages the Department to continue to identify and designate more appropriate sites for off-road vehicle operation, and to assess the feasibility of expanding the days and hours of operation at permitted sites so that this growing and popular recreational sport may continue in a safe manner.

Your Committee has amended this measure by requesting that the Department of Land and Natural Resources develop and implement an off-road vehicle registration policy and user guidelines for the use of designated sites that permit the operation of off-road vehicles.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 116, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 116, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Slom).

SCRep. 1717 Water, Land, Agriculture and Hawaiian Affairs on S.R. No. 72

The purpose of this measure is to request the Department of Land and Natural Resources to continue to expand its efforts in identifying and designating appropriate places that can sustain the impact of off-road vehicle operation, and to evaluate the possibility of extending the days and hours of operation of the existing areas that permit the operation of off-road vehicles.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Hawaii Motorcycle Dealer's Association, nine individuals, and a petition with over three hundred signatures.

Your Committee finds that the use and operation of off-road vehicles, such as motorcycles, all-terrain vehicles, dune buggies, and dirt bikes, have the potential to desecrate sacred burial grounds, further threaten endangered species, and harm the natural ecosystems on public lands. The Department of Land and Natural Resources is making progress in identifying and opening new sites for off-road vehicle operation that can accommodate these types of vehicles in a manner that does not degrade the environment, damage historic and cultural sites, or negatively impact adjacent neighbors in urban or residential areas. Your Committee encourages the Department to continue to identify and designate more appropriate sites for off-road vehicle operation, and to assess the feasibility of expanding the days and hours of operation at permitted sites so that this growing and popular recreational sport may continue in a safe manner.

Your Committee has amended this measure by requesting that the Department of Land and Natural Resources develop and implement an off-road vehicle registration policy and user guidelines for the use of designated sites that permit the operation of off-road vehicles.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 72, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 72, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Slom).

SCRep. 1718 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 207

The purpose of this measure is to request the Department of Land and Natural Resources to assess the feasibility of and explore the Puna community sentiment regarding the Department acquiring the one acre plot that is adjacent to the Isaac Hale Beach Park and the Pohoiki Boat Ramp.

Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

The Pohoiki Boat Ramp is the sole launching facility located on the Puna coast at Pohoiki Bay within the Isaac Hale (Pohoiki) Beach Park, which is owned and managed by the County of Hawaii. The boat ramp is the only holding of the Department of Land and Natural Resources in the entire bay area, and is the only access to the ocean for boating and swimming within the beach park area. The landowners of the nearby adjacent property to the beach park have expressed interest in selling a one acre plot of their parcel, which is currently being used by the public to park their vehicles and gain access to the beach park and boat ramp. Although the County of Hawaii has expressed interest in acquiring the property, a firm commitment has not been made for the acquisition.

Your Committee recognizes that except for the launch ramp and loading dock, which are owned by the Department of Land and Natural Resources, the County of Hawaii owns and manages the beach park. However, your Committee notes that the intent of this measure is to further

the coordination of activities between the State and the counties. Thus, your Committee finds that requesting the Department of Land and Natural Resources to assess the feasibility of and explore the Puna community sentiment regarding the Department acquiring the one acre plot that is adjacent to the Isaac Hale Beach Park will provide a better opportunity to coordinate activities between the State and the County of Hawaii with respect to the Pohoiki Bay area and Beach Park.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 207 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Slom).

SCRep. 1719 Water, Land, Agriculture and Hawaiian Affairs on S.R. No. 133

The purpose of this measure is to request the Department of Land and Natural Resources to assess the feasibility of and explore the Puna community sentiment regarding the Department acquiring the one acre plot that is adjacent to the Isaac Hale Beach Park and the Pohoiki Boat Ramp.

Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

The Pohoiki Boat Ramp is the sole launching facility located on the Puna coast at Pohoiki Bay within the Isaac Hale (Pohoiki) Beach Park, which is owned and managed by the County of Hawaii. The boat ramp is the only holding of the Department of Land and Natural Resources in the entire bay area, and is the only access to the ocean for boating and swimming within the beach park area. The landowners of the nearby adjacent property to the beach park have expressed interest in selling a one acre plot of their parcel, which is currently being used by the public to park their vehicles and gain access to the beach park and boat ramp. Although the County of Hawaii has expressed interest in acquiring the property, a firm commitment has not been made for the acquisition.

Your Committee recognizes that except for the launch ramp and loading dock, which are owned by the Department of Land and Natural Resources, the County of Hawaii owns and manages the beach park. However, your Committee notes that the intent of this measure is to further the coordination of activities between the State and the counties. Thus, your Committee finds that requesting the Department of Land and Natural Resources to assess the feasibility of and explore the Puna community sentiment regarding the Department acquiring the one acre plot that is adjacent to the Isaac Hale Beach Park will provide a better opportunity to coordinate activities between the State and the County of Hawaii with respect to the Pohoiki Bay area and Beach Park.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 133 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Slom).

SCRep. 1720 (Joint) Health and Intergovernmental and Military Affairs on S.C.R. No. 197

The purpose of this measure is to ensure that individuals living in rural communities have access to quality health care by encouraging the counties to form partnerships with the State and private sector to cover health care infrastructure and overhead costs for primary care and specialty physicians practicing medicine in Hawaii's rural areas.

Your Committees received testimony in support of this measure from Hawaii Medical Service Association.

Your Committees find that a critical shortage of health care providers exists on the neighbor islands and rural communities of the State. The proposed partnership between the counties and the State and private sector will benefit the residents of Hawaii by increasing the number of health care providers in rural communities.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 197 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 1721 (Joint) Health and Intergovernmental and Military Affairs on S.R. No. 126

The purpose of this measure is to ensure that individuals living in rural communities have access to quality health care by encouraging the counties to form partnerships with the State and private sector to cover health care infrastructure and overhead costs for primary care and specialty physicians practicing medicine in Hawaii's rural areas.

Your Committees received testimony in support of this measure from Hawaii Medical Service Association.

Your Committees find that a critical shortage of health care providers exists on the neighbor islands and rural communities of the State. The proposed partnership between the counties and the State and private sector will benefit the residents of Hawaii by increasing the number of health care providers in rural communities.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 126 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 1722 (Joint) Health and Intergovernmental and Military Affairs on S.C.R. No. 217

The purpose of this measure is to ensure that quality health care is available to the residents of this State by requesting the United States Congress to increase the Medicare reimbursement rates for Hawaii.

Your Committees received testimony in support of this measure from the Department of Human Services, the Healthcare Association of Hawaii, the Hawaii Government Employees Association, Hawaii Medical Association, and the Hawaii Chapter of the American Physical Therapy Association.

Your Committees find that Medicare reimbursement rates are not keeping pace with the overall costs of providing health care in this State. Insufficient reimbursements will result in needed services being reduced or not developed at all. Your Committees further find that this financial plight of health care providers has recently been underscored by the financial collapse of Kahuku Hospital.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 217 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 1723 (Joint) Health and Intergovernmental and Military Affairs on S.R. No. 141

The purpose of this measure is to ensure that quality health care is available to the residents of this State by requesting the United States Congress to increase the Medicare reimbursement rates for Hawaii.

Your Committees received testimony in support of this measure from the Department of Human Services, the Healthcare Association of Hawaii, the Hawaii Government Employees Association, Hawaii Medical Association, and the Hawaii Chapter of the American Physical Therapy Association.

Your Committees find that Medicare reimbursement rates are not keeping pace with the overall costs of providing health care in this State. Insufficient reimbursements will result in needed services being reduced or not developed at all. Your Committees further find that this financial plight of health care providers has recently been underscored by the financial collapse of Kahuku Hospital.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 141 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 2 (Menor, Hemmings).

SCRep. 1724 (Joint) Health, Human Services and Public Housing and Public Safety on S.C.R. No. 214

The purpose of this measure is to promote best practices with regard to the use of restraints and seclusion in state funded programs and services.

Specifically, this measure requests the Governor to convene a task force to establish a statewide policy for the use of restraints and seclusion.

Testimony in support of this measure was submitted by the State Council on Developmental Disabilities, the Hawai'i Maternal Child Health Leadership Education in Neurodevelopmental Disabilities and Related Disorders Program at the University of Hawai'i at Manoa, the American Civil Liberties Union of Hawai'i, Center on Disability Studies, Community Alliance on Prisons, Hawaii Disability Rights Center, Hawaii Long Term Care Association, National Alliance on Mental Illness O'ahu, and twelve individuals. Testimony in opposition to this measure was submitted by the Department of Public Safety. Comments on this measure were submitted by the Department of Health, International Association of *Nonviolent Crisis Intervention*® Certified Instructors, and the Crisis Intervention Institute, Inc.

Your Committees find that given the potential for both physical and mental injuries, the use of restraints and seclusion should be given great care and scrutiny. Your Committees further find that policies and procedures on their use should be clear and consistently implemented.

Your Committees further find that the variety of situations in which the need for the use of restraints or seclusion arise, including the differences in use with adults as opposed to children and institutional verses noninstitutional use may make it impossible to develop a single, statewide policy.

This measure was amended to:

- (1) Request that the Governor serve as the convener of the task force instead of the Director of Health;
- (2) Request the task force to identify alternatives to the use of restraints and seclusion;
- (3) Establish that the purpose of the task force is to ensure that the policies in place are consistently implemented;
- (4) Request an accounting for the differences in use of restraints on adults as opposed to children and the differences in use in institutional settings as opposed to noninstitutional settings;
- (5) Recognize that a single policy may not be possible;
- (6) Clarify the reporting requirements; and
- (7) Amend the title to reflect these changes.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing and Public Safety that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 214, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 214, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 9. Noes, none. Excused, 3 (Ihara, Menor, Whalen).

SCRep. 1725 (Joint) Health, Human Services and Public Housing and Public Safety on S.R. No. 138

The purpose of this measure is to promote best practices with regard to the use of restraints and seclusion in state funded programs and services.

Specifically, this measure requests the Governor to convene a task force to establish a statewide policy for the use of restraints and seclusion.

Testimony in support of this measure was submitted by the State Council on Developmental Disabilities, the Hawai'i Maternal Child Health Leadership Education in Neurodevelopmental Disabilities and Related Disorders Program at the University of Hawai'i at Manoa, the American Civil Liberties Union of Hawai'i, Center on Disability Studies, Community Alliance on Prisons, Hawaii Disability Rights Center, Hawaii Long Term Care Association, National Alliance on Mental Illness O'ahu, and twelve individuals. Testimony in opposition to this measure was

submitted by the Department of Public Safety. Comments on this measure were submitted by the Department of Health, International Association of *Nonviolent Crisis Intervention*® Certified Instructors, and the Crisis Intervention Institute, Inc.

Your Committees find that given the potential for both physical and mental injuries, the use of restraints and seclusion should be given great care and scrutiny. Your Committees further find that policies and procedures on their use should be clear and consistently implemented.

Your Committees further find that the variety of situations in which the need for the use of restraints or seclusion arise, including the differences in use with adults as opposed to children and institutional verses noninstitutional use may make it impossible to develop a single, statewide policy.

This measure was amended to:

- (1) Request that the Governor serve as the convener of the task force instead of the Director of Health;
- (2) Request the task force to identify alternatives to the use of restraints and seclusion;
- (3) Establish that the purpose of the task force is to ensure that the policies in place are consistently implemented;
- (4) Request an accounting for the differences in use of restraints on adults as opposed to children and the differences in use in institutional settings as opposed to noninstitutional settings;
- (5) Recognize that a single policy may not be possible;
- (6) Clarify the reporting requirements; and
- (7) Amend the title to reflect these changes.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing and Public Safety that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 138, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 138, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 9. Noes, none. Excused, 3 (Ihara, Menor, Whalen).

SCRep. 1726 (Joint) Health and Public Safety on S.C.R. No. 61

The purpose of this measure is to improve the mental health forensic services for inmates of Hawaii state correctional facilities.

Specifically, this measure requests the establishment of a forensic facility and establishes a task force that is to report to the Legislature on the plans, site selection, budget, construction, recommendations, and other relevant matters relating to the establishment of the facility.

Testimony in support of this measure was submitted by the Community Alliance on Prisons; Hawaii Disability Rights Center; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and eight individuals. Testimony in opposition to this measure was submitted by the Department of Public Safety. Comments on this measure were submitted by the Department of Health and one individual.

Your Committees find that expanded forensic services to mentally ill individuals incarcerated in state correctional facilities is sorely needed.

This measure was amended by broadening its scope to request that the Department of Health and Public Safety consider the expansion of existing facilities as well as the establishment of a new facility, in recognition of the fact that there are existing, though insufficient facilities at the state hospital. This measure was also amended to acknowledge the establishment and work of the task force established by the 2006 Legislature through Senate Concurrent Resolution No. 117, S.D. 1, which was tasked with evaluating procedural, policy and statutory changes as well as community-based health services to minimize the Hawaii state hospital census. The title of this measure was also amended to reflect these changes.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 61, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 61, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1727 (Joint) Health and Public Safety on S.R. No. 37

The purpose of this measure is to improve the mental health forensic services for inmates of Hawaii state correctional facilities.

Specifically, this measure requests the establishment of a forensic facility and establishes a task force that is to report to the Legislature on the plans, site selection, budget, construction, recommendations, and other relevant matters relating to the establishment of the facility.

Testimony in support of this measure was submitted by the Community Alliance on Prisons; Hawaii Disability Rights Center; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and eight individuals. Testimony in opposition to this measure was submitted by the Department of Public Safety. Comments on this measure were submitted by the Department of Health and one individual.

Your Committees find that expanded forensic services to mentally ill individuals incarcerated in state correctional facilities is sorely needed.

This measure was amended by broadening its scope to request that the Department of Health and Public Safety consider the expansion of existing facilities as well as the establishment of a new facility, in recognition of the fact that there are existing, though insufficient facilities at the state hospital. This measure was also amended to acknowledge the establishment and work of the task force established by the 2006 Legislature through Senate Concurrent Resolution No. 117, S.D. 1, which was tasked with evaluating procedural, policy and statutory changes as well as community-based health services to minimize the Hawaii state hospital census. The title of this measure was also amended to reflect these changes.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 37, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 37, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1728 (Joint) Health and Public Safety on S.C.R. No. 93

The purpose of this measure is to address mental health needs of incarcerated and formerly incarcerated persons.

Specifically, this measure requests the Department of Health to convene a special mental health task to conduct a study to assess whether Hawaii should provide some form of post-involuntary outpatient mental health care, and assess the quality and effectiveness of mental health services provided to incarcerated persons, and to report back to the Legislature before the 2008 Regular Session.

Testimony in support of this measure was submitted by the Community Alliance on Prisons, Hawaii Disability Rights Center, NAMI O'ahu, and eighteen individuals. Testimony in opposition to this measure was submitted by the Senior Policy Advisor to the Governor and the Department of Health.

Your Committees find that a large portion of individuals incarcerated or formerly incarcerated in Hawaii are in need of mental health services. Your Committees further find that individuals with mental health needs who are properly treated are far less likely to return to the penal system. Therefore, your Committees find it proper to study the quality of mental health services provided to individuals incarcerated in state facilities and the feasibility of providing post-release care.

This measure was amended to:

- (1) Replace the Director of Health with the Governor or the Governor's designee as the convener and chair of the task force;
- (2) Remove the Chief of the Alcohol and Drug Abuse Division of the Department of Mental Health from the task force;
- (3) Include the Attorney General or designee in the task force; and
- (4) Update the current number of adults being served by the Adult Mental Health Division and delete references to any discrepancy of services to reflect the fact that there are other mental health providers involved.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 93, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 93, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1729 (Joint) Health and Public Safety on S.R. No. 57

The purpose of this measure is to address mental health needs of incarcerated and formerly incarcerated persons.

Specifically, this measure requests the Department of Health to convene a special mental health task to conduct a study to assess whether Hawaii should provide some form of post-involuntary outpatient mental health care, and assess the quality and effectiveness of mental health services provided to incarcerated persons, and to report back to the Legislature before the 2008 Regular Session.

Testimony in support of this measure was submitted by the Community Alliance on Prisons, Hawaii Disability Rights Center, NAMI O'ahu, and eighteen individuals. Testimony in opposition to this measure was submitted by the Senior Policy Advisor to the Governor and the Department of Health.

Your Committees find that a large portion of individuals incarcerated or formerly incarcerated in Hawaii are in need of mental health services. Your Committees further find that individuals with mental health needs who are properly treated are far less likely to return to the penal system. Therefore, your Committees find it proper to study the quality of mental health services provided to individuals incarcerated in state facilities and the feasibility of providing post-release care.

This measure was amended to:

- (1) Replace the Director of Health with the Governor or the Governor's designee as the convener and chair of the task force;
- (2) Remove the Chief of the Alcohol and Drug Abuse Division of the Department of Mental Health from the task force;
- (3) Include the Attorney General or designee in the task force; and
- (4) Update the current number of adults being served by the Adult Mental Health Division and delete references to any discrepancy of services to reflect the fact that there are other mental health providers involved.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 57, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 57, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1730 Transportation and International Affairs on Gov. Msg. Nos. 608 and 609

Recommending that the Senate advise and consent to the nominations of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 608 KRISTI SCHULENBERG, for a term to expire 6-30-2011; and

G.M. No. 609 MARK JOSEPH SCRIBNER, for a term to expire 6-30-2011

Your Committee received testimony in support of Kristi Schulenberg from the Department of Transportation (DOT); Hawai'i Medical Service Association; Kokua Kalihi Valley; Injury Prevention Advisory Committee; Hawai'i Bicycling League; Maui Bicycling Alliance; Kaua'i Path Committee; Sierra Club O'ahu Group; and five individuals.

The nominee is the Executive Director of the Hawai'i Bicycling League. She received a Bachelor of Arts in Religious Studies from the University of Dayton. Ms. Schulenberg has prior experience with Amnesty International USA as Director, National Training Program, and with Catholic Charities USA, as Director, Parish Social Ministry.

Ms. Schulenberg is experienced in all phases of visioning, strategic planning, funding, fiscal responsibility, and program implementation and evaluation. She brings the perspective of the bicycling community to the bicycle programs of the Department of Transportation. Your Committee notes the testimony of the DOT to the effect that the nominee is well qualified to be a valuable member of the State Highway Council.

Ms. Schulenberg states in her personal statement that achieving a safe and usable infrastructure for cyclists is not disconnected from overall transportation planning, design, and implementation. Cyclists are one among many user groups that need safe and desirable transportation options. She would share and advocate the views and needs of cyclists.

Your Committee received testimony in support of Mark Joseph Scribner from the Department of Transportation and Mothers Against Drunk Driving Hawai'i.

The nominee is with the Kaua'i Police Department as a Lieutenant and Traffic Safety Unit Commander. He received an Associate in Arts degree from the University of Hawai'i. Lt. Scribner is experienced in traffic crash reconstruction, which is a valuable contribution to the State Highway Safety Council.

Your Committee notes the testimony of the DOT to the effect that the nominee is well qualified to be a valuable member of the State Highway Council. Lt. Scribner states in his personal statement that traffic safety has been a major part of his police career and will continue to be his top priority even after he leaves the police department. He brings his experience and knowledge to the State Highway Safety Council.

As affirmed by the records of votes of the members of your Committee on Transportation and International Affairs that are attached to this report, your Committee, after full consideration of the background, 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 (Hooser, Taniguchi, Gabbard).

SCRep. 1731 Transportation and International Affairs on Gov. Msg. No. 657

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII SISTER STATE COMMITTEE

G.M. No. 657 THANH-LO SANANIKONE, for a term to expire 6-30-2008

Your Committee received testimony in support of Thanh-Lo Sananikone from the Department of Business, Economic Development, and Tourism (DBEDT); Vietnamese Chamber of Commerce; East-West Center; and five individuals.

The nominee is an international businessperson and management consultant with over eighteen years of experience. She is the Managing Director of PacMar, Inc., where she is responsible for daily administration and management and is involved with the coordination of international and domestic project activities. Ms. Sananikone received a Master's of Public Health in Environmental Health Management and a Bachelor of Science in Chemistry/Microbiology from the University of Hawai'i at Manoa.

PacMar, Inc., is a Hawai'i-based international management and development consulting company working in the Asia-Pacific regions. PacMar seeks innovative ways to turn project and business concepts into viable enterprises and acts as a catalyst to identify and devise strategies to overcome impediments to business success and socio-economic development in the Asia-Pacific region.

As the Trade Mission Coordinator for the State of Hawai'i, Ms. Sananikone coordinated and led many successful trade missions to Vietnam. She also has extensive involvement in numerous nonprofit community organizations and professional associations concerned with Pacific and Asian affairs.

Your Committee notes the testimony of DBEDT to the effect that the nominee is superbly qualified to be a member of the Hawai'i Sister State Committee. Over the course of a distinguished career, she has served in international leadership positions with a focus on the Asia-Pacific region. These positions include a wide range of responsibilities, from consulting on business opportunities to assisting immigrants and refugees. DBEDT has had the pleasure of working closely with her on trade missions to Vietnam, and finds her to be knowledgeable of the local business investment environment, and energetic and enthusiastic about assisting Hawai'i companies.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee, after full consideration of the background, 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, Taniguchi, Gabbard).

SCRep. 1732 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 292

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF AGRICULTURE

G.M. No. 292 LAURIE KWAI-HOON HO, for a term to expire 6-30-2010

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Laurie Kwai-Hoon Ho to have the necessary qualifications to be nominated to the Board of Agriculture.

Testimony in support of Laurie Kwai-Hoon Ho's nomination was submitted by the Department of Agriculture; the Agribusiness Development Corporation; the Office of Economic Development, County of Kauai; the Hawaii Farm Bureau Federation; the Kauai County Farm Bureau; the Kaua'i Museum Association, Ltd.; the Lihu'e Business Association; and nine individuals.

Ms. Ho is a graduate of Kamehameha Schools and received her Bachelor of Science in Agricultural Technology from the University of Hawaii at Manoa. She is currently a Coordinator for Garden Island Resources Conservation and Development, which is part of the Natural Resources

Conservation Service of the United States Department of Agriculture. As Coordinator, she assists the Resource Conservation and Development Board of Directors in developing long-range and annual plans of work, builds effective coalitions with government agencies, groups, and individuals, and facilitates meetings for local task forces, steering committees, and advisory groups.

Ms. Ho joined the Board of Agriculture as an interim appointment member representing Kauai in the summer of 2006 and in that time has shown her great ability to serve. She contributes to the Board twenty-nine years experience with the United States Department of Agriculture where she has worked individually and collaboratively with local, national, and international producers and her commitment to reconnecting Kauai consumers with their local agriculturalists. This is an important initiative that the Department of Agriculture recognizes as an invaluable necessary step toward garnering the public support needed to keep agriculture viable in Hawaii. Ms. Ho's demonstrated commitment, motivation, farming background, education, and life experiences will greatly assist the Board of Agriculture with important decisions affecting agriculture in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, 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 (Fukunaga, Hee).

SCRep. 1733 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 289, 290, 291 and 459

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE AGRIBUSINESS DEVELOPMENT CORPORATION

- G.M. No. 289 DUANE C.K. LAU, for a term to expire 6-30-2010;
- G.M. No. 290 TEENA M. RASMUSSEN, for a term to expire 6-30-2011;
- G.M. No. 291 DAVID G. RIETOW, for a term to expire 6-30-2010; and
- G.M. No. 459 CHRISTINE MARIE DALEIDEN, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Duane C.K. Lau, Teena M. Rasmussen, David G. Rietow, and Christine Marie Daleiden to have the necessary qualifications to be nominated to the Board of Directors of the Agribusiness Development Corporation.

Testimony in support of Duane C.K. Lau's nomination was submitted by the Department of Agriculture, the Agribusiness Development Corporation, and the Hawaii Farm Bureau Federation.

Mr. Lau is a graduate of Saint Louis School and received his Bachelor of Science in Business Economics and Information Systems from the University of San Francisco. Mr. Lau is currently the Vice President of Sales and Marketing for May's Wonder Gardens, a hydroponic lettuce farm, and is in Sales and Marketing with Hawaiian Candies and Nuts, Ltd. He was also a past President of the Hawaii Food Manufacturer's Association, a past Western Region Director of the American Association of Meat Processors, and is a member of the American Meat Institute. Mr. Lau joined the Board of Directors of the Agribusiness Development Corporation as an interim appointed member in the summer 2006 and in that time has shown his great ability to serve on the Board. His insights on the aspects necessary for agribusiness, including production, distribution, marketing, and food safety issues will provide valuable insight for making important decisions regarding Agribusiness Development Corporation projects and the agricultural industry in Hawaii.

Testimony in support of Teena M. Rasmussen's nomination was submitted by the Department of Agriculture, the Agribusiness Development Corporation, the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, the Hawaii Agriculture Research Center, Green Point Nurseries, and six individuals.

Ms. Rasmussen attended Washington State University, California State University at Fullerton, and Chaminade University. She and her husband currently own and operate Paradise Flower Farms, Inc. where they grow and ship fresh cut flowers, roses, leis, and bulbs on their fifty-six acre farm in Kula, Maui. Ms. Rasmussen has tirelessly donated her time by serving on many boards in various capacities, including the Chairperson of the Maui Chamber of Commerce, a member of the Maui Economic Development Board, a member of the Farm Service Agency State Committee, and a member of the Hawaii Tropical Flower Council. She joined the Board of Directors of the Agribusiness Development Corporation in 2003 and was elected as its Chairperson in 2005. This accomplishment is a testament to her effective style of leadership, her motivation and drive to problem-solve, and her commitment to the agricultural industry in Hawaii. Her background as a flower farmer on Maui allows her to bring a unique perspective to the Board of Directors of farming on the neighbor islands. Furthermore, as a tenant on a county agricultural park, she understands land lease issues. As a business person, she also understands foreign competition, water, transportation, and other challenging issues that farmers in Hawaii face. Ms. Rasmussen's demonstrated commitment and extensive experience in the farming and business sectors makes her a valuable asset to the Board of Directors of the Agribusiness Development Corporation for a second term.

Testimony in support of David G. Rietow's nomination was submitted by the Department of Agriculture, the Agribusiness Development Corporation, the Hawaii Farm Bureau Federation, and the Hawaii Agriculture Research Center.

Mr. Rietow is a graduate of Punahou School and received his Bachelor of Science in Agronomy from Arizona State University. He is currently the President and Chief Executive Officer of MacFarms of Hawaii, LLC, the President and Co-Owner of Agro Resources, Inc., and a Consultant and Managing Member of Agricon Hawaii, LLC. He has an impressive thirty-seven-year background in agribusiness development, management, and support. He is also active in many trade and professional organizations in various capacities, including the President of the Hawaii Macadamia Nut Association and the Chairperson of the Board of Directors of the Hawaii Employer's Mutual Insurance Company. He joined the Board of Directors of the Agribusiness Development Corporation as an interim appointed member in the summer 2006 and in that time has shown his great ability to serve on the Board. As global demands on agriculture continue to transform the industry with modern technology and innovations, Mr. Rietow's wealth of experience and knowledge will prove to be an invaluable asset for the Board of Directors of the Agribusiness Development Corporation.

Testimony in support of Christine Marie Daleiden's nomination was submitted by the Department of Agriculture, the Agribusiness Development Corporation, and seven individuals.

Ms. Daleiden received her Bachelor of Science in Justice Studies, Magna Cum Laude, from Arizona State University, and her Doctorate of Jurisprudence from the Santa Clara University School of Law in Santa Clara, California. She is currently an Attorney and Consultant with the Department of Commerce and Consumer Affairs, Division of Financial Institutions and Cemetery and Funeral Trusts Program, and is a Professor at the University of Phoenix in Honolulu. Prior to her current position, Ms. Daleiden was a Deputy Attorney General with the Department of the Attorney General where she represented the Agribusiness Development Corporation in areas of litigation, water law, land use, agribusiness, banking law, and trust law. During this time, she became knowledgeable of the Agribusiness Development Corporation's mission, operations, and board structure. As the Agribusiness Development Corporation continues to take on complex projects relating to irrigation systems and agricultural land, Ms. Daleiden will be an invaluable asset on the Board of Directors.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, 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 (Fukunaga, Hee).

SCRep. 1734 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 442, 443, 444, 468 and 469

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY COMMITTEE ON PESTICIDES

- G.M. No. 442 JANET CLAIRE ASHMAN, for a term to expire 6-30-2011;
- G.M. No. 443 BARBARA ANN BROOKS, Ph.D., for a term to expire 6-30-2011;
- G.M. No. 444 CYNTHIA K.L. REZENTES, for a term to expire 6-30-2011;
- G.M. No. 468 QING X. LI, Ph.D., for a term to expire 6-30-2011; and
- G.M. No. 469 REBECCA CAROL TAYLOR, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Janet Claire Ashman, Barbara Ann Brooks, Ph.D., Cynthia K.L. Rezentes, Qing X. Li, Ph.D., and Rebecca Carol Taylor to have the necessary qualifications to be nominated to the Advisory Committee on Pesticides.

Testimony in support of Janet Claire Ashman's nomination was submitted by the Department of Agriculture; the Agribusiness Development Corporation; the Hawaii Farm Bureau Federation; the Maui County Farm Bureau; the Hawaii Agriculture Research Center; Alexander and Baldwin, Inc.; Hawaiian Commercial and Sugar Company; Kauai Coffee Company, Inc.; Gay and Robinson, Inc.; and one individual.

Ms. Ashman received her Bachelor of Arts in Zoology at the University of Hawaii at Manoa and her Doctorate of Jurisprudence from the William S. Richardson School of Law at the University of Hawaii at Manoa. She is currently an Environmental Specialist for the Hawaii Agricultural Research Center where she is responsible for coordinating and presenting agricultural industry responses to environmental regulatory and legislative proposals. Nominated for her second term and representing the Hawaii Farm Bureau Federation, Ms. Ashman contributes to the Advisory Committee on Pesticides extensive experience in governmental relations and environmental regulation. She actively participates in discussions of which she is aware of the potential impact of environmental laws and rules, and considers implementation issues during these discussions. Ms. Ashman's demonstrated commitment and extensive experience, education, and intellect to understand the wide range of issues makes her an invaluable asset to the Advisory Committee on Pesticides.

Testimony in support of Barbara Ann Brooks, Ph.D.'s nomination was submitted by the Department of Agriculture and the Department of Health.

Dr. Brooks received her Bachelor of Science in Nutritional Science from the University of Arizona, and her Master in Science in Food Science and her Doctorate in Toxicology from Cornell University. She is currently a State Toxicologist with the Department of Health and the Supervisor of the Hazard Evaluation Section of the Hazard Evaluation and Emergency Response Office. She has over fifteen years of experience as an environmental toxicologist, specializing in human health risk assessments. Dr. Brooks' current focus with the Department of Health is to enhance the environmental public health tracking of diseases related to environmental exposures. She is also a member of the Western Tracking Biomonitoring Collaborative whose goal is to build capacity at the state level to assess the nature and extent of exposure to hazardous substances. Nominated for her second term and representing the Department of Health, Dr. Brooks contributes to the Advisory Committee an extensive risk assessment background that is important to understand health risks of pesticides and how pesticides should be regulated. Her demonstrated commitment and extensive experience, education, and intellect to understand the wide range of issues makes Dr. Brooks an invaluable asset to the Advisory Committee on Pesticides.

Testimony in support of Cynthia K.L. Rezentes' nomination was submitted by the Department of Agriculture and the Hawaii Agriculture Research Center.

Ms. Rezentes is a graduate of Wai'anae High School, received her Bachelor of Science in Electrical Engineering from Gonzaga University, and her Master of Science in Electrical Engineering from the University of New Mexico. She is currently the Chairperson of Ka Papa O Kakuhihewa Council, which receives and manages funds donated by the Hawaiian Electric Company to the Waianae, Makakilo, and Kapolei regions for grants to promote resources conservation through education and hands-on efforts. She is also the Secretary of Mohala I Ka Wai, which is a volunteer organization that works with the Board of Water Supply to investigate the effects of reducing groundwater pumping on surface water flow in Makaha Stream, and is a Director of the O'ahu Resource and Development Council, Inc., which is a nonprofit organization established to provide assistance to local organizations for capacity building, and to do projects within the community that will promote agriculture, the environment, and social and cultural initiatives. Nominated for her second term and representing environmental organizations, Ms. Rezentes contributes to the Advisory Committee an extensive background in environmental community efforts, is able to work well with people on difficult and complex issues, and provides a balanced, well-reasoned, and valuable perspective. Her demonstrated commitment and leadership in numerous environmental stewardship projects makes Ms. Rezentes an invaluable asset to the Advisory Committee on Pesticides.

Testimony in support of Qing X. Li, Ph.D.'s nomination was submitted by the Department of Agriculture, the Dean of the College of Tropical Agriculture and Human Resources at the University of Hawaii, and one individual.

Dr. Li received his Bachelor of Science in Agriculture from the Shandong Agricultural University in Shandong, China and received his Doctorate in Agricultural and Environmental Chemistry from the University of California at Davis. He is currently a Professor with the Department of Molecular Biosciences and Bioengineering and a Director of the Pesticide Residue Research Laboratory at the University of Hawaii at Manoa. As the representative of the College of Tropical Agriculture and Human Resources on the Advisory Committee, Dr. Li will bring to the Advisory Committee on Pesticides his far-ranging expertise in the areas of environmental chemistry and pesticide regulation. As part of the College of Tropical Agriculture and Human Resources Interregional Research Project No. 4 program team, he directs research to evaluate pesticide residue levels on crop tissues so that safe tolerance levels can be established and new pesticides can be registered with the United States Environmental Protection Agency for use by growers in Hawaii. Dr. Li's strong scientific background, ability to identify the risks and benefits of pesticides, and ability to suggest innovative ways to use and regulate pesticides will be invaluable assets for the Advisory Committee on Pesticides.

Testimony in support of Rebecca Carol Taylor's nomination was submitted by the Department of Agriculture and one individual.

Ms. Taylor received her Bachelor of Arts in Mathematics from the University of Arkansas and received her Master in Business Administration from Hawaii Pacific University, where she was a member of the Delta Mu Delta Business Honor Society. She is currently a Realtor Associate with Coldwell Banker Pacific Properties in Honolulu where she concentrates on residential real estate sales and marketing. As a realtor, she is familiar with the problems affecting structural fumigation, which is one of the major uses of hazardous pesticides in Hawaii. Furthermore, Ms. Taylor has twenty-five years of experience as a planning specialist, assisting agencies in developing data management systems in Arkansas. One of her clients was the Arkansas Plant Board, which is the counterpart to the Plant Industry Division of the Department of Agriculture. As a result, she has an understanding of state programs that monitor plant crops. As the citizen's group representative on the Advisory Committee, Ms. Taylor will bring to the Advisory Committee on Pesticides her wealth of knowledge and expertise in the areas of governmental relations and residential pesticide uses.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, 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 (Fukunaga, Hee).

SCRep. 1735 (Joint) Education and Intergovernmental and Military Affairs on S.C.R. No. 57

The purpose of this measure is to request the United States Congress to propose amendments to the No Child Left Behind Act of 2001.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, the Hawaii Association of Independent Schools, the College of Education Faculty Senate, and four individuals.

Your Committees find that the Department of Education has been subject to several mandates that have drained resources and taken the focus away from various programs and objectives under the No Child Left Behind Act of 2001. Your Committees further find that the No Child Left Behind Act requires a narrow focus on the basics, which has led to a move away from the implementation of best practices and cutting edge educational research to achieve higher test scores. Your Committees determine that the No Child Left Behind Act also provides unfunded mandates and fails to concentrate efforts on providing a well-rounded, comprehensive education for our students. In 2007, the United States Congress is faced with a decision as to whether to reauthorize the No Child Left Behind Act, allow the law to lapse, or replace it with a new law. Your Committees find that the current provisions of the law should be examined and amended to address the current needs of public schools and public school students to facilitate maximum efficiency and student achievement.

Based on the testimony provided, your Committees believe that further clarification and specification is required and has amended this measure by requesting that, among the issues and amendments the United States Congress should address, are the following:

- (1) Improving teacher quality, preparation, and training;
- (2) Improving assessment measures and systems;
- (3) Improving accountability models, indicators of performance, and consequences;
- (4) Augmenting resources to assist states in efforts to accomplish challenging educational initiatives;
- (5) Supporting innovation, capacity building, and flexibility to address state and local education needs; and
- (6) Returning to original intent and purpose of the *Elementary and Secondary Education Act (ESEA)*.

As affirmed by the records of votes of the members of your Committees on Education and Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 57, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 57, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 4 (Chun Oakland, Hee, Nishihara, Hemmings).

SCRep. 1736 (Joint) Education and Intergovernmental and Military Affairs on S.R. No. 33

The purpose of this measure is to request the United States Congress to propose amendments to the No Child Left Behind Act of 2001.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, the Hawaii Association of Independent Schools, the College of Education Faculty Senate, and four individuals.

Your Committees find that the Department of Education has been subject to several mandates that have drained resources and taken the focus away from various programs and objectives under the No Child Left Behind Act of 2001. Your Committees further find that the No Child Left Behind Act requires a narrow focus on the basics, which has led to a move away from the implementation of best practices and cutting edge educational research to achieve higher test scores. Your Committees determine that the No Child Left Behind Act also provides unfunded mandates and fails to concentrate efforts on providing a well-rounded, comprehensive education for our students. In 2007, the United States

Congress is faced with a decision as to whether to reauthorize the No Child Left Behind Act, allow the law to lapse, or replace it with a new law. Your Committees find that the current provisions of the law should be examined and amended to address the current needs of public schools and public school students to facilitate maximum efficiency and student achievement.

Based on the testimony provided, your Committees believe that further clarification and specification is required and has amended this measure by requesting that, among the issues and amendments the United States Congress should address, are the following:

- (1) Improving teacher quality, preparation, and training;
- (2) Improving assessment measures and systems;
- (3) Improving accountability models, indicators of performance, and consequences;
- (4) Augmenting resources to assist states in efforts to accomplish challenging educational initiatives;
- (5) Supporting innovation, capacity building, and flexibility to address state and local education needs; and
- (6) Returning to original intent and purpose of the *Elementary and Secondary Education Act (ESEA)*.

As affirmed by the records of votes of the members of your Committees on Education and Intergovernmental and Military 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, 6. Noes, none. Excused, 4 (Chun Oakland, Hee, Nishihara, Hemmings).

SCRep. 1737 Education on S.C.R. No. 140

The purpose of this measure is to support the advancement and improvement of the University of Hawaii system by establishing a task force for developing a funding formula for state funds for the system.

Testimony in support of this measure was submitted by the University of Hawaii.

Your Committee finds that the year 2007 marks the one hundredth anniversary for the University of Hawaii. Your Committee further finds that over the past century, the University of Hawaii has grown into a world-renowned institution that supports ten campuses and offers in excess of six hundred twenty degrees and certificates. Moving forward toward the next centennial, efforts must continue to support the expansion, growth, and diversification of the University of Hawaii to ensure that it remains a highly respected and influential institution in the Pacific and throughout the world. To continue with the University's progression and advancement, it is important for the Legislature to ensure that the University is properly funded to maximize its operational efficiency and effectiveness.

This measure seeks to address these issues through the establishment of a task force, composed of interested and knowledgeable individuals, to consider the relationship between the State, the University of Hawaii, and the students and develop objectives and benchmarks for funding appropriate funding to meet those goals.

Accordingly, your Committee has amended this measure by:

- (1) Changing the composition of the task force to include the Hawaii Educational Policy Center and to exclude the Governor, the National Center for Higher Education Management Systems, and the Western Interstate Commission on Higher Education; and
- (2) Specifying that the task force is requested to examine input and perspectives of the National Center for Higher Education and the Western Interstate Commission on Higher 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. 140, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 140, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Hee, Nishihara, Taniguchi).

SCRep. 1738 Education on S.R. No. 94

The purpose of this measure is to support the advancement and improvement of the University of Hawaii system by establishing a task force for developing a funding formula for state funds for the system.

Testimony in support of this measure was submitted by the University of Hawaii.

Your Committee finds that the year 2007 marks the one hundredth anniversary for the University of Hawaii. Your Committee further finds that over the past century, the University of Hawaii has grown into a world-renowned institution that supports ten campuses and offers in excess of six hundred twenty degrees and certificates. Moving forward toward the next centennial, efforts must continue to support the expansion, growth, and diversification of the University of Hawaii to ensure that it remains a highly respected and influential institution in the Pacific and throughout the world. To continue with the University's progression and advancement, it is important for the Legislature to ensure that the University is properly funded to maximize its operational efficiency and effectiveness.

This measure seeks to address these issues through the establishment of a task force, composed of interested and knowledgeable individuals, to consider the relationship between the State, the University of Hawaii, and the students and develop objectives and benchmarks for funding appropriate funding to meet those goals.

Accordingly, your Committee has amended this measure by:

- (1) Changing the composition of the task force to include the Hawaii Educational Policy Center and to exclude the Governor, the National Center for Higher Education Management Systems, and the Western Interstate Commission on Higher Education; and
- (2) Specifying that the task force is requested to examine input and perspectives of the National Center for Higher Education and the Western Interstate Commission on Higher 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. 94, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 94, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Hee, Nishihara, Taniguchi).

SCRep. 1739 Education on S.C.R. No. 179

The purpose of this measure is to provide increased after school activities for students by requesting the Department of Education to develop a plan to increase academic services to students in the After-school Plus Program.

Testimony in opposition of this measure was submitted by the Department of Education.

Your Committee finds that the Department of Education's A+ Program provides affordable after-school child care services for children in public elementary schools whose parents work, attend school, or are in job training programs, so that the high incidence of latchkey children is reduced. Your Committee further finds that the A+ Program provides a safe, secure, and nurturing environment for children after school hours and offers a rich variety of activities for the children. Your Committee believes that the A+ Program plays an important role in helping young students to achieve their educational goals and realize their potential. The expansion of this and other programs to provide increased academic services to young students, including tutoring and training in specific areas, will allow more public school students to strive to greater heights of academic achievement and support a highly qualified future workforce in Hawaii.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that the Department of Education is requested to develop a plan to increase academic and extracurricular services to A+ Program students and students in other on-site programs developed and offered by the A+ Program and other service providers, and making changes to the title and the body of the measure to reflect this objective; 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 Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 179, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 179, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Hee, Nishihara, Taniguchi).

SCRep. 1740 Education on S.R. No. 115

The purpose of this measure is to provide increased after school activities for students by requesting the Department of Education to develop a plan to increase academic services to students in the After-school Plus Program.

Testimony in opposition of this measure was submitted by the Department of Education.

Your Committee finds that the Department of Education's A+ Program provides affordable after-school child care services for children in public elementary schools whose parents work, attend school, or are in job training programs, so that the high incidence of latchkey children is reduced. Your Committee further finds that the A+ Program provides a safe, secure, and nurturing environment for children after school hours and offers a rich variety of activities for the children. Your Committee believes that the A+ Program plays an important role in helping young students to achieve their educational goals and realize their potential. The expansion of this and other programs to provide increased academic services to young students, including tutoring and training in specific areas, will allow more public school students to strive to greater heights of academic achievement and support a highly qualified future workforce in Hawaii.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that the Department of Education is requested to develop a plan to increase academic and extracurricular services to A+ Program students and students in other on-site programs developed and offered by the A+ Program and other service providers, and making changes to the title and the body of the measure to reflect this objective; 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 Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 115, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 115, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Hee, Nishihara, Taniguchi).

SCRep. 1741 Economic Development and Taxation on S.C.R. No. 46

The purpose of this measure is to determine how best to protect Hawaii's historic buildings by researching:

- (1) The current status of historic buildings in Hawaii, with special emphasis on those that may be in danger of demolition;
- (2) Existing practices at the state and county levels related to demolition of historic buildings; and
- (3) Model programs from other states and jurisdictions.

Testimony in support of this measure was received from the Department of Land and Natural Resources, Historic Hawai'i Foundation, and the Society for Hawaiian Archaeology.

Your Committee has considered a number of recommended changes to this measure, all of which are intended to enhance protective measures for historic properties throughout the islands.

Your Committee has reviewed the recommendations and amended this measure accordingly, by:

- (1) Deleting the provision that the report include the current status of historic buildings in Hawaii, with special emphasis on those that may be in danger of demolition within the next one, three, five years, and beyond;

- (2) Adding language that the report include existing programs to provide incentives for preservation and rehabilitation of historic buildings; and
- (3) Clarifying that model programs from other states and jurisdictions are related to protection from demolition and incentives for preservation.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation 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, 1 (English).

SCRep. 1742 Economic Development and Taxation on S.R. No. 25

The purpose of this measure is to determine how best to protect Hawaii's historic buildings by researching:

- (1) The current status of historic buildings in Hawaii, with special emphasis on those that may be in danger of demolition;
- (2) Existing practices at the state and county levels related to demolition of historic buildings; and
- (3) Model programs from other states and jurisdictions.

Testimony in support of this measure was received from the Department of Land and Natural Resources, Historic Hawai'i Foundation, and the Society for Hawaiian Archaeology.

Your Committee has considered a number of recommended changes to this measure, all of which are intended to enhance protective measures for historic properties throughout the islands.

Your Committee has reviewed the recommendations and amended this measure accordingly, by:

- (1) Deleting the provision that the report include the current status of historic buildings in Hawaii, with special emphasis on those that may be in danger of demolition within the next one, three, five years, and beyond;
- (2) Adding language that the report include existing programs to provide incentives for preservation and rehabilitation of historic buildings; and
- (3) Clarifying that model programs from other states and jurisdictions are related to protection from demolition and incentives for preservation.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 25, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 25, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 1743 (Joint) Public Safety and Education on S.C.R. No. 52

The purpose of this measure is to decrease the recidivism rate to Hawaii correctional facilities.

Specifically, this measure requests the Department of Education to establish:

- (1) Special schooling or programs to encourage and provide opportunities for inmates exiting prison to obtain a general education development diploma to increase an inmate's opportunities to obtain employment in the community;
- (2) A special school or schools at appropriate locations to accomplish the general education development school initiative;
- (3) A permanent, personalized educational and job preparation plan for parolees and other released persons who express a desire for additional education to prepare for gainful employment; and
- (4) A voluntary data tracking system that is developed and maintained in conjunction with the Department of Public Safety to identify successful educational components.

The measure requests the Department of Public Safety to establish:

- (1) Distance learning programs for inmates still incarcerated to facilitate educational opportunities;
- (2) Programs, developed in conjunction with the Department of Education, to assist inmates with the continuation of educational plans and preparation for gainful employment upon release; and
- (3) A voluntary data tracking system that is developed and maintained in conjunction with the department of education to identify successful educational components.

This measure also requires the both departments to report on the establishment of these programs and systems to the Legislature before the 2008 Regular Session.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Community Alliance on Prisons, and four individuals. Testimony supporting the intent of this measure was submitted by the Department of Education. Testimony in opposition to this measure was submitted by the Department of Public Safety.

Your Committees find that there is an unacceptably high rate of recidivism to correctional facilities in Hawaii. Your Committees further find that the recidivism rate is largely due to the many problems former inmates face with reentry into the community upon release. These problems include workplace and housing restrictions as well as societal prejudices.

Your Committees further find that the recidivism rate could be drastically reduced if incarcerated persons are given educational opportunities. Those educational opportunities would be most successful if they are begun during incarceration and continued through the transitional period of reentry.

Your Committees further find that the cost of recidivism is both economically and socially high. Therefore, it is important to the public interest that the Departments of Education and Public Safety work together to establish educational programs that address the needs of the incarcerated persons during their incarceration and reentry periods.

However, your Committees further find that some of the educational programs called for in this measure may already exist, but are not being used to their fullest potential.

This measure has been amended to:

- (1) Include the existing programs at Kulani Correctional Facility as a positive example of continued educational training for former offenders;
- (2) Delete the requirement of establishing separate schooling or programs and special schools;
- (3) Substitute an examination of the feasibility to integrate the existing data bases in the Departments of Education and Public Safety for requesting the establishment of a new system for offender and former offender educational tracking;
- (4) Include the Department of Labor and Industrial Relations and the Adult Mental Health Division of the Department of Health in developing the permanent, personalized educational and job placement plans and to expand such planning to include soon-to-be-released inmates;
- (5) Include the examination of the uses, feasibility, and costs of establishing counseling positions shared between the Department of Public Safety and the Department of Education to assist inmates in their transition to schooling post-release;
- (6) Request a report from the Department of Public Safety on existing educational programs and its needs to improve and expand the programs; and
- (7) Changing the title to reflect these amendments.

As affirmed by the records of votes of the members of your Committees on Public Safety and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 52, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 52, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 4 (Chun Oakland, Hee, Taniguchi, Whalen).

SCRep. 1744 (Joint) Public Safety and Education on S.R. No. 27

The purpose of this measure is to decrease the recidivism rate to Hawaii correctional facilities.

Specifically, this measure requests the Department of Education to establish:

- (1) Special schooling or programs to encourage and provide opportunities for inmates exiting prison to obtain a general education development diploma to increase an inmate's opportunities to obtain employment in the community;
- (2) A special school or schools at appropriate locations to accomplish the general education development school initiative;
- (3) A permanent, personalized educational and job preparation plan for parolees and other released persons who express a desire for additional education to prepare for gainful employment; and
- (4) A voluntary data tracking system that is developed and maintained in conjunction with the Department of Public Safety to identify successful educational components.

The measure requests the Department of Public Safety to establish:

- (1) Distance learning programs for inmates still incarcerated to facilitate educational opportunities;
- (2) Programs, developed in conjunction with the Department of Education, to assist inmates with the continuation of educational plans and preparation for gainful employment upon release; and
- (3) A voluntary data tracking system that is developed and maintained in conjunction with the department of education to identify successful educational components.

This measure also requires the both departments to report on the establishment of these programs and systems to the Legislature before the 2008 Regular Session.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Community Alliance on Prisons, and four individuals. Testimony supporting the intent of this measure was submitted by the Department of Education. Testimony in opposition to this measure was submitted by the Department of Public Safety.

Your Committees find that there is an unacceptably high rate of recidivism to correctional facilities in Hawaii. Your Committees further find that the recidivism rate is largely due to the many problems former inmates face with reentry into the community upon release. These problems include workplace and housing restrictions as well as societal prejudices.

Your Committees further find that the recidivism rate could be drastically reduced if incarcerated persons are given educational opportunities. Those educational opportunities would be most successful if they are begun during incarceration and continued through the transitional period of reentry.

Your Committees further find that the cost of recidivism is both economically and socially high. Therefore, it is important to the public interest that the Departments of Education and Public Safety work together to establish educational programs that address the needs of the incarcerated persons during their incarceration and reentry periods.

However, your Committees further find that some of the educational programs called for in this measure may already exist, but are not being used to their fullest potential.

This measure has been amended to:

- (1) Include the existing programs at Kulani Correctional Facility as a positive example of continued educational training for former offenders;
- (2) Delete the requirement of establishing separate schooling or programs and special schools;
- (3) Substitute an examination of the feasibility to integrate the existing data bases in the Departments of Education and Public Safety for requesting the establishment of a new system for offender and former offender educational tracking;
- (4) Include the Department of Labor and Industrial Relations and the Adult Mental Health Division of the Department of Health in developing the permanent, personalized educational and job placement plans and to expand such planning to include soon-to-be-released inmates;
- (5) Include the examination of the uses, feasibility, and costs of establishing counseling positions shared between the Department of Public Safety and the Department of Education to assist inmates in their transition to schooling post-release;
- (6) Request a report from the Department of Public Safety on existing educational programs and its needs to improve and expand the programs; and
- (7) Changing the title to reflect these amendments.

As affirmed by the records of votes of the members of your Committees on Public Safety and Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 27, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 27, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 3 (Hee, Taniguchi, Whalen).

SCRep. 1745 Health on S.C.R. No. 170

The purpose of this measure is to protect individuals from being unnecessarily transferred to out-of-state health care facilities by requesting the Department of Health to develop and adopt policies that ensure notification by all health care facilities and health care providers to the governor-designated protection and advocacy entity or agency prior to transferring any individual out-of-state to a treatment, rehabilitation, or long-term care facility.

Your Committee amended this measure by deleting its title, purpose, and substance, and inserting language to ensure that the residents of Kauai have access to quality health care services by requesting the State Health Planning and Development Agency to immediately investigate and determine whether Hawaii Pacific Health/Wilcox Memorial Hospital/Kauai Medical Clinic has violated the 2001 Certificate of Need agreement and as necessary, impose fines or withdraw the Certificate of Need approval.

Your Committee circulated a proposed S.C.R. No. 170, S.D. 1, that contained these amendments and conducted a hearing on it. Your Committee received testimony in support of the proposed measure from six individuals. The Department of Health and the State Health Planning and Development Agency submitted comments on this measure.

Your Committee finds that the Hawaii Pacific Health merger with Wilcox Memorial Hospital and its Kauai Medical Clinic needs to be reviewed and investigated for possible violations of their Certificate of Need agreement. Although the Department of Health submitted testimony stating that they are in the process of reviewing the implementation of the merger, it is the intent of your Committee to articulate the importance of finding a prompt resolution to this matter.

Upon further consideration, your Committee amended the proposed S.D. 1 by:

- (1) Clarifying that the State Health Planning and Development Agency should investigate and mediate other remedies available, as well as the imposition of fines or the withdrawal of the Certificate of Need approval;
- (2) Including in the investigation of the Certificate of Need agreement, interviews with physicians to investigate alternative solutions to complete revocation; and
- (3) Including in the investigation of the Certificate of Need agreement a minimum of one public hearing on Kauai.

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. 170, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 170, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1746 Judiciary and Labor on S.C.R. No. 32

The purpose of this measure is to request the Department of the Attorney General to study the impact of cigarette fire safety standards established in other states and Canada.

Testimony in support of this measure was received from the Chair of the State Fire Council (SFC), Fire Chief of the Kaua'i Fire Department (KFD), and the Coalition for a Tobacco Free Hawai'i. The Department of the Attorney General opposed the measure citing that the Department lacks the expertise and resources necessary to conduct the study.

Testifiers in support of this measure requested that the study include the sale of fire-safe cigarettes. Presently, eight states have passed legislation relating to fire-safe cigarettes and twenty-one states have pending legislation including Hawai'i's H.B. No. 637.

Your Committee finds that this measure requests the Attorney General to consult with the Department of Health, the Department of Taxation and the State Fire Council to determine whether Hawai'i could benefit from new safety standards and laws both in the United States and Canada. The expertise which is being sought by this measure from the Department of the Attorney General's is reviewing laws and as a facilitator. Your Committee believes that the Department of Attorney General possesses the expertise called for by this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 32 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1747 Judiciary and Labor on S.R. No. 14

The purpose of this measure is to request the Department of the Attorney General to study the impact of cigarette fire safety standards established in other states and Canada.

Testimony in support of this measure was received from the Chair of the State Fire Council (SFC), Fire Chief of the Kaua'i Fire Department (KFD), and the Coalition for a Tobacco Free Hawai'i. The Attorney General opposed the measure citing that the Department of the Attorney General lacks the expertise and resources necessary to conduct the study.

Testifiers in support of this measure requested that the study include fire-safe cigarettes. Presently, eight states have passed legislation relating to fire-safe cigarettes and twenty-one states have pending legislation including H.B. No. 637.

Your Committee finds that this measure requests the Attorney General to consult with the Department of Health, the Department of Taxation and the State Fire Council to determine whether Hawai'i could benefit from new safety standards and laws both in the United States and Canada. The expertise which is being sought by this measure from the Department of the Attorney General's is reviewing laws and as a facilitator. Your Committee believes that the Department of Attorney General possesses the expertise called for by this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor 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, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1748 Judiciary and Labor on S.C.R. No. 175

The purpose of this measure is to require the Judiciary to provide a report to the 2008 Legislature detailing the Judiciary's progress in meeting the requirements of Act 206, Session Laws of Hawaii 1998, which provides that judges assess a mandatory crime victim compensation fee against all convicted criminal offenders who have the ability, now or in the future, to pay the fee.

The resolution requires that the Judiciary provide the following information in the report:

- (1) The actual and estimated fees collected for each fiscal year;
- (2) The total number of eligible cases where the fee was ordered, collected, or waived; and,
- (3) The criteria used by the judges where the fee was waived.

Your Committee finds that since the enactment of the law in 2003, the Judiciary has neglected to order or collect in excess of \$1,000,000. Your Committee also finds that though inmates were able to afford to pay these fees, the judges did not order payments. This is shown by the inmates paying \$500,000 in restitution yet only paying \$40,000 in crime victim fees. Your Committee further finds that the Chief Justice has written a memorandum to the chief judges asking them for their diligence in following the law.

Your Committee received testimony in support of the resolution from the Crime Victim Compensation Commission, the Honolulu Prosecuting Attorney's Office, and the Judiciary.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 175 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1749 Judiciary and Labor on S.R. No. 114

The purpose of this measure is to require the Judiciary to provide a report to the 2008 Legislature detailing the Judiciary's progress in meeting the requirements of Act 206, Session Laws of Hawaii 1998, which provides that judges assess a mandatory crime victim compensation fee against all convicted criminal offenders who have the ability, now or in the future, to pay the fee.

The resolution requires that the Judiciary provide the following information in the report:

- (1) The actual and estimated fees collected for each fiscal year;
- (2) The total number of eligible cases where the fee was ordered, collected, or waived; and,
- (3) The criteria used by the judges where the fee was waived.

Your Committee finds that since the enactment of the law in 2003, the Judiciary has neglected to order or collect in excess of \$1,000,000. Your Committee also finds that though inmates were able to afford to pay these fees, the judges did not order payments. This is shown by the inmates paying \$500,000 in restitution yet only paying \$40,000 in crime victim fees. Your Committee further finds that the Chief Justice has written a memorandum to the chief judges asking them for their diligence in following the law.

Your Committee received testimony in support of the resolution from the Crime Victim Compensation Commission, the Honolulu Prosecuting Attorney's Office, and the Judiciary.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 114 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1750 Judiciary and Labor on S.C.R. No. 7

The purpose of this measure is to request the feasibility of conducting all elections by mail.

Testimony in support of this measure was received from the Interim Chief Election Officer, the City & County of Honolulu City Clerk and the Chair of the Disability and Communication Access Board. No one testified in opposition.

Your Committee finds that Hawaii has the lowest voter turnout rate in the nation with just over forty per cent of eligible voters casting their ballot in the last two elections. In contrast, Oregon enjoys an eighty-four per cent rate of registered voters who voted in 2004. Oregon also has a vote-by-mail system which was approved in 1998.

There are many challenges that our election system faces. For example, finding people willing to work in a polling place is an increasing challenge in each election. A vote-by-mail system may alleviate some challenges and may allow more voters to participate in our election system. Therefore your Committee agrees with the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 7 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1751 Judiciary and Labor on S.R. No. 7

The purpose of this measure is to request the feasibility of conducting all elections by mail.

Testimony in support of this measure was received from the Interim Chief Election Officer, the City & County of Honolulu City Clerk and the Chair of the Disability and Communication Access Board. No one testified in opposition.

Your Committee finds that Hawaii has the lowest voter turnout rate in the nation with just over forty per cent of eligible voters casting their ballot in the last two elections. In contrast, Oregon enjoys an eighty-four per cent rate of registered voters who voted in 2004. Oregon also has a vote-by-mail system which was approved in 1998.

There are many challenges that our election system faces. For example, finding people willing to work in a polling place is an increasing challenge in each election. A vote-by-mail system may alleviate some challenges and may allow more voters to participate in our election system. Therefore your Committee agrees with the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 7 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1752 (Joint) Transportation and International Affairs and Human Services and Public Housing on S.C.R. No. 156

The purpose of this measure is to request the Department of Transportation, the Department of Transportation Services of the City and County of Honolulu, and Vanpool Hawaii to work cooperatively to establish a senior vanpool program.

Your Committees received testimony in support of this measure from the Department of Transportation and three individuals.

Senior citizens are most in need of ordinary daily transportation. Many senior citizens cannot drive safely and therefore do not drive themselves. Currently, public transportation is limited to the public bus or the handi-van service. It is this gap group of the population who would benefit from a senior vanpool arrangement with volunteer drivers.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Human Services and Public Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 156 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 5 (Inouye, Sakamoto, Taniguchi, Tsutsui, Hemmings).

SCRep. 1753 (Joint/Majority) Tourism and Government Operations and Judiciary and Labor on S.C.R. No. 44

The purpose of this measure is to request the Department of Human Resources Development to conduct a study of workplace flexibility options, including:

- (1) Data on the agencies, departments, and employees that participate in the program;
- (2) Data on the workplace flexibility options chosen by participating employees;
- (3) Effect on employee productivity levels and employee morale;
- (4) Estimates on the amount and cost of gasoline saved and transportation time saved by employees due to participation in the program;
- (5) Other findings, recommendations, including proposed legislation, if any, and pertinent information about the pilot program and its impact, consequences, or benefits on participating departments or agencies; and
- (6) Past experience of departments and agencies with utilizing workplace flexibility options.

Your Committees received testimony in support of this measure from the Disability and Communication Access Board and one individual. Comments were received from the Department of Human Resources Development.

Section 78-1.6, Hawaii Revised Statutes, provides that the offices of the State and counties must be open for the transaction of business as determined by the chief executive. State departments generally have the discretion to set the work hours for its employees. State departments have some operations that serve the public face-to-face, which require normal business hours of 7:45 a.m. to 4:30 p.m., or the normally accepted business.

Your Committees find that, although flex time scheduling is permissible under state law, and certain departments and agencies currently exercise this option, very little statistical and efficacy information is available regarding its use. This measure is the first comprehensive study of various flex time practices in state departments.

As affirmed by the records of votes of the members of your Committees on Tourism and Government Operations and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 44 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 4. Noes, 1 (Trimble). Excused, 3 (Inouye, Kim, Kokubun).

SCRep. 1754 (Joint/Majority) Tourism and Government Operations and Judiciary and Labor on S.R. No. 23

The purpose of this measure is to request the Department of Human Resources Development to conduct a study of workplace flexibility options, including:

- (1) Data on the agencies, departments, and employees that participate in the program;
- (2) Data on the workplace flexibility options chosen by participating employees;
- (3) Effect on employee productivity levels and employee morale;
- (4) Estimates on the amount and cost of gasoline saved and transportation time saved by employees due to participation in the program;
- (5) Other findings, recommendations, including proposed legislation, if any, and pertinent information about the pilot program and its impact, consequences, or benefits on participating departments or agencies; and
- (6) Past experience of departments and agencies with utilizing workplace flexibility options.

Your Committees received testimony in support of this measure from the Disability and Communication Access Board and one individual. Comments were received from the Department of Human Resources Development.

Section 78-1.6, Hawaii Revised Statutes, provides that the offices of the State and counties must be open for the transaction of business as determined by the chief executive. State departments generally have the discretion to set the work hours for its employees. State departments have some operations that serve the public face-to-face, which require normal business hours of 7:45 a.m. to 4:30 p.m., or the normally accepted business.

Your Committees find that, although flex time scheduling is permissible under state law, and certain departments and agencies currently exercise this option, very little statistical and efficacy information is available regarding its use. This measure is the first comprehensive study of various flex time practices in state departments.

As affirmed by the records of votes of the members of your Committees on Tourism and Government Operations and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 23 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 4. Noes, 1 (Trimble). Excused, 3 (Inouye, Kim, Kokubun).

SCRep. 1755 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Intergovernmental and Military Affairs on S.C.R. No. 107

The purpose of this measure is to encourage federal, state, and county agencies to make informed decisions about the use and management of Hawaii's ocean and coastal resources by encouraging federal, state, and county agencies to implement the goals and strategic actions in the 2006 Ocean Resources Management Plan.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources; the Department of Agriculture; and the Office of Planning, Department of Business, Economic Development, and Tourism.

After a three-year endeavor, the Office of Planning submitted to the Legislature in December 2006, an updated Ocean Resources Management Plan that provides a framework to address ocean resources issues through a proactive planning process; identifies management goals and strategies; establishes timeframes for implementation, monitoring, and evaluation; and identifies responsibilities for a number of agencies and interest groups. Studies have shown that over the next twenty years, Hawaii's ocean and coastal environment will suffer from or be impacted by a variety of potentially harmful factors, including urbanization, global climate changes, recreational and commercial ocean uses, and invasive species. Your Committees find that the 2006 Ocean Resources Management Plan will provide a framework to address these issues through a proactive planning process that can mitigate these harmful impacts.

Your Committees have amended this measure by requesting that all affected federal, state, and county departments and agencies submit a written report of:

- (1) The current status of the department or agency implementing the goals and strategic actions in the 2006 Ocean Resources Management Plan;
- (2) Any accomplished goals or benchmarks, and any factors attributing to these accomplishments; and
- (3) Any reasons for the department or agency failing to meet these goals or benchmarks, or failure to act;

to the Legislature prior to every Regular Session until the 2012 Regular Session, at which point a final report is requested to be submitted to the Legislature.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Intergovernmental and Military Affairs 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 Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 3 (Hee, Hemmings, Slom).

SCRep. 1756 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Public Safety on S.C.R. No. 182

The purpose of this measure is to reduce recidivism to state correctional facilities.

Specifically, this measure requests the Department of Public Safety to convene a task force to study the feasibility of creating a reciprocal healing program on the island of Kaho'olawe.

Testimony in opposition to this measure was submitted by the Office of Hawaiian Affairs and three individuals. Protect Kaho'olawe 'Ohana submitted comments.

Your Committees find that Native Hawaiian healing programs could be valuable resources for the rehabilitation and reentry into society of ex-offenders and parolees, thereby reducing the recidivism rate. Your Committees further find that Native Hawaiian healing programs that emphasize the traditional practice of conflict resolution, ho'oponopono, and traditional places of refuge and restitution, pu'uhonua, should be offered throughout the State.

Your Committees further find that a reciprocal healing program on Kaho'olawe could be very beneficial to some former inmates, as evidenced by the success of the Drug Court and Girls' Court programs that are already in existence. However, any use of Kaho'olawe must benefit its restoration and fully respect its cultural and spiritual nature.

This measure was amended to:

- (1) Request the task force to study the feasibility of establishing Native Hawaiian healing programs for ex-offenders and parolees throughout the State;
- (2) Establish that the healing programs should emphasize the practice of ho'oponopono and the concept of pu'uhonua;
- (3) Establish that the healing programs should establish a pu'uhonua on each island to facilitate ho'oponopono;
- (4) Clarify that, should a reciprocal healing program be developed at Kaho'olawe, no correctional facility or other structure is to be built and to remove references to Kaho'olawe housing offenders and being a means to reduce overcrowding and bring inmates back to Hawaii from the mainland;
- (5) Make the Kaho'olawe Island Reserve Commission the lead facilitator of the task force with the assistance of the Department of Public Safety;
- (6) Allow other stakeholders to be on the task force;
- (7) Ensure the program is open to all ex-offenders and parolees who show an interest in and an ability to benefit from the physically, mentally, and spiritually challenging program;
- (8) Change the title to "REQUESTING THE ESTABLISHMENT OF A TASK FORCE TO STUDY THE FEASIBILITY OF A NATIVE HAWAIIAN HEALING PROGRAM THAT EMPHASIZES THE PRACTICE OF HO'OPONOPONO AND THE CONCEPT OF PU'UHONUA FOR EX-OFFENDERS AND PAROLEES TO FACILITATE THEIR REHABILITATION AND REENTRY INTO SOCIETY AND TO REDUCE RECIDIVISM," to reflect the amendments to this measure; and
- (9) Make technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Public Safety that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 182, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 182, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 3 (Hee, Slom, Whalen).

SCRep. 1757 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Public Safety on S.R. No. 118

The purpose of this measure is to reduce recidivism to state correctional facilities.

Specifically, this measure requests the Department of Public Safety to convene a task force to study the feasibility of creating a reciprocal healing program on the island of Kaho'olawe.

Testimony in opposition to this measure was submitted by the Office of Hawaiian Affairs and three individuals. Protect Kaho'olawe 'Ohana submitted comments.

Your Committees find that Native Hawaiian healing programs could be valuable resources for the rehabilitation and reentry into society of ex-offenders and parolees, thereby reducing the recidivism rate. Your Committees further find that Native Hawaiian healing programs that emphasize the traditional practice of conflict resolution, ho'oponopono, and traditional places of refuge and restitution, pu'uhonua, should be offered throughout the State.

Your Committees further find that a reciprocal healing program on Kaho'olawe could be very beneficial to some former inmates, as evidenced by the success of the Drug Court and Girls' Court programs that are already in existence. However, any use of Kaho'olawe must benefit its restoration and fully respect its cultural and spiritual nature.

This measure was amended to:

- (1) Request the task force to study the feasibility of establishing Native Hawaiian healing programs for ex-offenders and parolees throughout the State;
- (2) Establish that the healing programs should emphasize the practice of ho'oponopono and the concept of pu'uhonua;
- (3) Establish that the healing programs should establish a pu'uhonua on each island to facilitate ho'oponopono;
- (4) Clarify that, should a reciprocal healing program be developed at Kaho'olawe, no correctional facility or other structure is to be built and to remove references to Kaho'olawe housing offenders and being a means to reduce overcrowding and bring inmates back to Hawaii from the mainland;

- (5) Make the Kaho'olawe Island Reserve Commission the lead facilitator of the task force with the assistance of the Department of Public Safety;
- (6) Allow other stakeholders to be on the task force;
- (7) Ensure the program is open to all ex-offenders and parolees who show an interest in and an ability to benefit from the physically, mentally, and spiritually challenging program;
- (8) Change the title to "REQUESTING THE ESTABLISHMENT OF A TASK FORCE TO STUDY THE FEASIBILITY OF A NATIVE HAWAIIAN HEALING PROGRAM THAT EMPHASIZES THE PRACTICE OF HO'OPONOPONO AND THE CONCEPT OF PU'UHONUA FOR EX-OFFENDERS AND PAROLEES TO FACILITATE THEIR REHABILITATION AND REENTRY INTO SOCIETY AND TO REDUCE RECIDIVISM," to reflect the amendments to this measure; and
- (9) Make technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Public Safety that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 118, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 118, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 3 (Hee, Slom, Whalen).

SCRep. 1758 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 193

The purpose of this measure is to protect and ensure the longevity of Hawaii's livestock industry by requesting Hawaii's Congressional delegation to the United State Congress to legislate a reduction in federally regulated shipping or transportation fees for livestock feed, or an exemption from federal statutes relating to livestock feed shipping and transportation costs from the mainland to Hawaii.

Testimony in support of this measure was submitted by the Department of Agriculture; the Hawaii Farm Bureau Federation; the Hawaii Cattlemen's Council, Inc.; the Hawaii Egg Producers Association; and Horizon Lines, LLC. Testimony in opposition to this measure was submitted by the Hawaii Ports Maritime Council, and two individuals. Alexander and Baldwin, Inc. and Matson Navigation Company, Inc. submitted comments.

Your Committee finds that the cost of feeding livestock in Hawaii is significantly higher than on the mainland and this higher cost threatens local livestock producers with closure. Hawaii relies heavily on overseas shipping for a majority of its food and products for food production; thus, if local livestock producers go out of business, the State will become even more dependent on imported foods and will lose the option of buying perishable goods, such as beef, milk, eggs, poultry, and pork, at their freshest. Your Committee believes that requesting Hawaii's Congressional delegation to legislate for a reduction in federally regulated shipping or transportation fees for livestock feed, or an exemption from federal statutes relating to livestock feed shipping and transportation costs will assist in the longevity of a diversified livestock industry in Hawaii.

Your Committee has amended this measure by:

- (1) Deleting any references to the Jones Act throughout the measure; and
- (2) 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 Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 193, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 193, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Slom).

SCRep. 1759 Water, Land, Agriculture and Hawaiian Affairs on S.R. No. 123

The purpose of this measure is to protect and ensure the longevity of Hawaii's livestock industry by requesting Hawaii's Congressional delegation to the United State Congress to legislate a reduction in federally regulated shipping or transportation fees for livestock feed, or an exemption from federal statutes relating to livestock feed shipping and transportation costs from the mainland to Hawaii.

Testimony in support of this measure was submitted by the Department of Agriculture; the Hawaii Farm Bureau Federation; the Hawaii Cattlemen's Council, Inc.; the Hawaii Egg Producers Association; and Horizon Lines, LLC. Testimony in opposition to this measure was submitted by the Hawaii Ports Maritime Council, and two individuals. Alexander and Baldwin, Inc. and Matson Navigation Company, Inc. submitted comments.

Your Committee finds that the cost of feeding livestock in Hawaii is significantly higher than on the mainland and this higher cost threatens local livestock producers with closure. Hawaii relies heavily on overseas shipping for a majority of its food and products for food production; thus, if local livestock producers go out of business, the State will become even more dependent on imported foods and will lose the option of buying perishable goods, such as beef, milk, eggs, poultry, and pork, at their freshest. Your Committee believes that requesting Hawaii's Congressional delegation to legislate for a reduction in federally regulated shipping or transportation fees for livestock feed, or an exemption from federal statutes relating to livestock feed shipping and transportation costs will assist in the longevity of a diversified livestock industry in Hawaii.

Your Committee has amended this measure by:

- (1) Deleting any references to the Jones Act throughout the measure; and
- (2) 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 Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 123, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 123, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Slom).

SCRep. 1760 Ways and Means on S.C.R. No. 115

The purpose of this measure is to request that the Department of Taxation codify the language of the references to Internal Revenue Code provisions in section 235-110.7, Hawaii Revised Statutes, and to submit the proposed legislation directly to the Legislature for introduction in the Regular Session of 2008.

Written comments in support of this measure were received from the Department of Taxation and one individual.

Your Committee finds that this measure will provide clarity for both tax practitioners and taxpayers, and responds to a recommendation by the 2001-2003 Tax Review Commission.

As 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. 115, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Kim).

SCRep. 1761 Ways and Means on S.C.R. No. 74

The purpose of this measure is to request the Auditor to conduct a financial, program, and management audit of the Department of Education's Hawaiian Studies Program.

Comments in support of this measure were submitted by the Department of Education, the Office of Hawaiian Affairs, the Kamakakuokalani Center for Hawaiian Studies at the University of Hawaii at Manoa, the Kualii Native Hawaiian University of Hawaii at Manoa Advisory Council, Ka Lei Papahi o Kakuhihewa, six current and two past kupuna from the Department of Education Hawaiian Studies Program, and several private citizens.

Your Committee finds that the Hawaiian education program was established in the Department of Education pursuant to article X, section 4, of the Constitution of the State of Hawaii, which mandates the study of Hawaiian culture, history, and language in the State's public schools. Your Committee is aware of allegations of the mismanagement of funds allocated for Hawaiian studies programs and underpayment or inappropriate use of kupuna. The kupuna are an invaluable resource in an equally valuable program intended to educate all students about the indigenous people and host culture of Hawaii. Your Committee finds that current financial, program, and management concerns about the Hawaiian studies program need to be clarified and that an audit would provide increased transparency and accountability in the program's operational practices.

As 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. 74, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 8. Noes, none. Excused, 3 (English, Kim, Menor).

SCRep. 1762 Ways and Means on S.C.R. No. 81

The purpose of this measure is to request the Auditor to conduct a financial and program audit of the Hawaii Centers for Independent Living.

Comments in support of the measure were received from: the Disability and Communication Access Board, Department of Health; the Deaf and Hard-of-Hearing Advisory Board, Department of Human Services; and a number of private citizens. Comments were received from the Hawaii Centers for Independent Living.

Your Committee finds that the Hawaii Centers for Independent Living receives federal and state funding in order to provide certain core required minimum services to individuals with disabilities. These core services are information and referral, independent living skills training, peer counseling, and advocacy. The services are intended to maximize the independence of these persons and to promote their integration into the mainstream of American society.

Your Committee, however, finds that there appears to be mounting evidence that individuals with disabilities are not receiving the expected and necessary core independent living services. Your Committee is deeply concerned about this situation and finds that this Concurrent Resolution is an important first step toward resolving 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 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, 8. Noes, none. Excused, 3 (English, Kim, Menor).

SCRep. 1763 Ways and Means on S.C.R. No. 24

The purpose of this measure is to grant the prior authorization by concurrent resolution of the Legislature of a lease to submerged state lands beneath tidal waters at Lahaina, Maui, Hawaii, to Atlantis Submarines Hawaii, LLC.

Your Committee has received comments in support of this Concurrent Resolution from the Department of Land and Natural Resources.

Atlantis proposed to sink the Carthaginian, a replica of a whaling ship that was on display for years in Lahaina Harbor, as a submerged reef. The Carthaginian was deteriorating and determined to be beyond repair. The purpose of the sinking of the Carthaginian was to create an artificial reef that would:

- (1) Alleviate pressure on existing natural reef systems;
- (2) Promote reef and fish biomass for commercial and recreational users; and
- (3) Provide educational opportunities to study biomass increase over time.

Prior to establishing the artificial reef, Atlantis required a lease for the submerged lands that the sunken Carthaginian would occupy. At its scheduled meeting of December 9, 2005, the Board of Land and Natural Resources authorized the direct issuance of a term, non-exclusive easement for the use of the state submerged lands as a dive site for commercial submarine tours, subject to certain conditions. However, because of the rapid disintegration of the Carthaginian and the coming whale season, your Committee notes that Atlantis was permitted to sink the Carthaginian on December 13, 2005.

As 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. 24, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Kim).

SCRep. 1764 Ways and Means on S.C.R. No. 25

The purpose of this measure is to grant the prior authorization by concurrent resolution of the Legislature of a lease to submerged lands beneath the tidal water of the State to KBH, Inc., at Kahaluu, North Kona, Hawaii.

Your Committee has received comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that KBH, Inc. seeks to enter into a long-term sixty-five-year lease with Kamehameha Schools for the site and existing improvements of the Keauhou Beach Hotel at Kahaluu, North Kona, Hawaii. However, a portion of the foundation of the hotel improvements was determined by judicial decision to be encroaching upon state submerged lands. Accordingly, KBH, Inc. is seeking a term, non-exclusive surface easement for sixty-five years to the submerged lands upon which the hotel foundation is encroaching to coincide with the Kamehameha Schools lease.

As 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. 25, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 9. Noes, none. Excused, 2 (English, Kim).

SCRep. 1765 (Joint) Commerce, Consumer Protection and Affordable Housing and Judiciary and Labor on S.C.R. No. 68

The purpose of this measure is to request the Attorney General and the Insurance Commissioner to conduct a study on whether state and county government contracts are being awarded to out-of-state contractors in greater number than to in-state contractors, and whether a major reason for this is the higher workers' compensation premiums paid by in-state contractors.

Your Committees received testimony in support of this measure from the Subcontractors Association of Hawaii and the International Union of Painters and Allied Trades. Testimony in opposition to this measure was submitted by the Department of Accounting and General Services. Comments were submitted by the Department of the Attorney General and the Department of Commerce and Consumer Affairs.

Your Committees find that a recent national study ranked Hawaii third in the nation in workers' compensation premiums and a recent survey conducted noted that seventy-three per cent of local business responded that their number one issue was the soaring costs of workers' compensation.

Your Committees further find that as a general matter, the bidding process under the public procurement code is open to all contractors, regardless of whether they are in-state or out-of-state. Concern has been raised as to whether out-of-state contractors are being awarded contracts based upon their ability to offer lower bids than in-state contractors because in-state contractors must factor the high cost of workers' compensation premiums in the State into their bids.

Your Committees note that there may be other factors, in addition to the high cost of workers' compensation premiums, that may contribute to the negative impact on in-state contractors in bidding for public contracts.

Therefore, your Committees have amended this measure by:

- (1) Replacing the Insurance Commissioner with the Department of Accounting and General Services as one of the parties requested to conduct the study;
- (2) Expanding the scope of the study to include an examination on whether, in addition to workers' compensation premiums, prepaid healthcare coverage plans, Hawaii general excise tax requirements, unemployment insurance premiums, and any other relevant factors negatively impact the competitiveness of in-state contractors in comparison with out-of-state contractors; and
- (3) 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 Commerce, Consumer Protection, and Affordable Housing and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 68, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 68, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Noes, none. Excused, 4 (Inouye, Kokubun, Sakamoto, Slom).

SCRep. 1766 (Joint) Commerce, Consumer Protection and Affordable Housing and Judiciary and Labor on S.R. No. 41

The purpose of this measure is to request the Attorney General and the Insurance Commissioner to conduct a study on whether state and county government contracts are being awarded to out-of-state contractors in greater number than to in-state contractors, and whether a major reason for this is the higher workers' compensation premiums paid by in-state contractors.

Your Committees received testimony in support of this measure from the Subcontractors Association of Hawaii and the International Union of Painters and Allied Trades. Testimony in opposition to this measure was submitted by the Department of Accounting and General Services. Comments were submitted by the Department of the Attorney General and the Department of Commerce and Consumer Affairs.

Your Committees find that a recent national study ranked Hawaii third in the nation in workers' compensation premiums and a recent survey conducted noted that seventy-three per cent of local business responded that their number one issue was the soaring costs of workers' compensation.

Your Committees further find that as a general matter, the bidding process under the public procurement code is open to all contractors, regardless of whether they are in-state or out-of-state. Concern has been raised as to whether out-of-state contractors are being awarded contracts based upon their ability to offer lower bids than in-state contractors because in-state contractors must factor the high cost of workers' compensation premiums in the State into their bids.

Your Committees note that there may be other factors, in addition to the high cost of workers' compensation premiums, that may contribute to the negative impact on in-state contractors in bidding for public contracts.

Therefore, your Committees have amended this measure by:

- (1) Replacing the Insurance Commissioner with the Department of Accounting and General Services as one of the parties requested to conduct the study;
- (2) Expanding the scope of the study to include an examination on whether, in addition to workers' compensation premiums, prepaid healthcare coverage plans, Hawaii general excise tax requirements, unemployment insurance premiums, and any other relevant factors negatively impact the competitiveness of in-state contractors in comparison with out-of-state contractors; and
- (3) 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 Commerce, Consumer Protection, and Affordable Housing and Judiciary and Labor 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, 7. Noes, none. Excused, 4 (Inouye, Kokubun, Sakamoto, Slom).

SCRep. 1767 Education on S.C.R. No. 112

The purpose of this measure is to improve services by requesting the Department of Education to undertake a study to determine the most effective medium between the "one size fits all" and the "to each his own" approaches.

Testimony in support of this measure was submitted by the Hawaii Educational Policy Center and one individual. Comments on the measure were also submitted by the Department of Education, the College of Education of University of Hawaii, the Hawaii Teacher Standards Board, and the Hawaii State Teachers Association.

Your Committee finds that there is a teacher shortage in Hawaii that is often hampered by the current licensing standards imposed by the Hawaii Teacher Standards Board. Your Committee further finds that new or alternative approaches should be considered in order to determine appropriate methods for licensing qualified teachers, while increasing the teacher pool within the State. Under current standards, a "one size fits all" approach may not be ideal, although a "to each his own" approach also may not be entirely appropriate. Your Committee believes that the Department of Education, the Board of Education, and the Hawaii Teacher Standards Board, with input from teachers and other interested parties such as the Hawaii State Teachers Association, should be tasked with developing appropriate policies for addressing teacher licensing issues impacting teacher recruitment and retention, as well as for assessing growth and student achievement and statewide curricula issues. However, these issues may be more adequately addressed individually by the most appropriate body.

Accordingly, your Committee has amended this measure by:

- (1) Changing the title and its contents to include language regarding the need for policies for the Department of Education that address issues raised by the No Child Left Behind Act, current teaching licensing practices and standards, and statewide curricula;
- (2) Changing the purpose to request the Board of Education, the Department of Education, and the Hawaii Teacher Standards Board to each develop policies to address one or more of the aforementioned issues; and
- (3) Making technical, nonsubstantive changes for 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. 112, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 112, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 1 (Hee).

SCRep. 1768 Education on S.R. No. 69

The purpose of this measure is to improve services by requesting the Department of Education to undertake a study to determine the most effective medium between the "one size fits all" and the "to each his own" approaches.

Testimony in support of this measure was submitted by the Hawaii Educational Policy Center and one individual. Comments on the measure were also submitted by the Department of Education, the College of Education of University of Hawaii, the Hawaii Teacher Standards Board, and the Hawaii State Teachers Association.

Your Committee finds that there is a teacher shortage in Hawaii that is often hampered by the current licensing standards imposed by the Hawaii Teacher Standards Board. Your Committee further finds that new or alternative approaches should be considered in order to determine appropriate methods for licensing qualified teachers, while increasing the teacher pool within the State. Under current standards, a "one size fits all" approach may not be ideal, although a "to each his own" approach also may not be entirely appropriate. Your Committee believes that the Department of Education, the Board of Education, and the Hawaii Teacher Standards Board, with input from teachers and other interested parties such as the Hawaii State Teachers Association, should be tasked with developing appropriate policies for addressing teacher licensing issues impacting teacher recruitment and retention, as well as for assessing growth and student achievement and statewide curricula issues. However, these issues may be more adequately addressed individually by the most appropriate body.

Accordingly, your Committee has amended this measure by:

- (1) Changing the title and its contents to include language regarding the need for policies for the Department of Education that address issues raised by the No Child Left Behind Act, current teaching licensing practices and standards, and statewide curricula;
- (2) Changing the purpose to request the Board of Education, the Department of Education, and the Hawaii Teacher Standards Board to each develop policies to address one or more of the aforementioned issues; and
- (3) Making technical, nonsubstantive changes for 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. 69, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 69, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 1 (Hee).

SCRep. 1769 Education on S.C.R. No. 168

The purpose of this measure is to request the Department of Education to develop cost estimates and plans to make extensive renovations to Kapaa, Kauai, and Waimea High School gymnasiums.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, the Kauai District Student Council, and twenty-five individuals.

Your Committee finds that the gymnasiums at Kapaa, Kauai, and Waimea High Schools date back to World War II and are currently in disrepair. These gymnasiums fulfill multiple needs of the students, the schools, and the communities, serving as civil defense shelters when necessary. Your Committee believes that the development of cost estimates and plans for the renovations of these gymnasiums are necessary to provide adequate facilities for these schools' students, as well as to provide potential shelters in cases of emergency. This measure requests the necessary analysis and planning and should also ensure that some focus is placed on cost estimates for renovations required to make the gymnasiums appropriate for use as civil defense shelters.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that the Department of Education determine whether the new gymnasiums should accommodate civil defense needs, and, if so, the cost and source of funds to make such accommodations; and
- (2) Removing language requesting the Department of Education to seek the input of individual school administrators, athletic directors, coaches, staff, teachers, and students to come up with an appropriate gymnasium design, plan, and infrastructure.

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. 168, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 168, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Hee, Nishihara, Taniguchi).

SCRep. 1770 Education on S.C.R. No. 134

The purpose of this measure is to support agriculture education by requesting the Department of Education and Manager's Ridge LLC to develop a plan for the continuation of the Kahuku High and Intermediate School agriculture program.

Testimony in support of this measure was submitted by the Department of Agriculture, the Department of Education, the Hawaii State Teachers Association, Kahuku High and Intermediate School, and eight individuals. Comments on the measure were submitted by Manager's Ridge LLC.

Your Committee finds that workforce development is a high priority within the State and must include the development of jobs and education in diverse disciplines including the agriculture industry. Your Committee further finds that at Kahuku High and Intermediate School, the agriculture program of the Koko'ula Natural Resources Academy provides valuable education to increase agricultural awareness, develop technical skills for farming, and promote good character and citizenship within the community. The program is currently in jeopardy and requires careful attention and care to ensure that students in Kahuku will continue to be afforded with the benefits of the agriculture program without interruption.

Testimony provided indicates that the parties are willing to work together; however, the issue of liability remains an immediate concern that should be given priority while working toward a final agreement in a timely manner.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that the Department of Education and Manager's Ridge LLC are requested to enter into an agreement to remove Manager's Ridge LLC from any liability relating to Kahuku High and Intermediate School's use of the property in question until a final agreement can be reached on the matter; and
- (2) Encouraging the parties to take any appropriate action necessary to resolve the issues in a timely manner that will allow Manager's Ridge LLC to proceed with its plans for development.

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. 134, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 134, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 2 (Nishihara, Taniguchi).

SCRep. 1771 (Joint) Education and Human Services and Public Housing on S.C.R. No. 169

The purpose of this measure is to request the Department of Education to review dress code or uniform policies or rules to ensure the full protection of students' civil rights.

Your Committees held a hearing on a proposed S.D. 1 of this measure, which provisions sought to address the current teacher shortage problem by requesting the Department of Education to develop a recruitment and retention program to include a Hawaii Teacher Cadet Program Advisory Council and conduct a study on the status and needs of existing teacher housing.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association. Comments on the measure were submitted by the Department of Education.

Your Committees find that the current teacher shortage problem in the State must be carefully examined and that alternative approaches should be considered to reach resolution. It is important to consider appropriate incentives to ensure a highly-qualified teaching pool in Hawaii. Your Committees find that the Hawaii Teacher Cadet Program is a valuable tool for encouraging and supporting the development of a teaching

workforce in the State from an early age. This program would benefit from further guidance and coordination of efforts to maximize its impact and scope. Additionally, your Committees find that another attractive benefit for teachers is to provide teacher housing or related incentives. First existing teacher housing must be ascertained and examined, as well as the current need for teacher housing and improvements, so that an appropriate plan can be developed for providing the incentive to teachers as a means for addressing the current teacher shortage.

Accordingly, your Committees have amended this measure by removing its contents and replacing it with language that requests the Department of Education to develop a recruitment and retention program to include:

- (1) The establishment of the Hawaii Teacher Cadet Program Advisory Council; and
- (2) The undertaking of a study to determine the status and needs of existing teacher housing.

As affirmed by the records of votes of the members of your Committees on Education and Human Services and Public Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 169, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 169, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 5 (Hee, Hooser, Nishihara, Taniguchi, Hemmings).

SCRep. 1772 (Joint) Education and Human Services and Public Housing on S.C.R. No. 92

The purpose of this measure is to request the Department of Education to establish a curriculum that includes parenting classes to assist young adults in acquiring parenting skills and understanding parenting responsibilities.

Testimony in support of this measure was submitted by the Department of Education and Oahu VOICES. Comments on the measure were submitted by the Hawaii State Teachers Association.

Your Committees find that Hawaii's children are our most precious resource and their protection and well-being is important to the State's future. Currently, many young adults are embarking on the journey of parenthood at an age when they lack the appropriate knowledge and skills for understanding and executing their parenting responsibilities. Your Committees believe that the Department of Education should provide some guidance and education to assist these young adults in gaining the requisite knowledge of the skills necessary for fulfilling parental responsibilities for their children.

This measure requests the Department of Education to include in its curriculum parenting skills focusing on infant and toddler care. Although the Department currently offers a Graduation Reality Dual Role Skills (GRADS) program for students who are or will imminently become parents, your Committees believe that all students would benefit from a course or a component of a course that addresses parenting issues.

As affirmed by the records of votes of the members of your Committees on Education and Human Services and Public Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 92 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 4 (Hooser, Nishihara, Taniguchi, Hemmings).

SCRep. 1773 (Joint) Education and Human Services and Public Housing on S.C.R. No. 77

The purpose of this measure is to request the Department of Education to conduct a study to report on the status of and needs for teacher housing.

Your Committees held a hearing on a proposed S.D. 1 of this measure, which provisions sought to address the current needs of individuals from the Freely Associated States residing in Hawaii through the convening of a task force by the Department of Health to ascertain the current Freely Associated States population in Hawaii and the availability of services for that population. The contents of the measure regarding teacher housing have been inserted into another appropriate measure.

Testimony in support of this measure was submitted by the Office of Community Services. Comments on the measure were also submitted by the Department of Human Services.

Your Committees find that as a result of the Compact of Free Association, large populations from the Freely Associated States, which includes individuals from the Federated States of Micronesia, the Republic of Palau, and the Republic of the Marshal Islands, have immigrated to Hawaii. The current number of this population is unclear and the need for and availability of services for them is also unclear. However, what is clear is that they require assistance to assimilate, work, become educated, be healthy, and flourish in the State. This measure requests the convening of a task force to study the current needs of this population and determine what services are available under the current framework of the Compact of Free Association so that we may better serve these individuals and they may become highly contributing members of the community.

Accordingly, your Committees have amended this measure by removing the title and its contents and replacing it with the contents of the proposed S.D. 1 that requests the Department of the Attorney General to convene a task force to:

- (1) Determine the number of Freely Associated States nationals currently residing in Hawaii; and
- (2) Review the infrastructure supports that are available to this population under the Compact of Free Association.

As affirmed by the records of votes of the members of your Committees on Education and Human Services and Public Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 77, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 77, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 5 (Hee, Hooser, Nishihara, Taniguchi, Hemmings).

SCRep. 1774 (Joint) Education and Human Services and Public Housing on S.C.R. No. 199

The purpose of this measure is to request the University of Hawaii to extend and expand its current lease with Leahi Hospital to facilitate campus-wide master planning and long-term development of geriatric and long-term health care services.

Testimony in support of this measure was submitted by Leahi Hospital and Healthcare Association of Hawaii. Comments on the measure were also submitted by the University of Hawaii.

Your Committees find that Leahi Hospital is a health care facility that supports 178 long-term care and tuberculosis beds and is staffed by over 300 employees providing twenty-four hour-a-day support services. Leahi Hospital is seeking to develop a long-term master plan that encompasses the rebuilding of its campus. Currently, Leahi Hospital leases its land from the University of Hawaii; however, the term of the lease, even with available extensions, does not provide Leahi Hospital with adequate flexibility or assurances for developing and implementing its master plan. Your Committees believe that, although the execution of a seventy-five year lease may not be necessary at this time, an appropriate extension or agreement would be helpful in allowing Leahi Hospital to make plans for the future without the fear of a lease renewal problem.

Accordingly, your Committees have amended this measure by requesting the University of Hawaii to extend and expand the current land lease agreement with Leahi Hospital for a period of time sufficient enough to allow for the development and implementation of a master plan that includes the plan to rebuild the campus.

As affirmed by the records of votes of the members of your Committees on Education and Human Services and Public Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 199, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 199, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 5 (Hee, Hooser, Nishihara, Taniguchi, Hemmings).

SCRep. 1775 (Joint) Education and Human Services and Public Housing on S.R. No. 128

The purpose of this measure is to request the University of Hawaii to extend and expand its current lease with Leahi Hospital to facilitate campus-wide master planning and long-term development of geriatric and long-term health care services.

Testimony in support of this measure was submitted by Leahi Hospital and Healthcare Association of Hawaii. Comments on the measure were also submitted by the University of Hawaii.

Your Committees find that Leahi Hospital is a health care facility that supports 178 long-term care and tuberculosis beds and is staffed by over 300 employees providing twenty-four hour-a-day support services. Leahi Hospital is seeking to develop a long-term master plan that encompasses the rebuilding of its campus. Currently, Leahi Hospital leases its land from the University of Hawaii; however, the term of the lease, even with available extensions, does not provide Leahi Hospital with adequate flexibility or assurances for developing and implementing its master plan. Your Committees believe that, although the execution of a seventy-five year lease may not be necessary at this time, an appropriate extension or agreement would be helpful in allowing Leahi Hospital to make plans for the future without the fear of a lease renewal problem.

Accordingly, your Committees have amended this measure by requesting the University of Hawaii to extend and expand the current land lease agreement with Leahi Hospital for a period of time sufficient enough to allow for the development and implementation of a master plan that includes the plan to rebuild the campus.

As affirmed by the records of votes of the members of your Committees on Education and Human Services and Public Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 128, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 128, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 5 (Hee, Hooser, Nishihara, Taniguchi, Hemmings).

SCRep. 1776 (Joint) Human Services and Public Housing and Education on S.C.R. No. 17

The purpose of this measure is to urge the Department of Education to study the educational implications of the special needs of preschool age children with developmental disabilities.

The Hawaii Down Syndrome Congress, the Aloha Place, and twelve individuals submitted testimony in support of this measure. The State Council on Developmental Disabilities submitted testimony in support of the intent of this measure. The Department of Education submitted testimony in opposition to this measure.

Your Committees find that there is a need to improve the coordination of IDEA-mandated special education and related services with respect to the appropriateness of a disabled child's developmental age, not just chronological age, due to a biological risk factor such as Down syndrome or Trisomy 21. This measure urges the Department of Education to study the educational implications of the special needs of preschool age children with developmental disabilities and develop guidelines for the assessment, intervention, and education of this population. The Department of Education is also urged to develop developmental goals and criteria for preschool readiness, including appropriateness for developmental age and chronological age.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 17 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 4 (Hooser, Nishihara, Taniguchi, Hemmings).

SCRep. 1777 (Joint) Human Services and Public Housing and Health on S.C.R. No. 33

The purpose of this measure is to request the United States Congress to re-evaluate the Medicare formula for computing payments to doctors or to take other measures to avert future reductions in payments for services.

The Department of Human Services and two individuals submitted testimony in support of this measure.

Your Committees find that the United States Congress recently deferred a proposed cut of 5.1 per cent in Medicare spending for payments for services provided by doctors. However, future payments are unlikely to keep pace with inflation and doctors may face even greater cuts in Medicare spending for payments for services next year. This measure requests the United States Congress to re-evaluate the Medicare formula for computing payments to doctors or to take other measures to avert future reductions in payments for services.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 33 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Noes, none. Excused, 3 (Ihara, Menor, Whalen).

SCRep. 1778 (Joint) Human Services and Public Housing and Health on S.R. No. 15

The purpose of this measure is to request the United States Congress to re-evaluate the Medicare formula for computing payments to doctors or to take other measures to avert future reductions in payments for services.

The Department of Human Services and two individuals submitted testimony in support of this measure.

Your Committees find that the United States Congress recently deferred a proposed cut of 5.1 per cent in Medicare spending for payments for services provided by doctors. However, future payments are unlikely to keep pace with inflation and doctors may face even greater cuts in Medicare spending for payments for services next year. This measure requests the United States Congress to re-evaluate the Medicare formula for computing payments to doctors or to take other measures to avert future reductions in payments for services.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Health that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 15 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Noes, none. Excused, 3 (Ihara, Menor, Whalen).

SCRep. 1779 (Joint) Human Services and Public Housing and Transportation and International Affairs on S.C.R. No. 91

The purpose of this measure is to request the Commission on the Status of Women to convene a network of organizations for the support and development of local and international organizations to address domestic violence and sex assault issues.

Your Committees received testimony in support of this measure from the Sex Abuse Treatment Center, Kapiolani Medical Center; Hawaii State Commission on the Status of Women; and one individual.

Domestic violence and sex assault is an international issue that permeates all levels of society, affecting people regardless of age, income, education, religion, or culture. Organizations in countries around the world look to their counterpart organizations in the United States for leadership and methodologies to treat and prevent the occurrence of domestic violence and sex assault.

Hawaii is the gateway between the United States and its Asian neighbors, making Hawaii-based organizations addressing domestic violence and sex assault natural conduits for international cooperation on this issue.

The network would report to the 2008 Legislature.

Your Committees have amended this measure by:

- (1) Deleting reference to convening a 2007 conference;
- (2) Adding that the network facilitate training opportunities; and
- (3) Clarifying the correct name of a referenced program as the Child and Family Services' Domestic Violence Shelter.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 91, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 91, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 5 (Inouye, Sakamoto, Taniguchi, Tsutsui, Hemmings).

SCRep. 1780 (Joint) Human Services and Public Housing and Transportation and International Affairs on S.R. No. 55

The purpose of this measure is to request the Commission on the Status of Women to convene a network of organizations for the support and development of local and international organizations to address domestic violence and sex assault issues.

Your Committees received testimony in support of this measure from the Sex Abuse Treatment Center, Kapiolani Medical Center; Hawaii State Commission on the Status of Women; and one individual.

Domestic violence and sex assault is an international issue that permeates all levels of society, affecting people regardless of age, income, education, religion, or culture. Organizations in countries around the world look to their counterpart organizations in the United States for leadership and methodologies to treat and prevent the occurrence of domestic violence and sex assault.

Hawaii is the gateway between the United States and its Asian neighbors, making Hawaii-based organizations addressing domestic violence and sex assault natural conduits for international cooperation on this issue.

The network would report to the 2008 Legislature.

Your Committees have amended this measure by:

- (1) Deleting reference to convening a 2007 conference;
- (2) Adding that the network facilitate training opportunities; and
- (3) Clarifying the correct name of a referenced program as the Child and Family Services' Domestic Violence Shelter.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 55, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 55, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 5 (Inouye, Sakamoto, Taniguchi, Tsutsui, Hemmings).

SCRep. 1781 Human Services and Public Housing on S.C.R. No. 122

The purpose of this measure is to promote breastfeeding rights and tolerance.

Specifically, this measure supports the Breastfeeding Mothers' Bill of Rights that is being offered before the New York State Legislature as Senate Bill No. 1674 and Assembly Bill No. 3782.

Testimony in support of this measure was submitted by the Healthy Mothers, Healthy Babies Coalition of Hawai'i. The International Formula Council submitted comments.

Your Committee finds that there are two measures before the New York State Legislature that propose the adoption of a statement of rights, known as the Breastfeeding Mothers' Bill of Rights. The measures provide mothers with basic breastfeeding-related rights before, during, and after the birth of their babies; require that the statement of rights be conspicuously posted in a public place in maternal health care facilities, nurseries, maternity floors, and post-delivery recovery rooms; and require assistance from lactation specialists in the hospital and after discharge.

This measure was amended by amending the first two whereas clauses to more accurately reflect the recommendations of the American Academy of Pediatrics and the scientific data regarding the benefits of breastfeeding.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 122, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 122, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Sakamoto, Hemmings).

SCRep. 1782 Human Services and Public Housing on S.R. No. 78

The purpose of this measure is to promote breastfeeding rights and tolerance.

Specifically, this measure supports the Breastfeeding Mothers' Bill of Rights that is being offered before the New York State Legislature as Senate Bill No. 1674 and Assembly Bill No. 3782.

Testimony in support of this measure was submitted by the Healthy Mothers, Healthy Babies Coalition of Hawai'i. The International Formula Council submitted comments.

Your Committee finds that there are two measures before the New York State Legislature that propose the adoption of a statement of rights, known as the Breastfeeding Mothers' Bill of Rights. The measures provide mothers with basic breastfeeding-related rights before, during, and after the birth of their babies; require that the statement of rights be conspicuously posted in a public place in maternal health care facilities, nurseries, maternity floors, and post-delivery recovery rooms; and require assistance from lactation specialists in the hospital and after discharge.

This measure was amended by amending the first two whereas clauses to more accurately reflect the recommendations of the American Academy of Pediatrics and the scientific data regarding the benefits of breastfeeding.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 78, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 78, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Sakamoto, Hemmings).

SCRep. 1783 Human Services and Public Housing on S.C.R. No. 196

The purpose of this measure is to request the Department of Health to conduct a study of adult residential care homes.

The City Council of the City and County of Honolulu and thirteen individuals submitted testimony in support of this measure. The Department of Health and the Hawaii Coalition of Care Home Administrators submitted testimony in opposition to this measure.

Your Committee finds that the development of adult residential care homes in residential neighborhoods has caused residents to raise concerns regarding attendant traffic, parking, delivery, noise, trash collections, and emergency services response challenges. Further, residents of Manoa, in particular, question the regulation of these facilities in their neighborhoods, including the distance of the facilities from each other and whether there is sufficient opportunity for public notice, review, or comment before permitting. This measure will bring interested stakeholders together as a working group to study these and other related issues.

Your Committee has amended this measure by:

- (1) Changing the purpose of the measure from requesting the Department of Health to conduct a study of adult residential care homes to requesting the Department of Health to convene a working group to study the development of adult residential care homes in residential neighborhoods in Manoa;
- (2) Amending the title of the measure to reflect the change in purpose;
- (3) Amending several of the clauses to reflect current information that was received during testimony and the change in purpose; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing 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, 1 (Hemmings).

SCRep. 1784 Human Services and Public Housing on S.R. No. 125

The purpose of this measure is to request the Department of Health to conduct a study of adult residential care homes.

The City Council of the City and County of Honolulu and thirteen individuals submitted testimony in support of this measure. The Department of Health and the Hawaii Coalition of Care Home Administrators submitted testimony in opposition to this measure.

Your Committee finds that the development of adult residential care homes in residential neighborhoods has caused residents to raise concerns regarding attendant traffic, parking, delivery, noise, trash collections, and emergency services response challenges. Further, residents of Manoa, in particular, question the regulation of these facilities in their neighborhoods, including the distance of the facilities from each other and whether there is sufficient opportunity for public notice, review, or comment before permitting. This measure will bring interested stakeholders together as a working group to study these and other related issues.

Your Committee has amended this measure by:

- (1) Changing the purpose of the measure from requesting the Department of Health to conduct a study of adult residential care homes to requesting the Department of Health to convene a working group to study the development of adult residential care homes in residential neighborhoods in Manoa;
- (2) Amending the title of the measure to reflect the change in purpose;
- (3) Amending several of the clauses to reflect current information that was received during testimony and the change in purpose; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 125, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 125, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1785 Human Services and Public Housing on S.C.R. No. 220

The purpose of this measure is to request the Department of Human Services to facilitate the provision of social services to non-citizen victims of human trafficking.

No Loio Immigrant Rights and Public Interest Legal Center submitted testimony in support of this measure.

Your Committee finds that, without resources to secure housing, food, medical care, or other basic necessities, non-citizen victims of human trafficking struggle to survive in our community. Victim assistance and services for trafficked persons are constrained by factors such as legal provisions barring undocumented migrants from benefits and victim-related services. Federal law may protect trafficked persons by providing immigration status, permission to work, and possible United States permanent residence once a victim is certified as a severe victim of trafficking. There is a need for victim services from the time that individuals are identified as trafficked persons until they are certified as a severe victim of trafficking by federal law enforcement.

Your Committee has amended this measure by:

- (1) Requesting the Department of Human Services to conduct a statewide needs assessment of non-citizen victims of human trafficking and to:
 - (A) Collaborate with the task force that was established, to determine how Hawaii can best combat and deter human trafficking, pursuant to Act 260, Session Laws of Hawaii 2006;
 - (B) Identify existing obstacles, in statute, rule, or policy, that limit or deny benefits to non-citizen victims of human trafficking; and
 - (C) Identify appropriate social, financial, and other services for victims of human trafficking, in general, including gaps in the services offered by state, county, and private agencies for victims of human trafficking; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 220, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 220, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1786 Human Services and Public Housing on S.R. No. 144

The purpose of this measure is to request the Department of Human Services to facilitate the provision of social services to non-citizen victims of human trafficking.

No Loio Immigrant Rights and Public Interest Legal Center submitted testimony in support of this measure.

Your Committee finds that, without resources to secure housing, food, medical care, or other basic necessities, non-citizen victims of human trafficking struggle to survive in our community. Victim assistance and services for trafficked persons are constrained by factors such as legal provisions barring undocumented migrants from benefits and victim-related services. Federal law may protect trafficked persons by providing immigration status, permission to work, and possible United States permanent residence once a victim is certified as a severe victim of trafficking. There is a need for victim services from the time that individuals are identified as trafficked persons until they are certified as a severe victim of trafficking by federal law enforcement.

Your Committee has amended this measure by:

- (1) Requesting the Department of Human Services to conduct a statewide needs assessment of non-citizen victims of human trafficking and to:
 - (A) Collaborate with the task force that was established, to determine how Hawaii can best combat and deter human trafficking, pursuant to Act 260, Session Laws of Hawaii 2006;
 - (B) Identify existing obstacles, in statute, rule, or policy, that limit or deny benefits to non-citizen victims of human trafficking; and

(C) Identify appropriate social, financial, and other services for victims of human trafficking, in general, including gaps in the services offered by state, county, and private agencies for victims of human trafficking; and

(2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 144, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 144, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1787 (Joint) Human Services and Public Housing and Health on S.C.R. No. 136

The purpose of this measure is to request the University of Hawaii at Manoa College of Social Sciences Public Policy Center to conduct a cost-benefit analysis for a family caregiver tax credit.

The Kokua Council, the National Multiple Sclerosis Society, the Hawaii Aging Advocates Coalition, the Policy Advisory Board for Elder Affairs, Catholic Charities Hawai'i, and two individuals submitted testimony in support of this measure as amended.

Your Committees have amended this measure by:

- (1) Changing the purpose and content of the measure from requesting the University of Hawaii at Manoa College of Social Sciences Public Policy Center to conduct a cost-benefit analysis for a family caregiver tax credit to urging the Governor to appoint an interim director for the Executive Office on Aging until a permanent director is appointed; and
- (2) Amending the title of the measure to reflect the change in purpose and content.

Your Committees find that the Director of the Executive Office on Aging is instrumental in ensuring that Hawaii satisfies its mandated responsibilities to its elderly population pursuant to the federal Older Americans Act. The Governor is responsible for nominating and appointing the Director of the Executive Office on Aging. However, the position has been vacant since December 5, 2006. It is imperative that a qualified individual be appointed to the position as soon as possible to provide stewardship regarding, among other things, services, legislation, policies, and funding.

It is the Committees' intent to urge the Governor to appoint an interim director for the Executive Office on Aging until a permanent director is appointed.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 136, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 136, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 4 (Ihara, Menor, Hemmings, Whalen).

SCRep. 1788 (Joint) Health and Human Services and Public Housing on S.C.R. No. 198

The purpose of this measure is to ensure that acute care hospital patients have access to long term care by requesting the Healthcare Association of Hawaii to examine the problem of patients in acute care hospitals being waitlisted for long term care and to propose solutions.

Your Committees received testimony in support of this measure from the Department of Human Services, the Healthcare Association of Hawaii, Kaiser Permanente, Queens Medical Center, Hawaii Disability Rights Center, and Hawaii Long Term Care Association.

Your Committees find that, during the past year, more than two hundred patients in hospitals statewide, who were well enough to be discharged from acute care hospitals but who were in need of long term care, have been waitlisted because long term care facilities were not available. Thus, the current short supply of acute care hospital beds is becoming even scarcer for patients with greater medical needs. Your Committees further find that the Healthcare Association of Hawaii is the appropriate organization to conduct this research and propose solutions to the long term care facility shortage because their membership includes all of Hawaii's hospitals and long term care facilities.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 198 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 4 (Ihara, Menor, Hemmings, Whalen).

SCRep. 1789 (Joint) Health and Human Services and Public Housing on S.R. No. 127

The purpose of this measure is to ensure that acute care hospital patients have access to long term care by requesting the Healthcare Association of Hawaii to examine the problem of patients in acute care hospitals being waitlisted for long term care and to propose solutions.

Your Committees received testimony in support of this measure from the Department of Human Services, the Healthcare Association of Hawaii, Kaiser Permanente, Queens Medical Center, Hawaii Disability Rights Center, and Hawaii Long Term Care Association.

Your Committees find that, during the past year, more than two hundred patients in hospitals statewide, who were well enough to be discharged from acute care hospitals but who were in need of long term care, have been waitlisted because long term care facilities were not available. Thus, the current short supply of acute care hospital beds is becoming even scarcer for patients with greater medical needs. Your Committees further find that the Healthcare Association of Hawaii is the appropriate organization to conduct this research and propose solutions to the long term care facility shortage because their membership includes all of Hawaii's hospitals and long term care facilities.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 127 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 4 (Ihara, Menor, Hemmings, Whalen).

SCRep. 1790 Health on S.C.R. No. 213

The purpose of this measure is to assure low-income women access to screening and early detection of breast and cervical cancer by requesting the Governor to fund breast cancer and cervical cancer screening for low-income women in Hawaii.

Your Committee received testimony in support of this measure from the University of Hawaii Cancer Research Center. The Department of Health submitted testimony supporting the intent of this measure with comments.

Your Committee finds that the Hawaii Breast and Cervical Cancer Control Program, established in 1997, provides access to breast and cervical cancer screening for Native Hawaiian, Filipino, and Pacific Island women. However, your Committee finds that screening for breast and cervical cancers needs to be accessible to all women, particularly those of low-income and who do not have health insurance or whose insurance is insufficient.

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. 213 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1791 Health on S.R. No. 137

The purpose of this measure is to assure low-income women access to screening and early detection of breast and cervical cancer by requesting the Governor to fund breast cancer and cervical cancer screening for low-income women in Hawaii.

Your Committee received testimony in support of this measure from the University of Hawaii Cancer Research Center. The Department of Health submitted testimony supporting the intent of this measure with comments.

Your Committee finds that the Hawaii Breast and Cervical Cancer Control Program, established in 1997, provides access to breast and cervical cancer screening for Native Hawaiian, Filipino, and Pacific Island women. However, your Committee finds that screening for breast and cervical cancers needs to be accessible to all women, particularly those of low-income and who do not have health insurance or whose insurance is insufficient.

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. 137 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1792 (Joint) Health and Human Services and Public Housing on S.C.R. No. 218

The purpose of this measure is to ensure that migrants from Freely Associated States have access to quality health care and social services by requesting the Department of Health to convene a task force to investigate and coordinate the provision of medical and social services to migrants from Freely Associated States.

Your Committees received testimony in support of this measure from Micronesians United, the Micronesian Community Network, Hawaii Government Employees Association, and two individuals. The Department of Health, the Department of Human Services, and the Institute for Human Services submitted testimony supporting the intent of this measure with recommendations. The East-West Center submitted comments.

Your Committees find that the increasing migration of individuals from Freely Associated States has affected Hawaii in terms of non-reimbursed health care, education, housing, and social services costs. Therefore, your Committees find that it is imperative to investigate these impacts and to find solutions that will ensure that these valuable public services are accessible to those in need and that migrants from Freely Associated States have access to quality health care and social services.

Your Committees amended this measure by:

- (1) Changing the title to read as follows:

“REQUESTING THE DEPARTMENT OF ATTORNEY GENERAL TO CONVENE A TASK FORCE TO INVESTIGATE AND COORDINATE THE PROVISION OF MEDICAL, EDUCATIONAL, HOUSING, AND SOCIAL SERVICES TO MIGRANTS FROM FREELY ASSOCIATED STATES”;

- (2) Clarifying the need to not only address medical and social services needed, but also educational and housing services needed and the impact the need for the services has on schools;
- (3) By including the following organizations in the task force:
 - (A) The Micronesian Community Network;
 - (B) Micronesians United;
 - (C) The Institute for Human Services; and
 - (D) The University of Hawaii- West Oahu;
- (4) Making the Department of the Attorney General the task force’s convening authority;
- (5) Removing the East-West Center from the task force membership;
- (6) Adding Hawaii’s Congressional delegation to the list of individuals to receive certified copies of this resolution; and
- (7) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 218, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 218, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Noes, none. Excused, 3 (Ihara, Menor, Whalen).

SCRep. 1793 (Joint) Health and Human Services and Public Housing on S.R. No. 142

The purpose of this measure is to ensure that migrants from Freely Associated States have access to quality health care and social services by requesting the Department of Health to convene a task force to investigate and coordinate the provision of medical and social services to migrants from Freely Associated States.

Your Committees received testimony in support of this measure from Micronesians United, the Micronesian Community Network, Hawaii Government Employees Association, and two individuals. The Department of Health, the Department of Human Services, and the Institute for Human Services submitted testimony supporting the intent of this measure with recommendations. The East-West Center submitted comments.

Your Committees find that the increasing migration of individuals from Freely Associated States has affected Hawaii in terms of non-reimbursed health care, education, housing, and social services costs. Therefore, your Committees find that it is imperative to investigate these impacts and to find solutions that will ensure that these valuable public services are accessible to those in need and that migrants from Freely Associated States have access to quality health care and social services.

Your Committees amended this measure by:

- (1) Changing the title to read as follows:

“REQUESTING THE DEPARTMENT OF ATTORNEY GENERAL TO CONVENE A TASK FORCE TO INVESTIGATE AND COORDINATE THE PROVISION OF MEDICAL, EDUCATIONAL, HOUSING, AND SOCIAL SERVICES TO MIGRANTS FROM FREELY ASSOCIATED STATES”;

- (2) Clarifying the need to not only address medical and social services needed, but also educational and housing services needed and the impact the need for the services has on schools;
- (3) By including the following organizations in the task force:
 - (A) The Micronesian Community Network;
 - (B) Micronesians United;
 - (C) The Institute for Human Services; and
 - (D) The University of Hawaii- West Oahu;
- (4) Making the Department of the Attorney General the task force’s convening authority;
- (5) Removing the East-West Center from the task force membership;
- (6) Adding Hawaii’s Congressional delegation to the list of individuals to receive certified copies of this resolution; and
- (7) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 142, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 142, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Noes, none. Excused, 3 (Ihara, Menor, Whalen).

SCRep. 1794 (Joint) Health and Human Services and Public Housing on S.C.R. No. 219

The purpose of this measure is to assist individuals who have suffered traumatic brain injuries in receiving appropriate health care services by requesting the Departments of Health and Human Services to collaborate and apply for a federal traumatic brain injury waiver.

Your Committees received testimony in support of this measure from the Department of Health, the Hawaii Disability Rights Center, and five individuals. The Department of Human Services submitted comments on this measure.

Your Committees find that individuals who have suffered traumatic brain injuries are in need of direct services, rehabilitation programs, and community support that are effective and affordable. Your Committees further find that a federal traumatic brain injury waiver with the State matching the federal funds would be able to provide these individuals with the appropriate and necessary services.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 219 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Noes, none. Excused, 3 (Ihara, Menor, Whalen).

SCRep. 1795 (Joint) Health and Human Services and Public Housing on S.R. No. 143

The purpose of this measure is to assist individuals who have suffered traumatic brain injuries in receiving appropriate health care services by requesting the Departments of Health and Human Services to collaborate and apply for a federal traumatic brain injury waiver.

Your Committees received testimony in support of this measure from the Department of Health, the Hawaii Disability Rights Center, and five individuals. The Department of Human Services submitted comments on this measure.

Your Committees find that individuals who have suffered traumatic brain injuries are in need of direct services, rehabilitation programs, and community support that are effective and affordable. Your Committees further find that a federal traumatic brain injury waiver with the State matching the federal funds would be able to provide these individuals with the appropriate and necessary services.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 143 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 7. Noes, none. Excused, 3 (Ihara, Menor, Whalen).

SCRep. 1796 (Joint) Human Services and Public Housing and Public Safety on S.C.R. No. 19

The purpose of this measure is to protect parent-child relationships of children of incarcerated parents.

Specifically, this measure requests the Department of Public Safety to adopt policies to prevent the transfer of incarcerated parents of minor children to correctional facilities on the mainland.

Testimony in support of this measure was submitted by the Community Alliance on Prisons, Hawaii Youth Services Network, and four individuals. Testimony in opposition to this measure was submitted by the Department of Public Safety.

Your Committees find that an increased focus needs to be placed on the children of incarcerated parents to maintain a parent-child bond. It is estimated that there are approximately 3,163 parents of 6,665 children in Hawaii's prison system. Approximately half of Hawaii's incarcerated felons are sent to private correctional facilities on the mainland making it difficult for them to maintain contact with their families.

According to the testimony, the strengthening of family relationships has a positive effect on recidivism. Studies also indicate that therapeutic involvement with families during incarceration builds better and stronger relationships between the incarcerated parent's children and the incarcerated parent once the parent is released.

Your Committees are also concerned with the practice of triple-bunking inmates in Hawaii correctional facilities due to overcrowding. While your Committees strongly believe that parent-child relationships should be fostered and maintained throughout the parents' incarceration, it is not the intent of your Committees that the policy encouraged by this measure result in an increase in triple bunking in Hawaii facilities.

This measure has been amended to allow flexibility for parents who are incarcerated on the mainland and wish to stay where they are. This measure has also been amended to provide that there should not be additional triple bunking in Hawaii correctional facilities as a result of this measure.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Public Safety that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 19, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 19, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 3 (Hooser, Hemmings, Whalen).

SCRep. 1797 Judiciary and Labor on S.C.R. No. 153

The purpose of this measure is to request that the Senate Committee on Judiciary and Labor and the House Committee on Labor and Public Employment convene a joint hearing to consider the impacts of the required labor force proposed for the Turtle Bay Resort expansion on Oahu's North Shore communities.

Testimony in support of this measure was submitted by Keep the North Shore Country, UNITE HERE! Local 5, and 30 individuals. Testimony in opposition was submitted by Bob Boyle, General Manager of the Turtle Bay Resort.

Your Committee recognizes that any expansion of a major hotel, such as the Turtle Bay Resort, will with certainty have an impact on area resources such as housing, schools, medical services, and infrastructure to name a few. Your Committee finds that a joint legislative hearing will provide a public forum to obtain necessary information to address the impacts and other issues relating to an additional hundreds or thousands of new employees in a rural area that already has a shortage of affordable housing.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 153 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1798 Judiciary and Labor on S.R. No. 106

The purpose of this resolution is to request that the Senate Committee on Judiciary and Labor and the House Committee on Labor and Public Employment convene a joint hearing to consider the likely impacts on the labor force by the proposed Turtle Bay Resort expansion.

Testimony in support of this measure was submitted by Keep the North Shore Country, UNITE HERE! Local 5, and 30 individuals. Testimony in opposition was submitted by Bob Boyle, General Manager of the Turtle Bay Resort.

Your Committee recognizes that any expansion of a major hotel, such as the Turtle Bay Resort, will with certainty have an impact on area resources such as housing, schools, medical services, and infrastructure to name a few. Your Committee finds that a joint legislative hearing will provide a public forum to obtain necessary information to address the impacts and other issues relating to an additional hundreds or thousands of new employees in a rural area that already has a shortage of affordable housing.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 106 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1799 Ways and Means on S.C.R. No. 160

The purpose of this measure is to request that the Auditor perform a sunrise review of the regulation of entities governed by chapters 514A and 514B, Hawaii Revised Statutes, relating to condominiums, for the purpose of creating a condominium commission.

Your Committee received comments in support of this measure from the Hawaii Independent Condominium and Cooperative Owners.

Your Committee finds that approximately twenty per cent of the population of the State resides in condominiums. The enforcement of the laws, rules, and policies governing the rights and responsibilities of persons owning and residing in condominiums is the responsibility of the Real Estate Commission; however, the commission's historic primary concern and preoccupation has been with the licensing and regulation of realtors.

Your Committee believes that persons owning and residing in condominiums should have a governing body that is exclusively responsible for the governance of condominium laws, rules, and policies. However, section 26H-6, Hawaii Revised Statutes, requires that "[n]ew regulatory

measures being considered for enactment that, if enacted, would subject unregulated professions and vocations to licensing or other regulatory controls shall be referred to the auditor for analysis” prior to the adoption of the new regulatory measures. Accordingly, this Concurrent Resolution requests that the Auditor undertake the required analysis.

As 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. 160, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 5 (English, Kim, Menor, Tokuda, Whalen).

SCRep. 1800 Ways and Means on S.C.R. No. 75

The purpose of this Concurrent Resolution is to request the Auditor to perform a sunrise analysis of the regulation of destination clubs and those who market them.

Your Committee received comments in support of this Concurrent Resolution from the Department of Commerce and Consumer Affairs and the Destination Club Association.

Your Committee finds that destination clubs are a growing part of the travel and tourism industry in Hawaii. Destination clubs offer members access to the club’s portfolio of luxury properties in locations around the world, including Hawaii. Currently, there are no specific regulatory statutes governing destination clubs in Hawaii.

Your Committee finds that in 2006, the Department of Commerce and Consumer Affairs convened a working group that included representatives of the destination club and timeshare industries and the Department, to discuss the creation of a regulatory framework for destination clubs. Further, during the 2007 Regular Session of the Legislature, S.B. No. 697 was introduced, to regulate destination clubs and the marketing of destination clubs. This Concurrent Resolution requests the Auditor to conduct a sunrise review in compliance with section 26H-6, Hawaii Revised Statutes, to determine whether regulation of destination clubs and those who market them is necessary.

As 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. 75, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 5 (English, Kim, Menor, Tokuda, Whalen).

SCRep. 1801 Ways and Means on S.C.R. No. 144

The purpose of this measure is to request the Department of Human Services to report to the Legislature regarding what impact a cash and counseling program would have on medicaid and adult services programs in Hawaii.

This measure also requests the Department of Human Services, in completing its report, to:

- (1) Contact the National Program Office at the Boston College Graduate School of Social Work, which coordinates replications of the program; and
- (2) Consult with the Robert Wood Johnson Foundation, the Office of the Assistant Secretary for Planning and Evaluation at the United States Department of Health and Human Services, and the Administration on Aging.

The Department of Human Services offered comments on this measure.

Your Committee finds that the cash and counseling program allows medicaid recipients to manage their personal care services allowance according to their own specific needs. Recipients receive counseling and may select a family member or friend to assist them instead of an agency worker.

This Concurrent Resolution would provide the necessary information to determine whether the cash and counseling program should be established 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 concurs with the intent and purpose of S.C.R. No. 144, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 5 (English, Kim, Menor, Tokuda, Whalen).

SCRep. 1802 Ways and Means on S.R. No. 98

The purpose of this measure is to request the Department of Human Services to report to the Legislature regarding what impact a cash and counseling program would have on medicaid and adult services programs in Hawaii.

This measure also requests the Department of Human Services, in completing its report, to:

- (1) Contact the National Program Office at the Boston College Graduate School of Social Work, which coordinates replications of the program; and
- (2) Consult with the Robert Wood Johnson Foundation, the Office of the Assistant Secretary for Planning and Evaluation at the United States Department of Health and Human Services, and the Administration on Aging.

Your Committee finds that the cash and counseling program allows medicaid recipients to manage their personal care services allowance according to their own specific needs. Recipients receive counseling and may select a family member or friend to assist them instead of an agency worker.

This Resolution would provide the necessary information to determine whether the cash and counseling program should be established 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 concurs with the intent and purpose of S.R. No. 98, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 5 (English, Kim, Menor, Tokuda, Whalen).

SCRep. 1803 Ways and Means on S.C.R. No. 147

The purpose of this measure is to request the Hawaii Public Housing Authority to report on its project spending.

Your Committee received comments on the measure from the Hawaii Public Housing Authority.

Your Committee finds that the Hawaii Public Housing Authority is responsible for the management of federal and state funds for public housing programs and services.

Your Committee also finds that, because of the recent establishment of the Hawaii Public Housing Authority and the various sources of funds under its control, a report to the Legislature on the Authority's project spending is justified and appropriate to ensure proper and effective use and management of such funds.

Your Committee further finds that, although the Concurrent Resolution has evolved from a financial audit to a report by the Authority to the Legislature, it is intended that the scope of the report should remain broad and comprehensive and include project spending for all projects developed by the Authority, including new and renovation or modernization projects, as well as the new forty-eight unit project at Lanakila Homes in Hilo.

As 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. 147, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 147, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 5 (English, Kim, Menor, Tokuda, Whalen).

SCRep. 1804 Ways and Means on S.R. No. 100

The purpose of this measure is to request the Hawaii Public Housing Authority to report on its project spending.

Your Committee received comments on the measure from the Hawaii Public Housing Authority.

Your Committee finds that the Hawaii Public Housing Authority is responsible for the management of federal and state funds for public housing programs and services.

Your Committee also finds that, because of the recent establishment of the Hawaii Public Housing Authority and the various sources of funds under its control, a report to the Legislature on the Authority's project spending is justified and appropriate to ensure proper and effective use and management of such funds.

Your Committee further finds that, although the Resolution has evolved from a financial audit to a report by the Authority to the Legislature, it is intended that the scope of the report should remain broad and comprehensive and include project spending for all projects developed by the Authority, including new and renovation or modernization projects, as well as the new forty-eight unit project at Lanakila Homes in Hilo.

As 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. 100, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 100, S.D. 2.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 5 (English, Kim, Menor, Tokuda, Whalen).

SCRep. 1805 Ways and Means on S.C.R. No. 48

The purpose of this Concurrent Resolution is to request the Hawaii Disability Rights Center to provide an analysis of the laws governing its access to patient records and its policies and procedures for conducting investigations.

This Concurrent Resolution also requests the Hawaii Disability Rights Center to submit a report to the Legislature and the Attorney General no later than twenty days prior to the convening of the Regular Session of 2008 to include:

- (1) An outline of the federal authority that grants the Hawaii Disability Rights Center access to:
 - (A) Facilities serving individuals with disabilities;
 - (B) Individuals with disabilities; and
 - (C) The records of the individuals with disabilities;
- (2) With the concurrence of the federal Administration on Developmental Disabilities, an analysis of the inter-relationship between the federal authority and the laws protecting the privacy of individuals and their records; and
- (3) A statement of its policies and procedures regarding the manner in which it conducts investigations of allegations of abuse or neglect of an individual with a disability, including how, when, and under what circumstances, the investigations are undertaken.

The Attorney General is requested to offer comments to the Legislature regarding the report. This Concurrent Resolution also urges the parties to the litigation between the Hawaii Disability Rights Center and the Opportunities for the Retarded, Inc. to amicably settle the pending litigation.

Your Committee received comments in support of this concurrent resolution from The ARC in Hawaii, the Hawaii Disability Rights Center, twenty-one officers, board members, staff, and individual supporters of Opportunities for the Retarded, Inc., and nine individuals.

Your Committee finds that clarification of the relationship between the laws mandating access to the records of an individual with developmental disabilities and mental illness to a protection and advocacy agency and the laws protecting the privacy of that individual is necessary.

As 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. 48, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 5 (English, Kim, Menor, Tokuda, Whalen).

SCRep. 1806 Ways and Means on S.C.R. No. 71

The purpose of this Concurrent Resolution is to establish a legislative interim task force to study and make recommendations regarding the creation of universal children's savings accounts.

Comments in support of this measure were received from 3Point and the Hawaii Alliance for Community-Based Economic Development.

Your Committee finds that an asset building financial system for families would help to create financial security against difficult times, provide economic opportunities, and leave a legacy for future generations. Your Committee also finds that a universal children's savings account would help a family start saving at birth for their child's future and that over time, the asset could be used for education, home ownership, business, retirement, or other stated purposes.

Your Committee finds that the establishment of universal children's savings accounts would not only help provide economic opportunity for more people, particularly for those with no assets, but would also serve as a vehicle for savings and a learning tool for children and parents to learn the value of savings and investments.

As 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. 71 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 5 (English, Kim, Menor, Tokuda, Whalen).

SCRep. 1807 Ways and Means on S.C.R. No. 9

The purpose of this measure is to request the Office of the Auditor to assess the handling of domestic violence matters in the Family Court of the First Judicial Circuit (Family Court).

Specifically, the Office of the Auditor is requested to:

- (1) Examine the Family Court's current policies, procedures, and operations for screening or assessing child custody matters involving domestic violence;
- (2) Examine the Family Court's current policies, procedures, and operations that address child custody matters involving criminal and civil domestic violence cases; and
- (3) Establish findings and develop recommendations on how the Family Court may better serve litigants and children involved in domestic violence related child custody cases.

The Judiciary submitted comments on this measure.

Your Committee finds that domestic abuse protective orders are heard in the Family Court on a separate court docket, pursuant to chapter 586, Hawaii Revised Statutes. However, during interim hearings conducted by the Standing Committees of the Senate and House of Representatives having oversight over Human Services, the need for screening and assessing child custody matters involving domestic violence was identified. The possible establishment of a separate domestic violence court was also proposed.

This measure will help to determine whether Hawaii's state court system is following best practices in the area of child custody matters involving domestic violence and whether the establishment of a separate domestic violence court would better serve the needs of 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 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, 6. Noes, none. Excused, 5 (English, Kim, Menor, Tokuda, Whalen).

SCRep. 1808 Ways and Means on S.C.R. No. 11

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study on custody evaluator models that are applied in other jurisdictions.

Specifically, the Concurrent Resolution requests the Legislative Reference Bureau to review other jurisdictions' qualifications for custody evaluators, custody evaluator training models, and mechanisms for oversight of the custody evaluation process.

The National Association of Social Workers submitted comments in support of this measure. The Legislative Reference Bureau submitted comments.

Pursuant to Senate Concurrent Resolution No. 52, Regular Session of 2006, the Committees on Human Services of the Senate and the House of Representatives convened a task force during the interim following the 2006 Regular Session to examine issues pertaining to the Hawaii Family Court. Due to time constraints, the task force was unable to fully explore the issue of training and oversight of custody evaluators in both the Hawaii Family Court and in other jurisdictions. This measure will assist the task force members to determine whether to recommend action to improve custody evaluation in the Hawaii Family Court.

Your Committee has amended this measure to request that the study to be conducted by the Legislative Reference Bureau also include a review of the process by which custody evaluators are selected in other jurisdictions, whether it is by random selection, from a list, or by request of the client. Your Committee has also amended this measure by placing the four issues to be studied in logical order: qualifications, selection, training, and oversight.

As 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. 11, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 11, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 5 (English, Kim, Menor, Tokuda, Whalen).

SCRep. 1809 Ways and Means on S.C.R. No. 12

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau to study joint and shared physical and legal custody presumptions in other states.

The Legislative Reference Bureau submitted comments on the measure.

Your Committee finds that the Senate and House Committees on Human Services convened interim hearings on the use of legal interventions available to the Hawaii family court. The task force established during these hearings was unable to resolve all issues and concerns discussed. One of several unresolved issues is whether other states apply the rebuttable presumption that in a divorce proceeding, both parents should equally share in the parenting and thus have joint or shared physical and legal custody of a child.

Your Committee further finds that a study regarding these presumptions would clarify for the task force whether to recommend statutory enactment of such a presumption.

As 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. 12, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 5 (English, Kim, Menor, Tokuda, Whalen).

SCRep. 1810 Ways and Means on S.C.R. No. 209

The purpose of this measure is to request the Auditor to study the social and financial impact of mandatory health insurance coverage for use of the LG1 Intelligent Medical Vigilance System.

The measure further requests the Hawaii Health Systems Corporation to conduct a pilot study to determine the social and financial impact to the system and along with the Auditor, report its findings to the Legislature prior to the 2008 Regular Session.

No comments were received by your Committee on this measure.

Your Committee finds that the LG1 Intelligent Medical Vigilance System provides for continuous non-contact monitoring of a patient's heart and respiratory rate and automatically notifies hospital staff in the event of a life-threatening change. Your Committee further finds that this innovative device has the potential to help alleviate the effects of the current shortage of hospital nurses by ensuring that patients are constantly monitored while hospital staff are free to perform other duties. This will facilitate more efficient use of hospital resources by enabling the nursing staff to be aware of, and respond to, any sudden patient deterioration. As a result, health care costs will be lowered without compromising quality health care and without increasing the workload of overburdened hospital staff.

Your Committee further finds that when mandating health insurance coverage for specific health services, specific diseases, or certain providers of health care services as part of an individual or group health insurance policy, section 23-51, Hawaii Revised Statutes, requires a concurrent resolution to be adopted requesting an Auditor's impact assessment report. Accordingly, your Committee finds that this measure requesting the Auditor to conduct an impact assessment report on the mandatory health insurance coverage of the LG1 Intelligent Medical Vigilance System 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 concurs with the intent and purpose of S.C.R. No. 209 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 5 (English, Kim, Menor, Tokuda, Whalen).

SCRep. 1811 Ways and Means on S.C.R. No. 178

The purpose of this measure is to request the Auditor to conduct a comprehensive study on the results and impact of Voluntary Employees' Beneficiary Association ("VEBA") Trusts on public employees and employers and to provide a basis for the Legislature to decide whether to extend Act 245, Session Laws of Hawaii 2005.

Your Committee received comments in support of the measure from the Department of Budget and Finance and the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee finds that this measure provides a critical and missing component of Act 245, Session Laws of Hawaii 2005, which established the pilot Voluntary Employees' Beneficiary Association Trusts. An evaluation is needed to determine whether the pilot project has accomplished what its proponents have claimed it has and to determine the cost impact to the Hawaii Employer-Union Health Benefits Trust Fund as a whole and not on only a select group of plan participants.

As 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. 178 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 5 (English, Kim, Menor, Tokuda, Whalen).

SCRep. 1812 Ways and Means on S.C.R. No. 98

The purpose of this measure is to examine the Department of Transportation's traffic safety function to determine how traffic safety may be increased.

Specifically, the measure requests the Auditor to conduct a performance audit of the traffic safety function of the Department of Transportation by determining how traffic safety information is collected and used and to recommend improvements, particularly concerning pedestrian safety.

The Department of Transportation submitted comments on the measure.

Your Committee finds that the State has the obligation to provide for highway and pedestrian safety to the greatest possible extent, and pursuant to section 26-19, Hawaii Revised Statutes, the Department of Transportation is charged with planning, developing, promoting, and coordinating various transportation systems management plans, including traffic safety. Your Committee recognizes that traffic safety, and particularly pedestrian safety, has become an increasingly critical issue due to the recent rise in highly-publicized traffic accidents, often involving fatalities. Your Committee further recognizes that the data relating to traffic safety, including traffic accident location, frequency, and severity; pedestrian accident frequency and location; speed limit violations, and traffic signal timing, is not readily accessible to the public.

Accordingly, your Committee believes that an audit of the Department of Transportation's performance regarding the collection and use of traffic information by the Auditor will provide transparency and accountability and help to improve traffic safety.

As 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. 98, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 6. Noes, none. Excused, 5 (English, Kim, Menor, Tokuda, Whalen).

SCRep. 1813 (Majority) Ways and Means on S.C.R. No. 176

The purpose of this measure is to request that the Auditor conduct a financial and management audit of the Department of Agriculture's operation of the Molokai irrigation system.

Your Committee received comments in opposition to this measure by the Department of Agriculture.

Your Committee finds that the Molokai irrigation system is the largest irrigation system operated by the Department of Agriculture and is wholly supported by the revenues that the Department of Agriculture derives from the irrigation system in the way of fees and charges to water users of the irrigation system. However, the water users of the irrigation system are concerned with the possibility that, while the Molokai irrigation system is in need of long overdue maintenance and improvement, some of the revenues generated by the Molokai irrigation system are being diverted to support other irrigation systems or programs within the Department of Agriculture.

Accordingly, it is intended that a financial and management audit of the operation of the Molokai irrigation system produce information that will determine whether the system's users are subsidizing other systems and programs and whether user fees can be reduced while providing needed improvements to the Molokai irrigation system.

As 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. 176 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, 1 (Hemmings). Excused, 5 (English, Kim, Menor, Tokuda, Whalen).

SCRep. 1814 (Joint) Energy and Environment and Economic Development and Taxation on S.C.R. No. 164

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to conduct a study on the feasibility of creating a one-stop permit shop to expedite permit processing for renewable energy projects, to recommend any changes needed to establish this streamlined permit process, and to submit its recommendations and any draft legislation to the Legislature in 2008.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; Hawaii Energy Policy Forum; Castle & Cooke Hawai'i; Hawai'i BioEnergy; UPC Hawaii Wind Partners, LLC; Honolulu Seawater Air Conditioning, LLC; and Puna Geothermal Venture. The Department of Commerce and Consumer Affairs submitted written comments.

Your Committees find that while there may be other models, a one-stop permitting shop that assists both developers and permitting agencies can be an effective way to reduce inefficiencies, redundancies, and time delays. Your Committees have heard that the State of Washington has proceeded along these lines, and find that considering the experiences of other jurisdictions may be beneficial in determining how Hawaii might streamline its permitting for renewable energy projects.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development and Taxation that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 164 and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Ihara, Kokubun, Slom).

SCRep. 1815 Energy and Environment on S.C.R. No. 101

The purpose of this measure is to request that the Department of Land and Natural Resources report to the Legislature on certain aquatic surf resources in the State, including the cost of funding a study on the feasibility of constructing artificial reefs.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that the sport of surfing has increased in popularity extensively over the last century with over one hundred thousand surfers living on Oahu, causing overcrowding and unsafe surfing areas and conditions.

Your Committee further finds that most of the surf that is formed near the shore is caused by waves breaking over fragile coral reefs and that new technological advances may now make the creation of artificial reefs for surfing cost-effective.

Your Committee further finds that, in addition to having the potential to be cost-effective, artificial reefs also provide an ideal habitat for marine life and may promote the health and wellness of the community by providing greater access to the sport of surfing. An additional benefit would be the simultaneous reduction of congestion at popular surf locations.

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. 101 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 1816 Energy and Environment on S.R. No. 61

The purpose of this measure is to request that the Department of Land and Natural Resources report to the Legislature on certain aquatic surf resources in the State, including the cost of funding a study on the feasibility of constructing artificial reefs.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that the sport of surfing has increased in popularity extensively over the last century with over one hundred thousand surfers living on Oahu, causing overcrowding and unsafe surfing areas and conditions.

Your Committee further finds that most of the surf that is formed near the shore is caused by waves breaking over fragile coral reefs and that new technological advances may now make the creation of artificial reefs for surfing cost-effective.

Your Committee further finds that, in addition to having the potential to be cost-effective, artificial reefs also provide an ideal habitat for marine life and may promote the health and wellness of the community by providing greater access to the sport of surfing. An additional benefit would be the simultaneous reduction of congestion at popular surf locations.

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. 61 and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 1817 Energy and Environment on S.C.R. No. 114

The purpose of this measure is to request the United States Congress to ensure that the dumping of raw sewage within the boundaries of the Hawaiian Islands Humpback Whale National Marine Sanctuary is prohibited.

Your Committee has circulated a proposed S.D. 1 to this Concurrent Resolution to request the Legislative Reference Bureau to compile a report on genetically modified food crops. The proposed S.D. 1 further requests the Legislative Reference Bureau to include in its report:

- (1) A summary of findings from the literature on the issue, including the Hawaii Farm Bureau Federation's coexistence report;
- (2) A summary of arguments for and against genetically modified food crops, including benefits and drawbacks;
- (3) Information on laws in other states that regulate genetically modified food crops, including the use of moratoria;
- (4) Information on the types of genetically modified food crops that are now being grown in Hawaii and available information on:
 - (A) Revenues generated;
 - (B) Acreage used; and
 - (C) Workers employed;
- (5) Information on which companies are currently growing genetically modified food crops in Hawaii and which islands they are growing them on;
- (6) Information to the extent practical of sites in Hawaii where genetically modified food crops are being field tested or grown;
- (7) Information on what precautions are being taken by growers of genetically modified food crops in Hawaii to prevent or minimize cross-contamination with non-genetically modified food crops;
- (8) A discussion of the risks and consequences of cross-contamination of non-genetically modified food crops; and
- (9) Possible compromises between proponents and opponents of genetically modified food crops.

Your Committee received testimony in support of the proposed S.D. 1 of this Concurrent Resolution from the University of Hawaii, the Hawaii Science and Technology Council, the former coordinator of Hawaii's Interagency Committee on Deliberate Release of Genetically Engineered Organisms and former analyst, U.S. Congressional Office of Technology Assessment Reports, and one individual. The College of Tropical Agriculture and Human Resources of the University of Hawaii, the Green Point Nurseries, and three individuals testified in support and offered suggestions for amendments. The Hawaii Agriculture Research Center supported the intent but expressed concerns. One individual offered support with comments. Testimony in opposition was received from the Board of Agriculture, the Big Island Sustainable Communities Association, and three individuals. One individual testified in opposition and offered suggestions for amendments. The Captain Cook Honey Company and the Big Island Bee Company expressed concerns. The Hawaii Farm Bureau Federation suggested replacing the Concurrent Resolution with an entirely new one. Hawaii Food Industry Association, Kona Coffee, and one individual offered comments. The Respiratory and Environmental Disabilities Association of Hawaii offered comments with suggestions. The past president of the Hawaii Crop Improvement Association and one individual suggested amendments. Two individuals offered suggestions. The Legislative Reference Bureau offered comments with concerns.

Upon further consideration, your Committee has amended this Concurrent Resolution by deleting its contents and inserting the contents of the proposed S.D. 1 that has been circulated for comment. In addition, your Committee has inserted a request for the Legislative Reference Bureau to include in its report information on other states and countries that have instituted restrictions on the importation of genetically modified food crops.

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. 114, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 114, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 1818 Energy and Environment on S.C.R. No. 118

The purpose of this measure is to have proposed legislation prepared by the Director of Business, Economic Development, and Tourism to establish an Office of Energy.

Your Committee amended the measure as a proposed S.D. 1, to request the United States Environmental Protection Agency and the State of Hawaii Department of Health to pursue a global settlement of outstanding wastewater issues with the City and County of Honolulu, and to urge the Environmental Protection Agency to renew the 301(h) waivers for the Honouliuli and Sand Island wastewater treatment plants.

Your Committee received testimony in support of the amended measure from the Mayor of the City and County of Honolulu along with letters of support for the City and County's position from U.S. Senator Daniel K. Inouye and Hawaii's Congressional delegation addressed to the U.S.

Environmental Protection Agency; American Society of Civil Engineers; Coalition of Hawaii Engineering and Architectural Professionals; Hawaii Pacific Engineers, Inc.; Hawaii Water Environment Association; and two individuals.

Your Committee finds that the City and County of Honolulu has committed to almost a billion dollars in sewer work over the past three years, to be funded by sewer fees that have already been increased to finance the force main work. Any mandate by the Environmental Protection Agency requiring immediate compliance for secondary sewage treatment could be unworkable and enormously expensive.

Your Committee has amended this measure to encourage the Environmental Protection Agency, the State Department of Health, and the City and County of Honolulu to:

- (1) Enter into a global settlement to address issues, including but not limited to recognizing the priorities of the City and County of Honolulu with respect to improvements to the wastewater system;
- (2) Establish a reasonable and workable timeframe for compliance with any applicable Environmental Protection Agency-approved settlement relating to the City and County of Honolulu's wastewater system; and
- (3) Identify potential federal and state sources of funds that could be used to supplement city and county funds in order to finance improvements implemented pursuant to an approved settlement.

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. 118, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 118, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 1819 Energy and Environment on S.R. No. 74

The purpose of this measure is to have proposed legislation prepared by the Director of Business, Economic Development, and Tourism to establish an Office of Energy.

Your Committee amended the measure as a proposed S.D. 1, to request the United States Environmental Protection Agency and the State of Hawaii Department of Health to pursue a global settlement of outstanding wastewater issues with the City and County of Honolulu, and to urge the Environmental Protection Agency to renew the 301(h) waivers for the Honouliuli and Sand Island wastewater treatment plants.

Your Committee received testimony in support of the amended measure from the Mayor of the City and County of Honolulu along with letters of support for the City and County's position from U.S. Senator Daniel K. Inouye and Hawaii's Congressional delegation addressed to the U.S. Environmental Protection Agency; American Society of Civil Engineers; Coalition of Hawaii Engineering and Architectural Professionals; Hawaii Pacific Engineers, Inc.; Hawaii Water Environment Association; and two individuals.

Your Committee finds that the City and County of Honolulu has committed to almost a billion dollars in sewer work over the past three years, to be funded by sewer fees that have already been increased to finance the force main work. Any mandate by the Environmental Protection Agency requiring immediate compliance for secondary sewage treatment could be unworkable and enormously expensive.

Your Committee has amended this measure to encourage the Environmental Protection Agency, the State Department of Health, and the City and County of Honolulu to:

- (1) Enter into a global settlement to address issues, including but not limited to recognizing the priorities of the City and County of Honolulu with respect to improvements to the wastewater system;
- (2) Establish a reasonable and workable timeframe for compliance with any applicable Environmental Protection Agency-approved settlement relating to the City and County of Honolulu's wastewater system; and
- (3) Identify potential federal and state sources of funds that could be used to supplement city and county funds in order to finance improvements implemented pursuant to an approved settlement.

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. 74, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 74, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 1820 Judiciary and Labor on Gov. Msg. Nos. 383, 384 and 653

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF REGISTRATION OF THE ISLANDS OF KAUA'I AND NI'HAU

G.M. No. 383 PATRICK JOHNSTON CHILDS, for a term to expire 6-30-2011.;

G.M. No. 384 DANIEL KAWAMURA, for a term to expire 6-30-2010.; and

G.M. No. 653 PAULA A. ZINA, for a term to expire 6-30-2008

Upon review of the application and resume submitted by nominee Patrick J. Childs and the applications submitted by nominees Daniel Kawamura and Paula A. Zina, your Committee notes the following qualifications:

Patrick J. Childs is the current Chair of the Board of Registration of the Islands of Kaua'i and Ni'ihau. He is a member of the Hawaii and Kaua'i Bar Associations and practices primarily in the fields of real estate and construction law. He has been President of the YMCA of Kaua'i from 1989 to the present, and has served as Chair of the COUnty of Kaua'i Police Commission, and has been a Director of the Kaua'i Historical Society, and a member of numerous community organizations, including the Kaua'i Chamber of Commerce and the Kaua'i Jaycees. Mr. Childs previously was a supervisor with the Kaua'i Child Support Enforcement Unit of the Department of Social Service and Housing, and an Associate with the Law Office of James Krueger on Maui. Mr. Childs is a resident of Lihue.

Daniel Kawamura has served as office manager at M. Kawamura Farm Enterprises, Inc., from 2002 to the present. Mr. Kawamura is a resident of Kapaa.

Paula A. Zina is a retired open heart surgical nurse who has lived on Kaua'i for the last fifteen years.

On March 10, 2007, a hearing was held on the nominations of Patrick J. Childs and Daniel Kawamura. Your Committee received no testimony from either the nominee or a supporter. At the end of the hearing, the committee members voted to not recommend the advise and consent of these nominees. Since then, your Committee has received testimony from the nominees and supporting testimony from Senator Hooser. In addition, Mr. Childs received testimony in support from a member of the law firm Reinwald O'Conner & Playdon.

Ms. Zina submitted testimony and testimony in support was received from Mr. Hans Zeevat.

On April 7th, 2007, based upon a review of the testimony received, the members of your Committee filed a motion to reconsider as well as a motion for a new vote to recommend the advise and consent of the nomination of Patrick Johnston Childs and Daniel Kawamura to the Board of Registration of the Islands of Kaua'i and Ni'hau.

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, 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 (Inouye, Kokubun).

SCRep. 1821 Judiciary and Labor on Gov. Msg. No. 302

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL RIGHTS COMMISSION

G.M. No. 302 CORAL WONG PIETSCH, for a term to expire 6-30-2011

Upon review of the application and resume submitted by nominee Coral Wong Pietsch, your Committee notes the following qualifications:

Coral Wong Pietsch is the Senior Civilian Counsel for the United States Army Pacific Command where she oversees the personnel and labor law practice. She is responsible for the training of staff on equal employment opportunity and affirmative action issues and the development and implementation of affirmative action plans. Ms. Pietsch served for five years as the Labor Counselor for the United States Army Support Command Hawaii where she trained managers and supervisors on Title VII, the Civil Rights Act, the Rehabilitation Act of 1978, and the prevention of sexual harassment. She also served for six years as a Deputy Attorney General for the State of Hawaii. She received a Juris Doctorate from the Columbus School of Law, The Catholic University of America in Washington, D.C. In addition, Ms. Pietsch was a Senior Executive Fellow at the John F. Kennedy School of Government, Harvard University. She has been recognized as the first female General Officer of the U.S. Army Judge Advocate General's Corps, and the first Asian American female to reach the rank of Brigadier General in the Army Reserve. Locally, Ms. Pietsch was honored as the 2002 Woman Lawyer of the Year by the Hawaii Women Lawyers Association and was the 2002 recipient of the Organization of Chinese Americans Pioneer Award.

Your Committee received testimony in support of Ms. Pietsch from the Hawaii Civil Rights Commission, a Commissioner with the Hawaii Civil Rights Commission, the Hawaii Employers Council, the Department of Labor and Industrial Relations, the Hawaii Chapter of the Society for Human Resource Management, and one individual. Testimony in support of Ms. Pietsch focused on her experience and accomplishments as the Chair of the Hawaii Civil Rights Commission.

Your Committee received testimony in opposition to Ms. Pietsch from The African-American Lawyers Association, a member of the law firm Park Park Yu & Remillard, and two individuals. Testimony opposing Ms. Pietsch focused on the Hawaii Civil Rights Commission's recent proposal to make it more difficult for employees to file sexual harassment suits against their employers by changing Hawaii Administrative Rules Sections 12-46-175(d) and 12-46-108(c).

Upon review of all the testimony, your Committee finds that the nominee has the experience and knowledge necessary to effectively serve on the Hawaii Civil Rights Commission.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, 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 (Inouye, Kokubun).

SCRep. 1822 Judiciary and Labor on Gov. Msg. No. 416

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM (ERS)

G.M. No. 416 COLBERT MATSUMOTO, for a term to expire 6-30-2013

Upon review of the application and resume submitted by nominee, COLBERT MATSUMOTO, your Committee notes the following qualifications:

Colbert Matsumoto currently serves as the President of Island Holdings, Inc., and Chairman and CEO of Island Insurance Company, Ltd. He holds numerous Board positions with Central Pacific Bank, Oahu Publications, Hawaii Institute for Public Affairs, to name a few. He is also involved in many community organizations such as the Japanese Cultural Center of Hawaii. He has served as a member of the Board of Trustees of the Employees' Retirement System since 2001.

Colbert Matsumoto was born and raised on the island of Lana'i and graduated from Lana'i High School. He received his Juris Doctorate degree from the University of California at Berkeley, Boalt Hall and his Bachelor of Science in Sociology, magna cum laude, from the University of San Francisco.

Mr. Matsumoto practiced law in Hawaii for over 20 years as a founder and managing partner of Matsumoto LaFontaine & Chow. Before forming his own law firm, Mr. Matsumoto was a partner in the law firm of Fujiyama Duffy & Fujiyama.

Your Committee received testimony in support of Mr. Matsumoto from the Chair of the Employees Retirement System (ERS), Board of Trustees, Director of Budget and Finance, Vice-Chairman of Bank of Hawaii, four current Trustees of the ERS Board of Trustees and the President of Pahio Resorts, and the ERS Administrator. The testimony described Mr. Matsumoto as dedicated, knowledgeable, diligent, and willing to analyze and tackle the difficult questions. There was no testimony received in opposition.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, 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 (Inouye, Kokubun).

SCRep. 1823 Judiciary and Labor on Gov. Msg. Nos. 486, 487, 541, 542, 543, 544, 545, 546, 547 and 548

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII WORKFORCE DEVELOPMENT COUNCIL

- G.M. No. 486 SIGNE A. GODFREY, for a term to expire 6-30-2011.;
- G.M. No. 487 ERWIN HUDELIST, for a term to expire 6-30-2011.;
- G.M. No. 541 TODD KALA APO, for a term to expire 6-30-2011.;
- G.M. No. 542 RAYNARD SHAYNE CHUNG, for a term to expire 6-30-2011.;
- G.M. No. 543 CARLA KUROKAWA, for a term to expire 6-30-2010.;
- G.M. No. 544 LESTER MINEO MURAOKA, for a term to expire 6-30-2009.;
- G.M. No. 545 STEVETTE K. SANTIAGO, for a term to expire 6-30-2008.;
- G.M. No. 546 ROBERT J. TOM, for a term to expire 6-30-2011.;
- G.M. No. 547 LANCE KEAWE WILHELM, for a term to expire 6-30-2011.; and
- G.M. No. 548 GREGG T. YAMANAKA, for a term to expire 6-30-2011

Upon review of the testimonies and statements submitted by the nominees, your Committee finds that Signe Godfrey, Edwin Hudelist, Todd Kala Apo, Raynard Shayne Chung, Carla Kurokawa, Lester Mineo Muraoka, Stevette K. Santiago, Robert J. Tom, Lance Keawe Wilhelm, and Gregg T. Yamanaka have the necessary character, experience, and qualifications to serve on the Hawaii Workforce Development Council.

Your Committee received testimony in support of Signe Godfrey from the Director of the Department of Labor and Industrial Relations (DLIR), Chair of the Hawaii Workforce Development Council (HWDC), and CEO of Hina Mauka.

Ms. Godfrey is the owner of Olsten Staffing Services and serves on numerous community boards such as Hina Mauka. She is currently a member of the HWDC.

Your Committee received testimony in support of Edwin Hudelist from the Director of DLIR and the Chair of the HWDC.

Mr. Hudelist is the President of Hagadone Printing and is a current member of the HWDC.

Your Committee received testimony in support of Todd Kala Apo from the Director of DLIR, the Chair of the HWDC, and a current member of the HWDC.

Mr. Apo is Vice-Chair of the City Council and Vice-President-Corporate Operations of the Ko Olina Resort and Marina.

Your Committee received testimony in support of Raynard Shayne Chung from the Director of DLIR, Chair of the HWDC, Carpenters Union Local 745, and the PacificResource Partnership.

Mr. Chung is a Service Representative and Training Coordinator of the Carpenters' Union Local 745 and a member of numerous community service projects with local organizations providing repairs to schools.

Your Committee received testimony in support of Carla Kurokawa from the Director of DLIR, Chair of HWDC, Director of Alu Like's Employment and Training Department and the Hawaii Branch Manager of the Workforce Development Division of DLIR.

Ms. Kurokawa is the Employment and Training Manager of Alu Like Inc. She is also a member of the Workforce Investment Board – Hawaii, Youth Council – Hawaii.

Your Committee received testimony in support of Lester Mineo Muraoka from the Director of DLIR, Chair of the HWDC, Councilmember Charles Djou, Senator Sam Slom, Representatives Lyla Berg, Gene Ward and Barbara Marumoto, and one individual.

Mr. Muraoka is the Senior Project Manager at Kamehameha Schools. He is a member of the Hawaii Kai Neighborhood board (since 2001), Kaimuki-Waiialae YMCA (since 2003), and the Rotary Club of Metropolitan Honolulu,

Your Committee received testimony in support of Stevette K. Santiago from the Director of DLIR, Chair of the HWDC, Executive Director of the Society for Human Resource Management-Hawaii Chapter (SHRM Hawaii), State (Council) Director and State Chapter President of SHRM Hawaii, President of Olsten Staffing Services, Kobayashi Sugita & Goda, Human Resources Director of Na Hoku®.

Ms. Santiago is the Senior Manager Human Resources/Site Leader at Spirent Communications, Inc. She is certified as a Senior Professional in Human Resources (SPHR). She has held numerous work positions in Human Resources and is a member of several community organizations

such as the School Based Community Council of Nu'uuanu Elementary School, Junior Achievement Hawai'i, and Society for Human Resources Educational Foundation.

Your Committee received testimony in support of Robert J. Tom from the Director of DLIR, Chair of HWDC, and the Career Services Manager of the Hawai'i Jobs Corps.

Mr. Tom is a Vocational/Culinary Arts Instructor at Hawai'i Job Corps and Operations and Sales for Kona Paradise Candies. He was the founder and owner of ERT Sales Inc. (a.k.a PriceBusters Hawai'i). He is also a past Director of the Organization of Chinese Americans and past President of Chef De Cuisine-Hawai'i Chapter.

Your Committee received testimony in support of Lance Keawe Wilhelm from the Director of DLIR, Chair of HWDC, President of General Contractors Association of Hawai'i, President of Kamehameha Schools, President of R.M. Towill Corporation, President of YMCA Honolulu, and PacificResource Partnership.

Mr. Wilhelm is the Area Business Manager-Hawai'i Area of Kiewit Pacific Company. He is also a member of the Chamber of Commerce of Hawai'i, Construction Financial Management Association, General Contractor's Association of Hawai'i, Hawai'i Developer's Council, Honolulu Executives Association, University of Hawai'i Alumni Association, Metro Board of Directors-YMCA, Aloha Council Boy Scouts of America, the Honolulu Theatre for Youth and St. Andrews Cathedral.

Your Committee received testimony in support of Gregg T. Yamanaka from the Director of DLIR, President/CEO of Na Hoku®, President/CEO of Enterprise Honolulu, Dean of the UH Manoa College of Tropical Agriculture and Human Resources (CTAHR), Executive Director of the HWDC, and President of CTA Solutions.

Mr. Yamanaka is President of The LearningBiz Group. He is also the Chair of HWDC.

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, 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 Signe A. Godfrey and Erwin Hudelist: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

Signed by the Chair on behalf of the Committee. Record of Votes for all other nominees: Ayes, 5. Noes, none. Excused, none.

SCRep. 1824 Public Safety on Gov. Msg. No. 683

Recommending that the Senate advise and consent to the nomination of the following:

WIRELESS ENHANCED 911 BOARD

G.M. No. 683 VICTOR K. RAMOS, for a term to expire 6-30-2008

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Captain Victor K. Ramos to have the necessary qualifications to be nominated to the Wireless Enhanced 911 Board.

Your Committee received testimony in support of Captain Ramos' nomination from the Department of Accounting and General Services, and nine individuals in the Maui Police Department.

Captain Ramos is the Captain of the Moloka'i District of the Maui Police Department, having worked his way up from Police Officer I since he first joined the department in 1988. He was the Most Outstanding Recruit of the 38th Recruit Class and received a Top Cops Award in 2001.

In addition to commanding the activities of major police elements and district operations, Captain Ramos has experience with grant application and management, and coordinating community events such as the Lahaina Halloween celebrations.

Your Committee finds that Captain Ramos has experiences and skills that would be of great value to the Wireless Enhanced 911 Board.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee, after full consideration of the background, 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, 1 (Whalen).

SCRep. 1825 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 293

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE ALOHA TOWER DEVELOPMENT CORPORATION

G.M. No. 293 NEAL MASAHIRO OTANI, for a term to expire 6-30-2011

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Neal Masahiro Otani to have the necessary qualifications to be nominated to the Board of Directors of the Aloha Tower Development Corporation.

Testimony in support of Neal Masahiro Otani's nomination was submitted by the Department of Business, Economic Development, and Tourism; the Aloha Tower Development Corporation; Horizon Lines, LLC; and six individuals.

Mr. Otani received his Bachelor of Education in Health and Physical Education from the University of Hawaii. He is currently the President and General Manager of Y. Fukunaga Products, Ltd., which is a family-owned and operated business since 1945. His family business has operated in the Kakaako and Ward business districts for fifty years and is now located at the Kapalama Military Reservation. During these years, he has seen the growth and redevelopment of the lands surrounding the Aloha Tower Complex and believes that development is necessary to increase the economic viability of the Aloha Tower area, but development should be done in a manner that is sensitive to the needs and requirements of the residents of and businesses in the area.

Mr. Otani began serving on the Board of Directors in July 2005, and will complete a partial term of a previous board member on June 30, 2007. He is an active participant who has exhibited a strong commitment to serve on the Board. As an owner of an established local business that interfaces with many local businesses, he has an understanding of the local economy and has close interaction with the commercial harbor and airport industries in Hawaii. Mr. Otani's knowledge of the waterfront, his contacts, and his practical approach are invaluable assets for the Board of Directors of Aloha Tower Development Corporation.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, 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 (Hee).

SCRep. 1826 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 433

Recommending that the Senate advise and consent to the nomination of the following:

MOLOKAI IRRIGATION SYSTEM WATER USERS ADVISORY BOARD

G.M. No. 433 GEORGE WELLINGTON MAIOHO, for a term to expire 6-30-2011

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds George Wellington Maioho to have the necessary qualifications to be nominated to the Molokai Irrigation System Water Users Advisory Board.

Testimony in support of George Wellington Maioho's nomination was submitted by the Department of Hawaiian Home Lands and the Department of Agriculture.

Mr. Maioho is a graduate of Kamehameha Schools and received his Associate in Science degree in Business from Maui Community College. He is certified as a Class II Water System Operator to safely treat and distribute drinking water to consumers, and to maintain and serve a water distribution system. He is currently the District Supervisor for the Department of Hawaiian Home Lands, Molokai District in Kaunakakai. He is responsible for district operations that service the beneficiaries of the Hawaiian Homes Commission Act, 1920, as amended. Prior to joining the Department, he was the President of the Hikiola Agricultural Cooperative. He is an active water user who has raised and trained quarter horses for the past twenty-five years.

Under section 168-4, Hawaii Revised Statutes, Hawaiian homestead lessees have a prior right to two-thirds of the water developed for the Molokai Irrigation System. With his experience and service at the Department of Hawaiian Home Lands, Mr. Maioho, as a member of the Advisory Board, will be better able to ensure that the water rights of the homestead farmers on Molokai are protected. His expertise and experience in agriculture and strong desire to serve his community on Molokai will be invaluable assets to the Molokai Irrigation System Water Users Advisory Board.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, 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 (Fukunaga, Hee).

SCRep. 1827 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 414

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF ACUPUNCTURE

G.M. No. 414 GARY K. SAITO, for a term to expire 6-30-2011

Your Committee has reviewed the resume and statement submitted by the nominee, Gary K. Saito, with regard to his nomination for reappointment as a public member to the Board of Acupuncture.

Testimony in support of the nomination of Gary K. Saito was submitted by the Department of Commerce and Consumer Affairs and two individuals.

Mr. Saito is a chiropractor in private practice. He is currently the vice-chair of the Board of Acupuncture and was first appointed to the Board on July 1, 2003. He is also the executive director of the Hawaii State Chiropractic Association. Prior to becoming a chiropractor, Mr. Saito served as the director of sales and marketing with two local companies. He was also a high school teacher at Mililani High School and his alma mater, Leilehua High School. He also served in the Army Reserves from 1965 to 1971. Mr. Saito has proved himself invaluable to the Board of Acupuncture and his experience will continue to benefit the Board of Acupuncture.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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. 1828 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 295 and 296

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF BARBERING AND COSMETOLOGY

G.M. No. 295 LANA KAUIPUNA ALAPA, for a term to expire 6-30-2011; and

G.M. No. 296 CHRISTOBAL JUAN QUINTANA, for a term to expire 6-30-2011

Your Committee reviewed the personal histories and statements submitted by the nominees, and finds Lana Kauipuna Alapa and Christobal Juan Quintana to have the necessary qualifications to be appointed to the Board of Barbering and Cosmetology (Board).

Your Committee received testimony in support of Lana Kauipuna Alapa from the Department of Commerce and Consumer Affairs.

As a professional makeup artist, Ms. Alapa currently serves as the official makeup artist for Hawaii Stars Presents, Inc. which produces local television shows such as *Jan Ken Po* and *Hawaii Stars*. She also provides various services for L.A. Image Corporation, which produces major statewide beauty pageants, provides services to the bridal industry, and runs a makeup school and modeling classes. She has also served as a makeup artist to local celebrities for various events. In addition to her career in the beauty industry, Ms. Alapa also is active as a martial arts instructor and participates in karate, kung fu, and iaido. As a current member of the Board, Ms. Alapa brings a wealth of knowledge and commitment to the Board and will continue to serve as a key component to the Board.

Your Committee received testimony in support of Christobal Juan Quintana from the Department of Commerce and Consumer Affairs.

Mr. Quintana has been a barber and hair stylist for forty-seven years. Self-employed as a barber and hair stylist since 1960, Mr. Quintana currently works at Kahala Barbers but considers himself semi-retired. Before starting his career as a barber and hair stylist, Mr. Quintana served four years in the United States Navy. He is currently a member of the Board and his forty-seven years of experience has made him a highly valuable asset. Your Committee finds that Mr. Quintana is highly qualified to be reappointed to the Board.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Ihara, Sakamoto).

SCRep. 1829 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 299 and 300

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF CHIROPRACTIC EXAMINERS

G.M. No. 299 FRANCIS G. BREWER, DC, CICE, for a term to expire 6-30-2011; and

G.M. No. 300 GINA KIM, DC, DAAPM, for a term to expire 6-30-2010

Your Committee has reviewed the resumes and statements submitted by the nominees, Francis G. Brewer and Gina Kim, with regard to their nominations to the Board of Chiropractic Examiners.

Testimony in support of Francis G. Brewer's nomination was submitted by the Department of Commerce and Consumer Affairs and three individuals.

Dr. Brewer is currently the president of and an independent contractor with Brewer Consulting Services, Inc. He is also the owner of his own chiropractic clinic. Dr. Brewer has been a licensed chiropractor since 1993. Dr. Brewer is a current board member of the Board of Chiropractic Examiners and was first appointed on December 1, 2003. Dr. Brewer's experience and knowledge will continue to serve the needs of the Board of Chiropractic Examiners.

Your Committee received testimony in support of the nomination of Gina Kim to the Board of Chiropractic Examiners from the Department of Commerce and Consumer Affairs and four individuals.

Dr. Kim is a chiropractor at Wilcox Chiropractic in Kahului, Maui. A graduate of the University of California, Los Angeles with a Bachelors of Science Kinesiology and the Los Angeles College of Chiropractic with a Doctorate of Chiropractic, Dr. Kim continues learning and expanding her knowledge in the chiropractic field and other related fields. She has been serving on the Board of Chiropractic Examiners as an interim appointee since August 25, 2006, and her broad knowledge base and wealth of experiences make her a key component to the Board of Chiropractic Examiners.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Ihara, Sakamoto).

SCRep. 1830 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 318, 319 and 461

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 318 JEFFREY K. MIYAZAWA, DDS, for a term to expire 6-30-2011;

G.M. No. 319 MELANIE BILBAENO VALLEJOS, DDS, for a term to expire 6-30-2010; and

G.M. No. 461 MARK A. BAIRD, DDS, for a term to expire 6-30-2011

Your Committee reviewed the personal histories and statements submitted by the nominees, Jeffery K. Miyazawa, Melanie Bilbaeno Vallejos, and Mark A. Baird, with regard to their respective nominations to the Board of Dental Examiners.

Testimony in support of the nomination of Jeffery K. Miyasaki was submitted by the Department of Commerce and Consumer Affairs.

Dr. Miyasaki has been a licensed dentist in Hawaii, Nebraska, and Iowa since 1994. He is the owner of Windward City Family Dentistry and has numerous masterships and certifications in the field of dentistry. He has also published articles in the *Aurum News* and the *Hawaii Dental Journal*. Dr. Miyasaki is a national examiner with the Central Regional Dental Testing Service and the Director of Paradise Global Mission. Dr.

Miyasaki is currently the chair of the Board of Dental Examiners and was first appointed to the Board on July 1, 2003. Dr. Miyasaki's wealth of knowledge and experience will continue to assist the Board of Dental Examiners.

Testimony in support of the nomination Melanie Bilbaeno Vallejos to the Board of Dental Examiners was submitted by the Department of Commerce and Consumer Affairs, the Executive Director of Women Helping Women, the Hawaii Dental Hygienists' Association, and one individual.

Dr. Vallejos has been a licensed dentist since 1993. She is currently in private practice but lends her services through participating with various community groups. She has been actively involved with the nationwide program "Give Back A Smile" and works with Women Helping Women by helping abused and battered women with dental services to help the women regain their self confidence. She has also volunteered her time and services through dental mission trips such as the Belize Mission Project and will participate in the Aloha Dental Mission Project in the Philippines. Dr. Vallejos has been serving on the Board of Dental Examiners in an interim capacity since September 1, 2006. Her experience and dedication to community service make Dr. Vallejos an excellent choice for the Maui County dentist representative to the Board of Dental Examiners.

Your Committee did not receive any testimony as to the nomination of Mark A. Baird to the Board of Dental Examiners, but did receive a written statement from Dr. Baird himself. Dr. Baird has been a general dentist in Kapaa, Kauai, for over twenty-five years. He has served on the Hawaii Dental Association Board of Trustees as Kauai's trustee for over nine years. He also served as the treasurer and secretary of the Hawaii Dental Association. Besides his professional experience, Dr. Baird is also a charter member of the Kappa Rotary Club, serving as its president from 1985 to 1986, and is a member of the Kaiola Canoe Club. Dr. Baird's experience and professional activities will assist him in serving as the Kauai County representative to the Board of Dental Examiners.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Ihara, Sakamoto).

SCRep. 1831 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 359 and 360

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF MESSAGE THERAPY

G.M. No. 359 LAURA Y. CHOCK, for a term to expire 6-30-2010; and

G.M. No. 360 WILFRED S. PANG, for a term to expire 6-30-2011

Your Committee reviewed the personal histories and statements submitted by the nominees, Laura Y. Chock and Wilfred S. Pang, with regard to their respective nominations to the Board of Massage Therapy.

Your Committee received testimony in support of the nomination of Laura Y. Chock from the Department of Commerce and Consumer Affairs and two individuals.

Ms. Chock began her career with the Department of Education and retired in 1978 as a beginning teacher supervisor. She has continued to be active with community service and professional organizations. Ms. Chock has been serving on the Board of Massage Therapy as an interim appointee since August 15, 2006. Ms. Chock's participation and background make it clear that she is a very dedicated public servant who is willing to devote her time and energy to fulfill her civic duty.

Testimony in support of the nomination of Wilfred S. Pang was received from the Department of Commerce and Consumer Affairs and one individual.

Mr. Pang is currently a licensed massage therapist in the State and is currently the chair of the Board of Massage Therapy. He was first appointed to the Board of Massage Therapy on July 1, 2003. Mr. Pang is active in numerous organizations, including the International Ki Institute of Health Management & Research, the International Foundation of Bio-Magnetics as a touch healing practitioner, and the Shiatsu Therapeutic Association of America. Mr. Pang also contributes his time and his services to various community organizations. Mr. Pang's wealth of knowledge and experience make him ideal to continue serving on the Board of Massage Therapy.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Ihara, Sakamoto).

SCRep. 1832 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 379 and 552

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PHYSICAL THERAPY

G.M. No. 379 MICHAEL WARREN RUFINO, for a term to expire 6-30-2011; and

G.M. No. 552 MICHAEL WARREN RUFINO, for a term to expire 6-30-2007

Your Committee reviewed the personal history of the nominee, Michael Warren Rufino, with regard to his nominations to fill a vacant position on the Board of Physical Therapy, as well as to serve a full four-year term on the Board of Physical Therapy.

Your Committee received testimony in support of Michael Warren Rufino from the Department of Commerce and Consumer Affairs.

Mr. Rufino is currently the owner and clinical director of Physical Impact Hawaii, which focuses on physical therapy and personal fitness. Besides being a physical therapist, Mr. Rufino also has experience as an athletic trainer, health specialist, and exercise physiologist. He has

developed various health education programs and workshops and has been a clinical educator for entry-level post doctorate physical therapy students. Mr. Rufino's wealth of experience and knowledge will make him an excellent addition to the Board of Physical Therapy.

Your Committee notes that Mr. Rufino's nominations will allow him to fill a vacant position on the Board of Physical Therapy, the term for which expires on June 30, 2007, as well as to serve a full four-year term to expire on June 30, 2011.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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 nominations.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Espero, Ige).

SCRep. 1833 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 428, 429, 430, 431 and 432

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF MEDICAL EXAMINERS

G.M. No. 428 RONALD H. KIENITZ, D.O., for a term to expire 6-30-2011;

G.M. No. 429 PETER ARNOLD MATSUURA, M.D., for a term to expire 6-30-2011;

G.M. No. 430 JOHN T. MCDONNELL, M.D., for a term to expire 6-30-2011;

G.M. No. 431 MARIA BRUSCA PATTEN, D.O., for a term to expire 6-30-2011; and

G.M. No. 432 G. MARKUS POLIVKA, for a term to expire 6-30-2011

Your Committee reviewed the personal histories and statements submitted by the nominees, Ronald H. Kienitz, D.O.; Peter Arnold Matsuura, M.D.; John T. McDonnell, M.D.; Maria Brusca Patten, D.O.; and G. Markus Polivka, with regard to their respective nominations to the Board of Medical Examiners.

Testimony in support of the nomination of Dr. Ronald H. Kienitz to the Board of Medical Examiners was submitted by the Department of Commerce and Consumer Affairs and the Hawaii Medical Association.

Dr. Kienitz received his Doctor of Osteopathic Medicine from Michigan State University in 1980. He is currently the medical director for Concentra Medical Centers in Honolulu. He also serves as an expert witness in the state and federal court systems and is a clinical assistant professor with Western University of Health Sciences. He has numerous licenses and certifications and holds professional memberships with various organizations such as the Hawaii Medical Association and the Hawaii Association of Osteopathic Physicians and Surgeons. Dr. Kienitz has been serving as a member of the Board of Medical Examiners since July 1, 2003, and his broad knowledge base and wealth of experience demonstrates that he can continue to serve a beneficial role on the Board.

Your Committee received testimony in support of Dr. Peter Arnold Matsuura from the Department of Commerce and Consumer Affairs, the Hawaii Medical Association, and one individual.

Dr. Matsuura has a plethora of experience in the medical field. He graduated from the University of California at Irvine College of Medicine in 1985 and conducted his internship and residency at the University of California at Irvine. Dr. Matsuura conducted his fellowship in orthopedic surgery at the University of Western Ontario. He has also served in the medical corps of the United States Army Reserve and has completed tours of duty in Afghanistan and Iraq. He is also involved with numerous professional and community organizations. Dr. Matsuura has been serving on the Board of Medical Examiners since July 1, 2003, and the Board would greatly benefit from his continued service.

Testimony in support of Dr. John T. McDonnell's nomination was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Medical Association, and two individuals.

Dr. McDonnell received his Doctor of Medicine from New Jersey College of Medicine & Dentistry in 1971. He went on to conduct his internship and residency at New Jersey College of Medicine & Dentistry and completed a fellowship program in allergy and immunology at the Fitzsimons Army Medical Center. Dr. McDonnell is board certified in pediatrics and board certified in allergy and immunology. He is currently an assistant professor of medicine at the John A. Burns School of Medicine at the University of Hawaii and belongs to numerous professional organizations. Dr. McDonnell also served as the chief of the Allergy-Immunology Department at Tripler Army Medical Center. He has published a number of articles throughout his medical career and has received several accolades, including being named the Hawaii Medical Association Physician of the Year in 1999. He is currently a member of the Board of Medical Examiners, having served since July 1, 2003. Dr. McDonnell's years of experience and abundance of knowledge make him an outstanding nominee for reappointment to the Board of Medical Examiners.

Your Committee received testimony in support of Dr. Maria Brusca Patten from the Department of Commerce and Consumer Affairs, the Hawaii Medical Association, and one individual.

Dr. Patten received her Doctor of Osteopathy from the College of Osteopathic Medicine of the Pacific in 1992. She completed an internship at Highland Green Hospital and her residency at Stanford University Medical Center. From 1995 to 1996, Dr. Patten was the chief resident at Stanford University Hospital's Physical Medicine and Rehabilitation Program. She is currently an osteopathic physician with the Department of Neurosciences at Kaiser Permanente Hawaii and is the vice-chair of the Board of Medical Examiners. She has served on the Board since July 1, 2003. During her current time on the Board, Dr. Patten has shown dedication and has been an active board member. Dr. Patten's unique background and experience will continue to bring diversity to the Board of Medical Examiners.

Testimony in support of G. Markus Polivka was submitted by the Department of Commerce and Consumer Affairs and one individual.

Mr. Polivka is currently the president of Monarch Insurance Services, Inc. He has over thirty years of experience in the insurance industry. Mr. Polivka is also active in the community, serving as the director of the Hawaii Chamber of Commerce, the director of the Hawaiian Humane Society, and a director of the USS Missouri Memorial Association. Mr. Polivka provides a balanced membership to the Board as one of the public members.

Your Committee notes that Mr. Polivka is being nominated for reappointment to the Board of Medical Examiners and that his initial appointment was in 2002 and, pursuant to section 26-34, Hawaii Revised Statutes, he will have served the combined maximum terms of service of eight consecutive years on the Board of Medical Examiners as of July 2010. As such, it is not the intent of your Committee in recommending advise and consent on this nomination that the nominee serve for more than eight consecutive years in the capacity to which nominated.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Ihara, Sakamoto).

SCRep. 1834 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 436

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF EXAMINERS IN NATUROPATHY

G.M. No. 436 MICHELE M. IKEDA, for a term to expire 6-30-2011

Your Committee reviewed the personal history and statement submitted by the nominee, Michelle M. Ikeda, with regard to her nomination to the Board of Examiners in Naturopathy.

Testimony in support of the nomination of Michelle M. Ikeda to the Board of Examiners in Naturopathy was submitted by the Department of Commerce and Consumer Affairs and one individual.

Ms. Ikeda is currently an administrative assistant with Townscape, Inc. and she previously served in various positions within the state government. Ms. Ikeda has served as a public member on the Board of Examiners in Naturopathy since July 1, 2006, and provides a balance between naturopathy providers and consumers by offering a different perspective to the Board on issues that are of concern to consumers.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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. 1835 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 376 and 377

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF EXAMINERS IN OPTOMETRY

G.M. No. 376 JERE HU ENG LOO, O.D., for a term to expire 6-30-2011; and

G.M. No. 377 JOY BERNADETTE YUKUKO SHIMABUKU, for a term to expire 6-30-2009

Your Committee reviewed the personal histories and statements submitted by the nominees, Jere Hu Eng Loo, O.D., and Joy Bernadette Yukuko Shimabuku, regarding their respective nominations to the Board of Examiners in Optometry.

Your Committee received testimony in support of Dr. Jere Hu Eng Loo's nomination from the Department of Commerce and Consumer Affairs and the Hawaii Optometric Association.

Dr. Loo has been a licensed optometrist practicing in Lihue, Hawaii, since 1987 and works at Arthur W. H. Loo, O.D., Inc.; the optometry practice founded by his father. Dr. Loo practices primary care optometry with special interests in contact lens care, low vision, and ocular disease. Dr. Loo is a member of the American Optometric Association and the Hawaii Optometric Association. His educational background includes a Bachelor's of Science with Distinction in Biology from the University of Hawaii at Manoa and a Doctorate of Optometry from Southern California College of Optometry. Dr. Loo has served on the Board of Examiners in Optometry for the last four years and was first appointed to the Board on July 1, 2003. Dr. Loo brings a wealth of experience to the Board of Examiners in Optometry and will continue to benefit and assist the Board in carrying out its duties.

Your Committee received testimony in support of Ms. Joy Bernadette Yukuko Shimabuku's nomination from the Department of Commerce and Consumer Affairs.

Ms. Shimabuku holds a degree in cosmetology from Trendsetters Beauty College and has been the owner of Boutique de Joy for the past twenty-one years. She has previously served on the Board of Barbers and Cosmetology from 2001 to 2005. Ms. Shimabuku is a member of the National Cosmetologist Association and has volunteered her time with the American Cancer Association. Ms. Shimabuku has been serving as an interim appointee to the Board of Examiners in Optometry since August 14, 2006. Ms. Shimabuku's dedication to public service makes her an excellent choice to continue serving as a public member of the Board of Examiners in Optometry.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Ihara, Sakamoto).

SCRep. 1836 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 483

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF SPEECH PATHOLOGY AND AUDIOLOGY

G.M. No. 483 JOYCE MARY HELEN KEMPSKI ALLEN, for a term to expire 6-30-2010

Your Committee has reviewed the personal history and statement of the nominee, Joyce Mary Helen Kempfski Allen, regarding her nomination to the Board of Speech Pathology and Audiology.

Testimony in support of the nomination of Joyce Mary Helen Kempfski Allen was submitted by the Department of Commerce and Consumer Affairs and one individual. Ms. Allen is currently a litigation paralegal with the firm of Goodsill Anderson Quinn & Stifel. She is the past president of the Autism Society of Hawaii and is passionate about helping those with communication disorders overcome such barriers through education and therapy. Her unique perspective of having personal experience with a family member who needed the services of a licensed speech pathologist and her passion and commitment to the issues surrounding speech and hearing disorders make her an invaluable contributor to the Board of Speech Pathology and Audiology.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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. 1837 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 445

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHARMACY

G.M. No. 445 KARL H. MIYAMOTO, for a term to expire 6-30-2011

Your Committee reviewed the personal history and statement submitted by the nominee, Karl H. Miyamoto, regarding his nomination to the Board of Pharmacy.

Testimony in support of Karl H. Miyamoto's nomination was submitted by the Department of Commerce and Consumer Affairs.

Mr. Miyamoto received a Bachelor of Science in Pharmacy from the University of Washington and a Bachelor of Science as a Medical Technologist from the University of Hawaii. He is a licensed pharmacist and currently serves as the pharmacy manager at Safeway Food & Drug. He previously worked as the assistant director of pharmacy and the hospital pharmacy manager for Kuakini Health Systems. He was also the senior hospital pharmacist for Queen's Medical Center and director of pharmacy services for the Straub Clinic and Hospital. Mr. Miyamoto currently serves on the Board of Pharmacy. He was first appointed to the Board of Pharmacy in July 2003. Mr. Miyamoto's more than twenty-five years of professional experience will continue to benefit the Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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. 1838 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 378 and 380

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PHYSICAL THERAPY

G.M. No. 378 GWEN T. CHINN, for a term to expire 6-30-2011;

G.M. No. 380 MICHAEL DEAN TURNER, for a term to expire 6-30-2009

Your Committee reviewed the personal histories and statements submitted by the nominees, Gwen T. Chinn and Michael Dean Turner, regarding their respective nominations to the Board of Physical Therapy.

Testimony in support of the nomination of Gwen T. Chinn was submitted by the Department of Commerce and Consumer Affairs and one individual.

Ms. Chinn received her Bachelors of Science in Nursing from the University of Illinois in 1979. Since that time, she has worked as a registered nurse and a consultant in the medical field. She currently serves on the Board of Physical Therapy and was first appointed in July 2003. Ms. Chinn will continue to be a great asset as the consumer representative to the Board of Physical Therapy.

Testimony in support of the nomination of Michael Dean Turner was submitted by the Department of Commerce and Consumer Affairs the Hawaii Chapter of the American Physical Therapy Association, and three individuals.

Mr. Turner is the clinic coordinator for Prins AquaTherapy, which focuses on aquatic and land based rehabilitation of orthopedic and neurological conditions. Mr. Turner also serves as an adjunct faculty member for the University of St. Augustine in the area of health science. Mr. Turner has also published several articles and research publications in the field of physical therapy. Mr. Turner is currently a member of the Board of Physical Therapy and has been serving as an interim appointee since August 15, 2006. Mr. Turner's continued presence on the Board of Physical Therapy as a board member will greatly benefit both the Board and the public.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Ihara, Sakamoto).

SCRep. 1839 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 467

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PSYCHOLOGY

G.M. No. 467 LAURA ELIZABETH OZAK, JD, for a term to expire 6-30-2011

Your Committee reviewed the personal history and statement submitted by the nominee, Laura Elizabeth Ozak, with regard to her nomination to the Board of Psychology.

Testimony in support of the nomination of Laura Elizabeth Ozak was received from the Department of Commerce and Consumer Affairs and one individual.

Ms. Ozak received a Bachelors of Science in Nursing in 1982 and worked as a Registered Nurse in several hospitals. She then went on to receive her Juris Doctorate in 1994 from Golden Gate University School of Law. Ms. Ozak is currently a medical-legal nurse consultant with the law firm of Cronin, Fried, Sekiya & Fairbanks and is a public member of the Board of Psychologists. She has served on the Board since July 1, 2003. Ms. Ozak's unique and diverse professional background will continue to serve her well as a member of the Board of Psychologists.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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. 1840 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 491 and 492

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF VETERINARY EXAMINERS

G.M. No. 491 JAMIE K. FURUTANI, D.V.M., for a term to expire 6-30-2011; and

G.M. No. 492 ROGER MITSUO KONDO, D.V.M., for a term to expire 6-30-2011

Your Committee reviewed the personal histories and statements submitted by the nominees, Jamie K. Furutani, D.V.M., and Roger Mitsuo Kondo, D.V.M., regarding their respective nominations to the Board of Veterinary Examiners.

Your Committee received testimony in support of Dr. Jamie K. Furutani's nomination from the Department of Commerce and Consumer Affairs.

Dr. Furutani is a graduate of the University of Oregon and Oregon State University. She has nearly ten years of experience as a veterinarian in Hawaii. She is currently a veterinarian with the Mililani Mauka Veterinary Clinic. She is a member of the Hawaii Veterinary Medical Association and the American Veterinary Association. She currently serves on the Board of Veterinary Examiners as its Vice-Chair. Dr. Furutani was first appointed to the Board of Veterinary Examiners in July 2003. Dr. Furutani actively and constructively participates in the Board proceedings and her demonstrated leadership makes her an asset to the Board of Veterinary Examiners.

Your Committee received testimony in support of Dr. Roger Mitsuo Kondo's nomination from the Department of Commerce and Consumer Affairs.

Dr. Kondo is the owner and lead veterinarian of the Honolulu Pet Clinic, where he has practiced for fifteen years. His educational background includes a Bachelor of Science degree from Ohio University, a Masters of Science degree from the University of Hawaii, and a Doctorate of Veterinary Medicine from Washington State University. He is a member of the Hawaii Veterinary Medical Association and the American Animal Hospital Association. He is a Hospital Certified Director with the American Animal Hospital Association. He first served on the Board of Veterinary Examiners in 1992. His current term on the Board began in July 2003. Dr. Kondo's extensive experience and years of service are important assets to the Board. Your Committee notes that because Dr. Kondo's terms on the Board of Veterinary Examiners were not consecutive, his current reappointment would not violate the term limitation requirements of section 26-34(a), Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Ihara, Sakamoto).

SCRep. 1841 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 288

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 288 MARK DUNTON HUNSAKER, for a term to expire 6-30-2011

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Mark Dunton Hunsaker to have the necessary qualifications to be appointed to the Board of Public Accountancy.

Your Committee received testimony in support of Mark Dunton Hunsaker from the Department of Commerce and Consumer Affairs and thirteen individuals.

Mr. Hunsaker has worked as a Certified Public Accountant (CPA) since 1986 and is licensed as a CPA in Hawaii and the Territory of American Samoa. Mr. Hunsaker is currently a shareholder and director of Bowen Hunsaker Hirai, Certified Public Accountants; and Bowen Hunsaker Hirai Consulting, Inc.

Besides his work as a CPA, Mr. Hunsaker has volunteered his services to better the community through working with his service on the board of directors of Alcohol Rehabilitation Services of Hawaii, d.b.a. Hina Mauka, and Po'ailani, Inc. He also continues to be active with the Civil Air Patrol.

Mr. Hunsaker currently serves on the Board of Public Accountancy and as part of his duties to the Board; he serves as the chair of the CPA Examination Committee and the vice-chair of the Rules and Regulations Committee. He is also currently serving as the Police Commissioner for the City and County of Honolulu.

As the current vice-chair of the Board of Public Accountancy, Mr. Hunsaker brings a wealth of knowledge and experience to the Board of Public Accountancy and will continue to serve as a key component in his role as a board member.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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. 1842 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 297

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOXING COMMISSION OF HAWAII

G.M. No. 297 DELLA K. MARTIN-YOUNG, for a term to expire 6-30-2011

Your Committee reviewed the personal history and statement submitted by the nominee, and finds Della K. Martin-Young to have the necessary qualifications to be appointed to the State Boxing Commission.

Your Committee received testimony in support of Della K. Martin-Young from the Department of Commerce and Consumer Affairs.

Ms. Young has been involved in the sport of boxing since 1985. She currently serves as an official for amateur boxing and has participated in the United States Amateur Boxing Championships, the Golden Gloves Championships, and the Junior Olympics Championships. She also serves as a chief of officials for the Local Boxing Committee and as a judge in professional boxing matches. With her training and experience, Ms. Martin-Young brings a wealth of knowledge and commitment to the issues affecting all aspects of the sport of boxing, making her a key component to the State Boxing Commission.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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. 1843 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 298

Recommending that the Senate advise and consent to the nomination of the following:

CABLE ADVISORY COMMITTEE

G.M. No. 298 CLAYTON YUGAWA, for a term to expire 6-30-2011

Your Committee reviewed the personal history and statement submitted by the nominee, and finds Clayton Yugawa to have the necessary qualifications to be appointed to the State Cable Advisory Committee.

Testimony in support of Clayton Yugawa's nomination was submitted by the Cable Television Division of the Department of Commerce and Consumer Affairs and Hawaii Consumers.

Mr. Yugawa currently serves as the Director of Data Systems for the County of Hawaii and serves on the Cable Advisory Committee on an interim basis. Mr. Yugawa has served diligently on the Cable Advisory Committee and is informed on the issues facing cable television and its regulation given his extensive background in telecommunications. Mr. Yugawa will continue to serve as a key component to the Cable Advisory Committee.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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. 1844 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 310, 311 and 312

Recommending that the Senate advise and consent to the nominations of the following:

CONTRACTORS LICENSE BOARD

G.M. No. 310 F. M. SCOTTY ANDERSON, for a term to expire 6-30-2011;

G.M. No. 311 RIC LYLE CARSON, for a term to expire 6-30-2011; and

G.M. No. 312 RONALD KIYOSHI OSHIRO, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds F. M. Scotty Anderson, Eric Lyle Carson, and Ronald Kiyoshi Oshiro to have the necessary qualifications to be appointed to the Contractors License Board.

Testimony in support of F. M. Scotty Anderson was submitted by the Department of Commerce and Consumer Affairs; the Building Industry Association of Hawaii; the Hawaii Island Contractors' Association; and Hidano Construction, Inc.

Mr. Anderson currently serves as a partner with Scotty Anderson Group LLC and Pacific Rim Partners, LLC. He has thirty years of experience in the building industry and also served in the United States Air Force. Mr. Anderson has also served as a board member of the Building Industry Association of Hawaii, the Honolulu Executives Association, the American Water Works Association, and the General Contractors Association.

He currently serves as the vice chair of the Contractor License Board. Mr. Anderson's extensive experience in the building industry continues to make him a great asset to the Contractors License Board.

Testimony in support of Eric Lyle Carson was submitted by the Department of Commerce and Consumer Affairs, the Building Industry Association of Hawaii, the Hawaii Hispanic Chamber of Commerce, and five individuals.

Mr. Carson currently serves as the president and CEO of Reflections Glass Company. In addition to his strong presence in the business community, Mr. Carson has been involved with the American Institute of Architects, the Construction Specifications Institute, Small Business Hawaii, the Building Industry Association, Associated Building Contractors, the National Kitchen and Bath Association, the American Society of Interior Designers, and the Young Entrepreneurs Organization. Besides his professional commitments, Mr. Carson has also served as the past chair of the United States Hispanic Chamber of Commerce, Region I. He is a current member of the Contractor License Board. Mr. Carson's professional experiences, as well as his leadership abilities, make him a valuable contributor to the Contractor License Board.

Testimony in support of Ronald Kiyoshi Oshiro was submitted by the Department of Commerce and Consumer Affairs; the Building Industry Association of Hawaii; the Hawaii 8(a) Council of the Building Industry Association of Hawaii; the Hawaii Island Contractors' Association; Hidano Construction, Inc.; and the General Contractors Association.

Mr. Oshiro is currently the president of Rons Construction Corp. Mr. Oshiro's experience as a contractor dates back to 1951 when he first became licensed as a general contractor. Mr. Oshiro's professional accolades include being named the Hawaii 8(a) Contractor of the Year (1983), the Region IX Prime Contractor of the Year (1984), the Hawaii 8a Graduate of the Year (1987), and the National 8(a) Graduate of the Year (1998). He currently serves as a member of the Contractors License Board. Mr. Oshiro has done an excellent job serving as a member of the Contractors License Board and brings a wealth of knowledge and commitment to the issues affecting all aspects of the building industry making him an important component of the Contractors License Board.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Ihara, Sakamoto).

SCRep. 1845 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 313

Recommending that the Senate advise and consent to the nomination of the following:

CREDIT UNION ADVISORY BOARD

G.M. No. 313 TIMMY LEE ALBAO, for a term to expire 6-30-2011

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Timmy Lee Albao to have the necessary qualifications to be appointed to the Credit Union Advisory Board.

Your Committee received testimony in support of Timmy Lee Albao from the Department of Commerce and Consumer Affairs and the Hawaii Credit Union League.

Mr. Albao is currently retired but previously served in the Finance Department of the County of Kauai for thirty years. Prior to that, Mr. Albao worked as a certified public accountant with the firm of Haskin and Sells. Mr. Albao is involved with several professional organizations including the American Institute of Certified Public Accountants, the Hawaii Society of Public Accountants, the Hawaii Association of Public Accountants, and is a past member of the Government Finance Officers Association. In addition to his professional interests, Mr. Albao is currently involved with numerous community service organizations. He also served in the Hawaii Air National Guard from 1965 to 1987 and was awarded various distinctions and decorations, including being recognized as an outstanding first year airman. He is a current member of the Credit Union Advisory Board. Mr. Albao's professional expertise and his life experiences will continue to benefit the Credit Union Advisory Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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. 1846 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 330, 331 and 415

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF ELECTRICIANS AND PLUMBERS

G.M. No. 330 NORMAN N. AHU, for a term to expire 6-30-2011;

G.M. No. 331 TYRUS ISAO KAGAWA, for a term to expire 6-30-2011; and

G.M. No. 415 ORLANDO L. MATIAS, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Norman N. Ahu, Tyrus Isao Kagawa, and Orlando L. Matias to have the necessary qualifications to be nominated to the Board of Electricians and Plumbers.

Your Committee received testimony in support of Norman N. Ahu from the Department of Commerce and Consumer Affairs, and three individuals.

Mr. Ahu currently serves as a financial analyst for the Public Utilities Commission. He was previously a manager with Verizon Corporation, where he was responsible for financial, budgetary, and operational functions. Mr. Ahu has a number of years of experience in financial analysis, budgeting, planning, developing innovative process and procedures, and managing projects. Mr. Ahu is also a certified public accountant. He is also very active in community service through participation with such organizations such as United Way of Kauai. He has served as a board

member of the Board of Electricians and Plumbers since 2003. Mr. Ahu's broad-based experience and his strong managerial background continue to make him a key asset to the Board of Electricians and Plumbers.

Your Committee received testimony in support of Tyrus Isao Kagawa from the Department of Commerce and Consumer Affairs.

Mr. Kagawa is a plumbing and air conditioning estimator with Oahu Plumbing & Sheet Metal, Ltd. A graduate of the University of Hawaii with a bachelor of science degree in mechanical engineering, Mr. Kagawa has over twenty-seven years of experience with Oahu Plumbing & Sheet Metal, Ltd. He is also a member of the American Society of Mechanical Engineers; the American Society of Heating, Refrigerating and Air Conditioning Engineers; and the Honolulu Joint Apprenticeship and Training Committee for the Plumbing & Pipefitting Industry. He is also currently a board member of the Board of Electricians and Plumbers. With his years of professional experience in the area of mechanical engineering and refrigeration and air conditioning, Mr. Kagawa brings a wealth of knowledge and commitment to the issues facing all aspects of the electrical and plumbing industries.

Your Committee received testimony in support of Orlando L. Matias from the Department of Commerce and Consumer Affairs.

Mr. Matias is the president of O & E Matias Electrical Service, LLC and oversees and manages the entire operation of his electrical subcontracting business. He has been working in the electrical contracting business since 1979. He was also the head of the engineering department for Elizalde Steel & Company from 1968 to 1971. He currently sits on the State Board of Electricians and Plumbers as well as the City and County of Honolulu Building Board of Appeals. Mr. Matias brings over twenty-seven years of electrical engineering experience to his membership to the Board of Electricians and Plumbers.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Ihara, Sakamoto).

SCRep. 1847 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 332

Recommending that the Senate advise and consent to the nomination of the following:

ELEVATOR MECHANICS LICENSING BOARD

G.M. No. 332 STEVE AKIO TSUNEMOTO, for a term to expire 6-30-2011

Your Committee reviewed the personal history and statement submitted by the nominee, and finds Steve Akio Tsunemoto to have the necessary qualifications to be nominated to the Elevator Mechanics Licensing Board.

Your Committee received testimony in support of Steve Akio Tsunemoto's nomination from the Department of Commerce and Consumer Affairs.

Mr. Tsunemoto has nineteen years of experience in the elevator mechanics field and is currently an elevator mechanic with ThyssenKrupp Elevator. Mr. Tsunemoto is also the president of Local 126 of the International Union of Elevator Constructors and co-chairman of the Joint Apprenticeship Committee for the elevator apprenticeship program in Hawaii, and is tasked with the job of administering the joint apprenticeship program, from recruitment to establishing rules, requirements, and training of the apprentices. Mr. Tsunemoto currently serves as a board member of the Elevator Mechanics Licensing Board. Mr. Tsunemoto is a key asset to the Elevator Mechanics Licensing Board and brings a wealth of knowledge and experience to his role as a board member.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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. 1848 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 373 and 551

Recommending that the Senate advise and consent to the nominations of the following:

MOTOR VEHICLE REPAIR INDUSTRY BOARD

G.M. No. 373 STEVEN J.T. CHOW, for a term to expire 6-30-2011; and

G.M. No. 551 STEVEN J.T. CHOW, for a term to expire 6-30-2007

Your Committee reviewed the personal history submitted by the nominee, Steven J.T. Chow, with regard to his nominations to fill a vacant position on the Motor Vehicle Repair Industry Board, as well as to serve a full four-year term on the Motor Vehicle Repair Industry Board.

Your Committee received testimony in support of Steven J.T. Chow from the Department of Commerce and Consumer Affairs and one individual.

Mr. Chow, an attorney, is a partner of The Pacific Law Group, AAL, ALC. Mr. Chow has been practicing law since 1981. He also serves as an arbitrator with the Hawaii Court Annexed Arbitration Program and is a member of Mediation Specialist of Hawaii, Inc. He has taught as an adjunct professor at the William S. Richardson School of Law and served as a coordinator and instructor at the Wahiawa Adult Community School. He is currently a board member of Prevent Child Abuse Hawaii. Mr. Chow's broad experience will make him a key asset to the Motor Vehicle Repair Industry Board.

Your Committee notes that Mr. Chow's nominations will allow him to fill a vacant position on the Motor Vehicle Repair Industry Board, the term for which expires on June 30, 2007, as well as to serve a full four-year term to expire on June 30, 2011.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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 nominations.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 2 (Espero, Ige).

SCRep. 1849 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 374 and 375

Recommending that the Senate advise and consent to the nominations of the following:

MOTOR VEHICLE REPAIR INDUSTRY BOARD

G.M. No. 374 BILL W. GREEN, for a term to expire 6-30-2011; and

G.M. No. 375 DUANE JIRO OZAKI, for a term to expire 6-30-2010

Your Committee has reviewed the personal histories and statements submitted by the nominees, and finds Bill W. Green and Duane Jiro Ozaki to have the necessary qualifications to be nominated to the Motor Vehicle Repair Industry Board.

Testimony in support of the nomination of Bill W. Green was received from the Department of Commerce and Consumer Affairs.

Mr. Green is currently a consultant for Kahala Shell. From 1980 to 2004, Mr. Green was the owner of Kahala Shell. Prior to that, he served in sales and management positions with Shell Oil Co. He is currently the vice-chair of the Motor Vehicle Repair Industry Board and has proven to be a great asset to the Board.

Testimony in support of the nomination of Duane Jiro Ozaki was submitted by the Department of Commerce and Consumer Affairs and two individuals.

Mr. Ozaki has more than thirteen years of experience in all aspects of the automotive industry, from pumping gas to teaching an automotive course at Honolulu Community College. Currently, Mr. Ozaki is an engine repair instructor at Honolulu Community College and is the technician/shop manager for Roy's Kalihi Automotive Center. He is a State of Hawaii certified mechanic and an ASE master certified automobile technician. Mr. Ozaki's considerable knowledge of the issues and needs of consumers and the automotive industry will make Mr. Ozaki a valuable member of the Motor Vehicle Repair Industry Board.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Ihara, Sakamoto).

SCRep. 1850 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 434

Recommending that the Senate advise and consent to the nomination of the following:

MOTOR VEHICLE INDUSTRY LICENSING BOARD

G.M. No. 434 JERRY WILLIAM JORDAN, for a term to expire 6-30-2011

Your Committee received testimony in support of the nomination of Jerry William Jordan from the Department of Commerce and Consumer Affairs and two individuals.

A graduate of the United States Naval Academy, Mr. Jordan served in the United States Navy from 1963 to 1987 and retired with the rank of Commander. He is a member of the Naval Submarine League and the Military Officers Association of America. He currently serves as a board member of the Motor Vehicle Industry Licensing Board. Mr. Jordan has done an excellent job throughout his term as a board member and brings a wealth of knowledge and life experience, making him an important component of the Motor Vehicle Industry Licensing Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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. 1851 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 441

Recommending that the Senate advise and consent to the nomination of the following:

PEST CONTROL BOARD

G.M. No. 441 CARLTON LEIGH AGENA, for a term to expire 6-30-2011

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Carlton Leigh Agena to have the necessary qualifications to be nominated to the Pest Control Board.

Testimony in support of the nomination of Carlton Leigh Agena was submitted by the Department of Commerce and Consumer Affairs, the Building Industry Association of Hawaii, the Hawaii Pest Control Association, and one individual.

Mr. Agena began his career as a sanitation inspector for the Department of Health in 1971. He then moved into the private sector working as a manager with Xtermco, Inc. Termite & Pest and Hauoli Pest Control, Inc. In 1981, Mr. Agena became the owner of Dynamic Termite & Pest and later sold his business to Terminix International. Mr. Agena is currently a quality assurance and technical specialist with Terminix International. Mr. Agena is the past president of the Hawaii Pest Control Association. Mr. Agena's professional accolades include being awarded lifetime membership to the National Registry of Who's Who of Business Owners, the National Pest Management Association Recognition Award, the State Regulated Industries Complaints Office's Service Award, and the Hawaii Pest Control Association's Distinguished Service Award.

In addition to his professional activities, Mr. Agena is also very involved with the community, participating with the East Manoa Lions Club, the Manoa Youth Baseball League and the Waiialae-Kahala Athletic Club.

Mr. Agena's many years of experience in the pest control industry and his experience as a small business owner, as well as working with big business, make him a great asset to the Pest Control Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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. 1852 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 381

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PRIVATE DETECTIVES AND GUARDS

G.M. No. 381 JANICE T. KEMP, for a term to expire 6-30-2008

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Janice T. Kemp to have the necessary qualifications to be nominated to the Board of Private Detectives and Guards.

Your Committee received testimony in support of the nomination of Janice T. Kemp from the Department of Commerce and Consumer Affairs and four individuals. Ms. Kemp is currently the chief human resources officer for the Honolulu Board of Water Supply. Prior to that, Ms. Kemp served as the deputy director of the Department of Human Resources Development. She was a deputy attorney general in various units of the Department of the Attorney General from 1987 to 2003. Ms. Kemp's broad background makes her an excellent addition to the Board of Private Detectives and Guards.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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. 1853 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 464

Recommending that the Senate advise and consent to the nomination of the following:

REAL ESTATE COMMISSION

G.M. No. 464 TRUDY ISABEL NISHIHARA, for a term to expire 6-30-2011

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Trudy Isabel Nishihara to have the necessary qualifications to be nominated to the Real Estate Commission.

Testimony in support of the nomination of Trudy Isabel Nishihara was submitted by the Department of Commerce and Consumer Affairs, the Real Estate Commission, the Hawaii Association of Realtors, the Hawaii Chapter of the Council of Real Estate Brokerage Managers, and two individuals.

Ms. Nishihara is currently a realtor who manages the administration and sales operations of three affiliate companies: Realty Group Properties, Hawaii Homebids.com, and Realty Group. From 1986 to 2000, Ms. Nishihara was a partner with Prudential Locations LLC. As a member of the Honolulu Board of Realtors, Ms. Nishihara has worked as an instructor for various real estate ethics classes. Ms. Nishihara is also an active member of both the Hawaii Association of Realtors and the National Association of Realtors, serving on various committees in both organizations.

In addition to her work in the real estate industry, Ms. Nishihara was also the first woman to be appointed by the United States Secretary of Commerce to represent Hawaii's sports fishing industry as a member of the Western Pacific Fishery Management Council from 1981 to 1989.

Ms. Nishihara's many years of experience in the real estate industry make her a great asset to the Real Estate Commission.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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. 1854 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 353

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII HURRICANE RELIEF FUND

G.M. No. 353 THOMAS G. SINGLEHURST, for a term to expire 6-30-2011

Your Committee reviewed the personal history and statement submitted by the nominee, and finds Thomas G. Singlehurst to have the necessary qualifications to be nominated to the Board of Directors of the Hawai'i Hurricane Relief Fund.

Your Committee received testimony in support of Thomas G. Singlehurst's nomination from the Insurance Division of the Department of Commerce and Consumer Affairs and one individual.

Mr. Singlehurst is currently employed with Noguchi & Associates and has a strong background as an insurance producer. Mr. Singlehurst has served on the Board of Directors of the Hawai'i Hurricane Relief Fund for the past four years and has demonstrated an ability to perform the work necessary to be a good board member. Mr. Singlehurst's expertise and market knowledge warrants his continued service on the Hawai'i Hurricane Relief Fund.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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. 1855 Human Services and Public Housing on Gov. Msg. No. 275

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF THE DEPARTMENT OF HUMAN SERVICES

G.M. No. 275 LILLIAN B. KOLLER, for a term to expire 12-6-2010

Your Committee reviewed the personal history, resume, and statements submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed as the Director of Human Services.

Your Committee received testimony in support of Lillian B. Koller from the State Adjutant General; the Deputy Adjutant General; the Department of Human Resources Development; the Department of Human Services, Child Welfare Services Branch; the Department of Human Services, Vocational Rehabilitation & Services for the Blind Division; the University of Hawaii at Manoa, John A. Burns School of Medicine; the University of Hawaii at Manoa, the William S. Richardson School of Law; the Office of Hawaiian Affairs; the State Rehabilitation Council; the Representative of the 42nd District; the former Representative of the 30th District; a Maui County Council Member; the Maui County Mayor; Maui Community College, Hawaii Child Welfare Continuous Quality Improvement Project; Maui Community College, Human Services & Social Services; Maui Community College, Allied Health and Career Ladder Nursing Program; the State Foundation on Culture and the Arts; Blind InSights; Blueprint for Change; Blind Vendors Ohana, Inc.; Boys and Girls Club of Hawaii; Calvary Episcopal Preschool; the Catalyst Group; Catholic Charities Hawaii'i; Chassman Consulting; the Childcare Business Coalition; the Coalition for a Tobacco Free Hawaii'i; EPIC, Inc. 'Ohana Conferencing; Family Voices of Hawaii'i; Foster Family Programs of Hawaii'i; Goodwill Industries of Hawaii; Hale Kipa; Hawaii'i Coalition for Dads; Hawaii'i Covering Kids; Hawaii Foster Youth Coalition; Hālau Lōkahi Public Charter School; Hale Makua; Hawaii Capital Cultural District; Ka Pa'alana Project; the Hawaii Coalition of Care Home Administrators; the Healthcare Association of Hawaii; the Hawaii Health Systems Corporation; the Hawaii Long Term Care Association; the Hawaii Medical Association; the Hawaii Youth Services Network; the Honolulu Symphony; the Childcare Business Coalition; Foster Family Programs of Hawaii'i; Hope, Inc.; Kanu o ka 'Āina New Century Public Charter School; Kaua'i Academy of Creating Arts; Kōkua Kalihi Valley Comprehensive Family Service; Lana'i Art Center; MW Group, Ltd.; Nā Lei Na 'auao Native Hawaiian Charter School Alliance; Northstar; Parents And Children Together; Read Aloud America; Seagull Schools; the Arc of Kauai; the Maui Dance Council; the Kaua'i Child Welfare Services Advisory Committee; the East Hawaii Cultural Council; the Paxen Group, Inc.; Forward March; the Native Hawaiian Chamber of Commerce; ABEL Case Management, Inc.; the State Foundation on Culture and the Arts; the Pearl Harbor Hawaiian Civic Club; Friends of the Future; Unity School; the Legacy Coalition; Na Kupuna O Wai'anae; Na Kupuna Tribunal; the Alliance of Residential Care Administrators; Heart Gallery Hawaii; the Visitor Aloha Society of Hawaii'i; VSA Arts of Hawaii-Pacific; Hale Lokomaika'i Women Helping Women; and approximately two hundred sixteen individuals. A petition with eighty-two signatures was also submitted in support. The University of Hawaii at Manoa, Center on Disability Studies submitted comments.

Ms. Koller graduated summa cum laude from the University of California at Los Angeles with a Bachelor of Arts in Philosophy. She also earned a Juris Doctorate from the University of California at Davis, School of Law. She worked for several years as an attorney in private practice specializing in areas such as business and real estate litigation and administrative law before serving as Deputy Prosecuting Attorney for the County of Maui in 1992. Her legal career in public service also included serving as Deputy Corporation Counsel for the County of Maui for six years and as a clerk for Judge Boyd P. Mossman with the Second Circuit Court of Hawaii. She later served as the Drug Court Program Coordinator for the Second Circuit Court of Hawaii for four years before being appointed as the Director of the Department of Human Services in 2003. In her capacity as the Drug Court Program Coordinator, Ms. Koller developed the Maui Drug Court into a highly successful, nationally award-winning program.

Ms. Koller's other professional accolades include her receipt of the 2005 Woman of the Year Award from the nonprofit organization, the Women in Need, and the 2006 Torch of Light Award from the Big Island Press Club. Ms. Koller has also been chosen to receive the 2007 Commissioner's Award from the United States Department of Health & Human Services Administration for Children and Families for exceptional contributions to the prevention and treatment of child abuse and neglect in Hawaii.

Ms. Koller testified regarding her qualifications, as well as her vision, priorities, and plan for the next four years for the Department of Human Services. During her consideration for a first term as Director of the Department of Human Services, Ms. Koller assured the Committee that she was willing to adopt new and innovative approaches to provide an adequate safety net of essential services in Hawaii to help families, children, elders, and those who are least able to care for themselves. Ms. Koller testified regarding the initiatives that the Department of Human Services has undertaken during her tenure to meet this earlier commitment.

One of Ms. Koller's most significant accomplishments during her four year tenure has been the amount of federal funds that she has secured for social service programs. Through her leadership, the Department of Human Services has brought in hundreds of millions of previously untapped federal revenue and freed state funds for other purposes. For instance, the Medicaid QUEST waiver renewal that the Department of Human Services negotiated secured in excess of \$100,000,000 in federal funds to cover health care costs for a portion of Hawaii's uninsured adults and children for the next six years. An additional \$40,500,000 in federal funding was secured and distributed to hospitals to defray the cost of providing care to uninsured patients.

During her first term, Ms. Koller also guided the Department of Human Services through an aggressive, two-year Program Improvement Plan for the Child Welfare Services Branch as part of a federal mandate that requires states to reform their child welfare services programs. The Program Improvement Plan is required under the federal Child and Family Services Review to meet benchmarks related to safety, permanency, and well-being in order to maintain federal funding. The Department of Human Services was recently recognized for its success in meeting its program improvement goals.

Ms. Koller's administration also brought more openness and transparency to the Department of Human Services: new rules were adopted to permit the release of confidential documents under certain circumstances in an effort to help locate missing children and to access services for foster children.

As noted by Family Voices of Hawai'i, the QExA Advisory Council was organized by Ms. Koller in response to the community's request for greater consumer input into the implementation of the final phase of QUEST. The work of the QExA Advisory Council prompted the first study of its kind to focus on the information and delivery of information to Medicaid participants to be transitioned into managed care. The findings of that study were published in the Hawai'i Medical Journal and cited in the Health Resource Service Administration Title V Block Grant Review as a strength of Hawaii.

During her testimony, Ms. Koller highlighted some of the more recent initiatives that the Department of Human Services has undertaken to provide services to and enhance the self-sufficiency of vulnerable individuals in Hawaii. She acknowledged that these are not personal achievements, but rather, the result of the collected efforts of the Department of Human Services' hard-working staff, community partners, the Legislature, and the Lingle-Aiona Administration.

These initiatives include SEE Hawaii Work, a welfare-to-work service that expands the concept of apprenticeship into a training-for-hire model with private sector management. In its first year, the program successfully placed more than sixty percent of welfare recipients in on-the-job training programs with a diverse array of private sector companies. According to Ms. Koller's testimony, eighty-eight percent of the individuals who graduated from the training program are now employed in unsubsidized jobs.

In its testimony, Hawai'i Covering Kids highlighted some of the strategies that Ms. Koller's administration implemented to assist Hawaii's children and youths, including a separate Med-QUEST application for households applying only for children or pregnant women that eliminated questions that were barriers for parents and guardians applying for their eligible children, and a passive renewal process for Med-QUEST cases with children that uses computer-generated prepopulated forms. It is estimated that these and other strategies resulted in an additional 17,500 children and youth being enrolled in the QUEST and Medicaid Fee-for-Service programs.

In making its determination, the Committee heard testimony at a duly noticed hearing on April 3, 2007. The Chair also met privately with numerous individuals, including past and present employees of the Department of Human Services and members of community organizations, who expressed concerns, but wished to remain anonymous. The Chair decided not to subpoena these individuals, but rather to summarize their concerns into questions that were presented to Ms. Koller in advance of the hearing. Ms. Koller responded to these concerns, both in writing and orally, at the continuation of the hearing on April 5, 2007.

Among the concerns that were raised is Ms. Koller's use of consultants, such as the American Institute for Full Employment, in her administration of the Department of Human Services. Ms. Koller admitted to receiving policy and program advice from the American Institute for Full Employment and other consultants. She testified that the American Institute for Full Employment is a not-for-profit research and education corporation with nationally-recognized experts in their fields who provide services at no cost. She assured the Committee that the consultants do not set policy or make decisions for the Department of Human Services. She noted that the consultants have knowledge of federal law and policy that she and her staff do not, and as a result are, among other things, assisting with the review of data to determine the extent that state policies and programs are meeting expectations or statutory requirements.

Ms. Koller also admitted using consultants in other strategic areas such as to help identify where the State can save funding through greater efficiency and effectiveness or secure additional federal funding at no cost. For instance, consultants are assisting the Department of Human Services to convert the state-funded Chore Program to Medicaid funding. It is estimated that this initiative will generate in excess of \$12,000,000 over the next four years. Consultants are also working with the Department of Human Services to document expenditures that can be counted as maintenance of effort under the federal Temporary Assistance for Needy Families Program. This will help avoid a penalty and enable funding to be used in a more flexible way. The estimated value of this initiative is \$60,000,000 over the next four years.

Another concern was in regard to Ms. Koller's management style and her relationship with Department of Human Services' personnel. Even some of her supporters indicated that they did not always agree with the manner in which Ms. Koller tackles problems. However, most were quick to acknowledge that Ms. Koller's tenacity has produced noticeable improvements and outcomes at the Department of Human Services. Ms. Koller described herself as a high energy, high extrovert and vocal person who sets high standards. She indicated that some individuals have resisted change and the standards she set. However, she believes that she now enjoys more positive, supportive, team relationships because of the positive outcomes that the Department of Human Services has achieved.

Ms. Koller stated that she wants employees to feel comfortable coming forward with their concerns. She told the Committee that she will address employees' concerns in a fair, supportive, and confidential manner. She indicated a willingness to create an Ombuds Office at the Department of Human Services to mediate and problem-solve with personnel, and to open dialogue with personnel regarding their ideas and why certain policy changes are occurring. Ms. Koller highlighted the fact that she worked to decrease employees' caseloads for the benefit of the employees' and the individuals that they serve, and advocated for pay increases for Child Welfare Services employees.

Ms. Koller outlined some of her plans for the Department of Human Services if she is appointed for another term. One goal is to raise the earning potential of disabled clients and increase the number of these clients that are employed at higher wages or self-employed in their own businesses. Ms. Koller also testified that the Department of Human Services is at a critical stage of negotiation with the federal government regarding a Medicaid waiver that will bring Hawaii's aged and disabled clients into managed healthcare. The goal is to maximize the amount of federal revenue that the State receives for this new QUEST Expanded Access Program so these individuals will receive more services, higher-quality medical treatment, and experience-improved health outcomes. The Department of Human Services is also working on a Medicaid waiver extension for its QUEST health insurance program.

The Department of Human Services' Child Welfare Services Branch will be preparing for the federal Child and Family Services Review of the second Program Improvement Plan to ensure that it has met its goals and maintained the progress that it made over the past few years. One particular area of focus will be improving the stability of children in foster care by reaching out to community partners and increasing recruitment, training, and retention of foster families, especially Native Hawaiian foster families. Ms. Koller testified that other significant challenges for the Department of Human Services over the next four years will be complying with the federal Deficit Reduction Act - she anticipates a need to further maximize federal Temporary Assistance for Needy Families revenue - and preparing for the aging of Hawaii's population.

Your Committee finds that the nominee has adequately responded to the Committee's inquiries and concerns. Ms. Koller provided broad and candid responses to difficult questions regarding not only the initiatives that the Department of Human Services has undertaken during her administration, but also her management style and relationship with personnel. She expressed a willingness to address concerns that were raised and was open to suggestions regarding improvements that can be made. In addition, there was a great deal of testimony from various government

and community representatives, as well as individuals, attesting to the positive outcomes that have been achieved at the Department of Human Services under Ms. Koller's tenure.

Your Committee has very high expectations of Ms. Koller to fairly and respectfully treat the employees, clients, service providers, and community partners of the Department of Human Services. Your Committee also has high expectations that Ms. Koller will fulfill the promises she has made to your Committee throughout the reconfirmation hearings to work more collaboratively with her staff, honoring the experience they have in their fields of expertise, and to welcome employees' suggestions on how to continually improve the Department's service to the public.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee, after full consideration of the background, 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. Ayes with Reservations, 3 (Hooser, Ihara, Sakamoto). Noes, none. Excused, none.

SCRep. 1856 Transportation and International Affairs on H.C.R. No. 291

The purpose of this measure is to request the World Health Organization to confer "observer status" upon Taiwan in order to permit Taiwan's participation in the World Health Organization's programs and activities.

Your Committee received testimony in support of this measure from two individuals.

The protection of the health and welfare of all peoples of the world depends greatly upon the World Health Organization. Taiwan, although having a population of twenty-three million people, is not a member of the World Health Organization. Taiwan has expressed a desire and willingness to participate in the World Health Organization's programs and activities.

Before Taiwan lost its membership in the World Health Organization in 1972 because of termination of its membership in the United Nations, Taiwan was a valuable contributing member of the World Health Organization. If allowed to participate again, there is no doubt that Taiwan will serve as a productive member of the World Health Organization.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 291, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 3 (Hooser, Inouye, Taniguchi).

SCRep. 1857 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 304, 305, 513 and 514

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY (HCDA)

G.M. No. 304 GRADY L. CHUN, for a term to expire 6-30-2011;

G.M. No. 305 PAUL KEN KIMURA, for a term to expire 6-30-2011;

G.M. No. 513 CHRISTOPHER TAKAAKI KOBAYASHI, for a term to expire 6-30-2011; and

G.M. No. 514 DEXTER NORIFUMI OKADA, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Grady L. Chun, Paul Ken Kimura, Christopher Takaaki Kobayashi, and Dexter Norifumi Okada to have the necessary qualifications to be nominated to the Hawaii Community Development Authority.

Testimony in support of Grady L. Chun's nomination was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Community Development Authority, and two individuals.

Mr. Chun received his Bachelor of Arts degree from the University of Hawaii at Manoa, and is a Certified Investment Advisor and a Licensed Insurance Resident Producer. He is currently a Financial Consultant and Advisor for Linsco/Private Ledger and previously worked at AXA Advisors, LLC in Honolulu and San Francisco, California. He serves as a Director of the See Dai Doo Society, a Community Advisor on the Board of Directors for Kawaiahao School, and a member of the Hawaii Chinese Civic Association. Mr. Chun joined the Authority on April 2005 as a City Council nominee when an unexpected vacancy occurred and since that time has shown his great ability to serve on the Authority. His knowledge of financial planning and insurance issues has contributed greatly to the diversity of the Authority. He also serves as a member on a task force established to explore development alternatives for small lot owners. Mr. Grady's demonstrated commitment, professional experience, and interest in improving the Kakaako and Kalaeloa communities make him a valuable asset to the Hawaii Community Development Authority for a full four-year term.

Testimony in support of Paul Ken Kimura's nomination was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Community Development Authority, the Kewalo Keiki Fish Conservancy, and four individuals.

Mr. Kimura is a graduate of Iolani School and attended the University of Hawaii at Manoa. He is currently the President and third generation owner and operator of City Fender and Body Service Ltd., a small business located in Kakaako that was started in 1941 by his grandfather. He is a charter director and past president of the Kakaako Improvement Association, which is a community-based organization established to identify and address concerns and opportunities within the Kakaako area. He is concerned with all aspects of development in Kakaako, but he has put equal vigor into carrying out his fiduciary responsibilities with regard to Kalaeloa. Mr. Kimura's deep knowledge and care in the interests of small businesses and demonstrated commitment and interest in improving the Kakaako and Kalaeloa communities make him a valuable asset to the Hawaii Community Development Authority for a second term.

Testimony in support of Christopher Takaaki Kobayashi's nomination was submitted by the Department of Business, Economic Development, and Tourism; the Hawaii Community Development Authority; a Council Member, City and County of Honolulu; the Hawaii Building and Construction Trades Council, AFL-CIO; and two individuals.

Mr. Kobayashi received his Bachelor of Science degree in Finance from Santa Clara University in Santa Clara, California, and his Doctorate of Jurisprudence from the Northwestern School of Law at Lewis and Clark College in Portland, Oregon. He is currently a Partner of Kobayashi, Sugita and Goda where he concentrates in areas of corporate, construction, and commercial law. Prior to joining Kobayashi, Sugita and Goda, he served as a foreign associate with the Hashidate Law Office in Tokyo, Japan. He is a member of the Hawaii State Bar Association and the American Bar Association. Mr. Kobayashi engages in extensive community activities, including serving as a Director of the East-West Center Foundation, a member of the Board of Governors of the Japanese-American National Museum, a Director of Ahahui Koa Anuenue, a Director of the Oahu Interscholastic Association Athletic Foundation, and a Director of the Hawaii High School Athletic Association Foundation. He sits on the Advisory Board for Rebuilding Together Hawaii that organizes teams of volunteers from business, labor, and the community to repair and renovate community facilities and the homes of low-income, elderly, and disabled residents of Hawaii.

He was selected by the Governor from a list of four names submitted by the Senate President pursuant to Act 252, Session Laws of Hawaii 2006. Mr. Kobayashi's concentration in the areas of construction matters and commercial leasing concerns will contribute an informative and insightful perspective to the Authority, and his finance background and professional experience overseas will provide further depth to the Hawaii Community Development Authority.

Testimony in support of Dexter Norifumi Okada's nomination was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Community Development Authority, the Kewalo Keiki Fish Conservancy, the Hawaii Transportation Association, and six individuals.

Mr. Okada is a graduate of Punahou School, received his Bachelor of Arts in Economics from Claremont Mens College, and received his Bachelor in Science and Master in Science in Industrial Engineering from Stanford University. He is currently the President of U. Okada & Co., Ltd., which is a four-generation family company headquartered in Kakaako. Prior to joining his family business, he served in the United States Army, achieving the rank of Second Lieutenant, and received management training at Hawaii National Bank. Mr. Okada serves as a Director of the United Fishing Agency, the President of the Hawaii Transportation Association, and a Director of the Kakaako Improvement Association. He was recently recognized by Small Business Hawaii as the "Small Business Person of the Year" for testifying and challenging "the State, the Lingle Administration, the Hawaii Community Development Authority, and the City and County of Honolulu" as it relates to Improvement District 11.

Mr. Okada was selected by the Governor from a list of names submitted by the Speaker of the House pursuant to Act 252, Session Laws of Hawaii 2006. With deep roots in the Kakaako District and a depth of understanding of the changing dynamics and challenges small businesses face, Mr. Okada is well positioned to contribute to the Hawaii Community Development Authority's legislative mandate of combining the strength of private enterprise with public development and regulation to result in the implementation of improved community development.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, 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, 1 (Hee).

SCRep. 1858 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 570

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF ACUPUNCTURE

G.M. No. 570 MICHAEL HOWDEN, for a term to expire 6-30-2011

Upon review of the personal history provided by the nominee, Michael Howden, your Committee finds that Mr. Howden is a graduate of John Hopkins University with a Master of Arts. Mr. Howden received his Bachelor of Arts degree from Middlebury College. He has completed a four-year acupuncture tutorial with Dr. Lam Kong, O.M.D., and has also completed classes on Hawaiian healing. Mr. Howden has been an acupuncturist since 1987 and also works as a site inspector for the Accreditation Commission for Acupuncture. He has passed examinations for licensure in Oregon, California, and Hawaii. Mr. Howden currently maintains an office at the Kula Clinic on Maui.

Testimony in support of Mr. Howden was submitted by the Department of Commerce and Consumer Affairs.

Your Committee notes that, while Mr. Howden has previously served on the Board of Acupuncture from 1995 to 2000, his current nomination complies with the term limitations of section 26-34, Hawaii Revised Statutes.

Your Committee finds that Mr. Howden's many years of experience will make him a great asset to the Board of Acupuncture.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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, Slom).

SCRep. 1859 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 526, 527 and 528

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF NURSING

G.M. No. 526 NATHANIEL M. APATOV, RN, CRNA, PH.D., for a term to expire 6-30-2010.;

G.M. No. 527 STEPHEN A. KULA, PH.D., for a term to expire 6-30-2010; and

G.M. No. 528 CECILIA P.S. MUKAI, PH.D., for a term to expire 6-30-2010

Upon reviewing the personal histories submitted by the nominees, your Committee finds Nathaniel M. Apatov, RN, CRNA, Ph.D.; Stephen A. Kula, Ph.D.; and Cecilia P.S. Mukai, Ph.D to have the necessary qualifications to be nominated to the State Board of Nursing.

Your Committee received testimony in support of Dr. Nathaniel M. Apatov's nomination from the Department of Commerce and Consumer Affairs.

Dr. Apatov has a Doctorate in Neuroscience and a Master of Science in Nursing from the Uniformed Services University of Health Sciences, a Master of Health Science from Texas Wesleyan University, a Bachelor of Science in Nursing from Pace University, and an Associate Degree in Nursing from Rockland Community College. Dr. Apatov is a Lieutenant Colonel in the United States Army and is currently serving the Director of the Phase II Clinical Anesthesia Program at Tripler Army Medical Center and as an Assistant Professor of Nursing at the University of Texas at Houston and the Uniformed Services University. His prior work experience includes serving as the Assistant Director of Phase II; an Instructor and Assistant Program Director of the Anesthesia Branch of the Academy of Health Sciences; a Staff Nurse Anesthetist at Walter Reed Army Medical Center, DeWitt Army Hospital, and the 21st Evacuation Hospital in Dhahran, Saudi Arabia; and Head Nurse at Keller Army Community Hospital in West Point, New York.

Dr. Apatov is the chair and a former vice chair of the Council on Certification of Anesthetists Nurse, President of the Hawaii Association of Nurse Anesthetists, and a member of the American Association of Nurse Anesthetists, International Anesthesia Research Society, and American Pain Society. Dr. Apatov has received numerous military awards and distinctions. He is widely published and has made presentations on various topics related to pain and anesthesiology.

Dr. Apatov has already proved to be a valued contributor to the Board as evidenced by the Board's solicitation of his opinions and expertise. Given his experience, knowledge, and skills, your Committee finds he is highly qualified to serve on the State Board of Nursing representing registered nurses on Oahu.

Your Committee received testimony in support of Dr. Stephen A. Kula's nomination from the Department of Commerce and Consumer Affairs and the Healthcare Association of Hawaii.

Dr. Kula has a Doctorate in Business Administration from Kennedy Western University; a Master of Science in Production Management, Avian Medicine and a Bachelor of Science in Avian Science from Colorado State University; and an Associate in Arts from Leeward College.

Dr. Kula is a licensed Nursing Home Administrator and is certificated by the Department of Education as Hawaii Professional Staff. He has over twenty-two years of senior-level executive management experience in both nonprofit and private companies and is currently the Director of Long-Term Care for AIG Hawaii Insurance Company, Inc. and an Adjunct Professor in the Department of Business Administration of Hawaii Pacific University. His previous work experience includes the positions of Executive Director for The Arc in Hawaii; President, Chief Executive, Operational, and Financial Officer of Hospice Hawaii, Inc.; Senior Administrative Employee of Sisters of the Sacred Hearts and Sacred Hearts Academy; Owner, Consultant, and Teacher for PersonAll Programmings; and a lobbyist for United Egg Producers.

Dr. Kula is the treasurer of Hawaii Youth Challenge, a facilitator for Holy Trinity Church Pastoral Council, and a member of the National Council of Hospice Professionals. He is a past-president of the Hawaii State Hospice Network and a past-board member of the Hawaii State Board of Nursing, Pacific Health Ministries of Hawaii, and the Healthcare Association of Hawaii, for which he served as the chair of the Home Care and Hospice Division.

Your Committee finds that Dr. Kula's extensive experience is evidence of his qualification to serve as a public member of the State Board of Nursing.

Your Committee received testimony in support of Dr. Cecilia P.S. Mukai's nomination from the Department of Commerce and Consumer Affairs.

Dr. Mukai has a Doctorate of Educational Psychology and a Bachelor of Science in Nursing from the University of Hawaii and a Master of Science in Nursing from Yale University. She is licensed as a Family Nurse Practitioner by the American Nurses Credentialing Center, an Advanced Practice Nurse (APRN) and a Registered Nurse (RN) by the Hawaii State Board of Nursing, and a Professional Cardio Pulmonary Respiration administrator by the American Heart Association.

Dr. Mukai is the Director and Nursing Department Chair of the University of Hawaii at Hilo, where she previously served as an Associate Professor and Instructor of Nursing. She has also taught as an Assistant Professor and Instructor of Nursing at the University of Hawaii at Manoa. Dr. Mukai is also a family nurse practitioner for Dr. Kevin Kurohara in Hilo. She has also worked as a nurse and nurse practitioner, an accreditation site administrator, and an expert witness on nursing.

Dr. Mukai is on the board of directors of Hawaii Island AHEC "Ke Anuenue", the advisory boards of the State AHEC and Public Health Nursing-Hawaii Island Branch, and a member of Sigma Theta Tau Nursing Honor Society and the Lanakila Funlife Program. She has been recognized with awards from a variety of organizations for her accomplishments and has published and presented several articles.

Your Committee finds that Dr. Mukai's training and experience make her highly qualified to fill the APRN position on the State Board of Nursing.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Ihara, Slom).

SCRep. 1860 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 645 and 646

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF EXAMINERS IN OPTOMETRY

G.M. No. 645 KEVIN K. LUI, O.D., for a term to expire 6-30-2011; and

G.M. No. 646 HENRY LYMAN MAKINI, O.D., for a term to expire 6-30-2011

Upon review of the background information submitted by the nominee, Kevin K. Lui, O.D., your Committee finds that Dr. Lui is the president of Mid Pacific Eyecare, providing primary optometric services. Dr. Lui is licensed as an optometrist in both California and Hawaii. Dr. Lui is

also a member of the American Optometric Association and the Hawaii Optometric Association. Dr. Lui has also served on the Department of Transportation Medical Advisory Board, currently sits on the Regulated Industries Complaints Office Advisory Committee for Optometry, and is a member of the Medicare Carrier Advisory Board.

Your Committee received testimony in support of Dr. Lui from the Department of Commerce and Consumer Affairs, the Hawaii Optometric Association of Hawaii, and two individuals.

Your Committee finds that Dr. Lui's experience will make him an excellent addition to the Board of Examiners in Optometry.

Upon review of the background information submitted by the nominee, Henry Lyman Makini, O.D., your Committee finds that Dr. Makini is the owner and president of Eyes Plus Inc. and has been an optometrist since 1987. He is a member of the American Optometric Association and the Hawaii Optometric Association. Dr. Makini has also been active in numerous community organizations including the Waianae Rotary Club, the Kapolei Rotary Club, and Chapter One Remedial Reading Programs across the Waianae Coast. As part of the Kapolei Rotary Club, Dr. Makini began a public awareness program to assist children who have vision problems from being misdiagnosed as having ADHD or other learning disabilities.

Testimony in support of Dr. Makini was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Optometric Association, and five individuals.

Your Committee finds that Dr. Makini's many years of experience and his dedication to helping the community will serve him as well a member of the Board of Examiners in Optometry.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Ihara, Slom).

SCRep. 1861 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 650 and 651

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PHARMACY

G.M. No. 650 PATRICK LEE ADAMS, for a term to expire 6-30-2008; and

G.M. No. 651 STANLEY M. CHOW, for a term to expire 6-30-2011

Upon reviewing the personal information submitted by the nominee, Patrick Lee Adams, your Committee finds that Mr. Adams is a graduate of the Northeast Louisiana University School of Pharmacy. He is currently a pharmacist with Foodland and previously served as a traveling pharmacist in Washington State, providing pharmaceutical services to Indian health centers and hospitals.

Prior to becoming a pharmacist, Mr. Adams worked with United Parcel Service and helped to develop the air system United Parcel Service currently has in place. Mr. Adams was also appointed to the Airport Advisory Board of Albuquerque, New Mexico to assist in the airport's major expansion project.

Throughout his career, Mr. Adams has been active in community service and is always looking for opportunities to promote community health. Mr. Adams is familiar with the operations of the Board, as he regularly attends the Board's meetings.

Testimony in support of Mr. Adams was submitted by the Department of Commerce and Consumer Affairs; the Healthy Mothers, Healthy Babies Coalition of Hawai'i; and one individual.

Your Committee finds that Mr. Adams' broad range of experiences and his leadership abilities will make him a key component of the Board of Pharmacy.

Upon reviewing the personal history submitted by the nominee, Stanley M. Chow, your Committee finds that Mr. Chow is an attorney with the law firm of Char Hamilton Campbell & Thom, specializing in medical malpractice, personal injury, insurance litigation, and collection matters. Prior to going into private practice, Mr. Chow served as a law clerk to the Honorable Robert Won Bae Chang and worked as a deputy prosecuting attorney. He has numerous professional memberships, including being a member of the Association of Trial Lawyers. He also serves as an arbitrator with the Court Annexed Arbitration Program for the State of Hawaii.

Testimony in support of Mr. Chow was submitted by the Department of Commerce and Consumer Affairs and two individuals.

Your Committee finds that Mr. Chow's professional background will provide a unique perspective to the Board of Pharmacy.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Ihara, Slom).

SCRep. 1862 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 652

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHYSICAL THERAPY

G.M. No. 652 ROBERT KISSENBERGER, MSPT, for a term to expire 6-30-2011

Upon review of the background information submitted by the nominee, Robert Kissenberger, MSPT, your Committee finds that Mr. Kissenberger is a physical therapist in private practice and is the director of physical therapy at the Balance Center of the Pacific. Mr. Kissenberger received both his Masters of Science in Physical Therapy and his Bachelor of Science in Sports Injury Management from the

University of Nevada, Las Vegas. He also served in the United States Air Force and the Hawaii Air National Guard. Mr. Kissenberger is a member of the American Physical Therapy Association, the American College of Sports Medicine, and the Golden Key National Honor Society.

Testimony in support of Mr. Kissenberger was submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that Mr. Kissenberger's extensive knowledge in the field of physical therapy will make him a great asset to the Board of Physical Therapy.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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, Slom).

SCRep. 1863 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 529

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PSYCHOLOGY

G.M. No. 529 ELAINE MARIE HEIBY, for a term to expire 6-30-2011

Upon reviewing the personal history submitted by the nominee, Elaine Marie Heiby, your Committee finds that Ms. Heiby received her Bachelor of Arts in Psychology from Case Western Reserve University. Ms. Heiby went on to complete her Masters of Arts in Psychology, as well as her Doctorate in Clinical Psychology, at the University of Illinois at Chicago.

Ms. Heiby is currently a professor in the Department of Psychology at the University of Hawaii and is also a research professor with the Cancer Research Center of Hawaii at the University of Hawaii. In addition, Ms. Heiby has many years of clinical and administrative experience.

Ms. Heiby has published more than forty articles, newsletters, conference proceedings, and public works, and has co-authored two books. Ms. Heiby's writings can also be found in various chapters of over twenty books.

Ms. Heiby continues to be very active in various professional associations and she has received numerous honors throughout her career.

Testimony in support of Ms. Heiby was submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that Ms. Heiby's extensive experience as both a psychologist and an educator continue to make her a key component of the Board of Psychology.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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, Slom).

SCRep. 1864 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 708

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF SPEECH PATHOLOGY AND AUDIOLOGY

G.M. No. 708 JENNY C. WELLS, for a term to expire 6-30-2010

Upon review of the background information submitted by the nominee, Jenny C. Wells, your Committee finds that Ms. Wells received her Bachelors of Science in Business Administration from Chapman College. She received both her Masters in Education and her Doctorate of Education from the University of Hawaii. She is currently an assistant professor at the University of Hawaii. She is a member of the Council for Exceptional Children and the Autism Society of Hawaii.

Testimony in support of Ms. Wells was submitted by one individual.

Your Committee finds that Ms. Wells' many years of experience will make her an excellent addition to the Board of Speech Pathology and Audiology.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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, Slom).

SCRep. 1865 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 660 and 661

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF VETERINARY EXAMINERS

G.M. No. 660 ELWOOD ICHIRO KITA, for a term to expire 6-30-2010; and

G.M. No. 661 REBECCA H. RHOADES, D.V.M., for a term to expire 6-30-2009

Upon review of the background information submitted by the nominee, Elwood Ichiro Kita, your Committee finds that Mr. Kita is a graduate of the University of Hawai'i with a Bachelor of Arts degree in Sociology and a Masters of Social Work. He is currently a social worker in private practice and previously worked as a social worker for the Department of Health in Hilo, Hawai'i. He is active in numerous community organizations, ranging from working with the Hawai'i Island Rural Health Association, Inc., to volunteering with the Peanut Butter Ministry.

Testimony in support of Mr. Kita was submitted by the Department of Commerce and Consumer Affairs and three individuals.

Your Committee finds that Mr. Kita's unique background and dedication to public service will provide a fresh perspective to the Board of Veterinary Examiners.

Upon review of the background information submitted by the nominee, Rebecca H. Rhoades, D.V.M., your Committee finds that Dr. Rhoades is the executive director of the Kaua'i Humane Society. Prior to her work at the Kaua'i Humane Society, Dr. Rhoades was a consultant to the Humane Society of the United States in Washington, D.C. and has numerous years of experience as a veterinarian at other animal care clinics and shelters. Dr. Rhoades is active in various professional associations, including being a board member of the Society of Animal Welfare Administrators and the vice president of the Dog Fanciers of Kaua'i.

Your Committee received testimony in support of Dr. Rhoades from the Department of Commerce and Consumer Affairs, the Chairman of the Kaua'i County Council, and five individuals.

Your Committee finds that Dr. Rhodes' many years of experience and her dedication and commitment to the field of veterinary sciences will make her a key component of the Board of Veterinary Examiners.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Ihara, Slom).

SCRep. 1866 Judiciary and Labor on Jud. Com. No. 2

Recommending that the Senate consent to the nomination of the following:

DISTRICT COURT OF THE THIRD CIRCUIT

HARRY P.N.S. FREITAS

Your Committee finds that the nominee graduated from Damien Memorial High School and attended Windward Community College where he received an Associate in Arts Degree in Liberal Arts. He attended Honolulu Community College and West Oahu College while employed by the Honolulu Police Department as an officer and the Honolulu Fire Department as a firefighter. He then attended Hastings College of Law and received his Juris Doctor Degree. He was employed as a deputy District Attorney in the Lake County District Attorney's Office and the Marin County District Attorney's Office. Your Committee finds that the nominee returned to Hawaii and worked as a deputy Prosecuting Attorney in the Honolulu Prosecutor's Office. He then went to Hilo where he worked as a Deputy Prosecuting Attorney, a Deputy Public Defender, a Deputy Corporation Counsel, where he is currently employed.

Your Committee received testimony in support of the nominee from Hawaii County Corporation Counsel's Office and seven individuals. There was no testimony in opposition to the nominee.

In addition, your Committee received information from the Office of Disciplinary Counsel that indicated there were no complaints or grievances filed against the nominee.

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, 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, 5. Noes, none. Excused, none.

SCRep. 1867 Judiciary and Labor on Gov. Msg. No. 681

Recommending that the Senate advise and consent to the nomination of the following:

CIRCUIT COURT OF THE FIFTH CIRCUIT

G.M. No. 681 RANDAL VALENCIANO, for a term of ten years

Your Committee finds that the nominee graduated from Waimea High School in Kauai and went to college and received a Bachelor of Science degree from the University of Oregon majoring in Political Science. He then attended the University of Washington, School of Law where he received his Juris Doctor degree. The nominee worked in the Office of the Public Defender from 1983-1984. In 1983, the nominee then went to work at the Kauai Prosecuting Attorney's Office until 1987. Since 1987 to present, the nominee engaged in the private practice of law becoming the owner of his own office in 1996. The nominee's practice consisted mostly of criminal and Family Court matters.

Your Committee received information from the Office of Disciplinary Counsel of four complaints on the nominee that were all investigated and dismissed.

Your Committee received testimony in support of the nominee from the Kauai's Prosecuting Attorney's Office, Kauai Filipino Community Council, Diogo Appraisal Services, Inc., Democratic Party of Kauai, Fujiuchi Investigations, Inc., Kodani & Associates, Inc., Noguchi & Associates, Inc., Central Pacific Bank, Nishimura & Associates, Inc., Nina's Tax Services, Hawaii Government Employees' Association, Kauai Island Finance, Inc., Na Pali Riders, Inc., and twenty individuals. There was no testimony in opposition to the nominee.

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, 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, 3. Noes, none. Excused, 2 (Inouye, Kokubun).

SCRep. 1868 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 358

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 358 ROBERT J. PACHECO, for a term to expire 6-30-2010

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Robert J. Pacheco to have the necessary qualifications to be nominated to the Board of Land and Natural Resources.

Testimony in support of Robert J. Pacheco's nomination was submitted by the Department of Land and Natural Resources; the Sierra Club, Hawaii Chapter; Palani Ranch Company, Inc.; and thirty-two individuals.

Mr. Pacheco attended Chico State University and the University of Colorado where he focused his studies on the Socio-Economics of Natural Resource Management. He is currently the Founder and President of Hawaii Forest and Trail in Kailua-Kona, which operates nature adventure tours and a retail store. He has extensive community involvement, including serving as a Board Member of the Big Island Visitors Bureau, the Chairperson of the Mauna Kea Management Board, a Board Member of Friends of Hawaii Volcanoes National Park, a Board Member of the Paniolo Preservation Society, and the President of T.R.E.E. Center Hawaii. Mr. Pacheco indicated to your Committee that he plans to no longer be part of the Mauna Kea Management Board to avoid any potential conflicts while serving on the Board of Land and Natural Resources. He further indicated that with regard to issues relating to the Na Ala Hele Program, he will seek the advice of Deputy Attorney General assigned to the Board of Land and Natural Resources because Hawaii Forest and Trail holds trail access permits from private landowners for its adventure tours.

Mr. Pacheco currently represents the Island of Hawaii on the Board as an interim member, and is nominated to represent the Big Island for a four-year term. Since his interim appointment, he has demonstrated a strong desire to learn about the issues presented to the Board, and he has the compassion and commitment to protect Hawaii's natural resources. Mr. Pacheco's demonstrated commitment to and professional experience in Hawaii's natural environment and resources will prove to be a valuable asset for the Board of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, 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 (Fukunaga, Hee).

SCRep. 1869 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 571

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY (HCDA)

G.M. No. 571 STANTON K. ENOMOTO, for a term to expire 6-30-2011

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Stanton K. Enomoto to have the necessary qualifications to be nominated to the Hawaii Community Development Authority.

Testimony in support of Stanton K. Enomoto's nomination was submitted by the Department of Business, Economic Development, and Tourism; the Department of Budget and Finance; the Hawaii Community Development Authority; the Office of Hawaiian Affairs; a Council Member, City and County of Honolulu; and fifteen individuals.

Mr. Enomoto is a graduate of Kamehameha Schools and received his Bachelor of Arts degree with highest honors in Geology and Environmental Studies from Macalester College in St. Paul, Minnesota. He is currently the Special Assistant to the Administrator at the Office of Hawaiian Affairs. Prior to his employment there, he was the Director of Planning and Development for Kalaeloa at the Hawaii Community Development Authority where he was responsible for directing all planning and development activities at Kalaeloa to advance economic growth and attract private-sector investment in a sustainable manner consistent with the interests and needs of the Ewa District. He also spent nine years with the Kaho'olawe Island Reserve Commission where he served as a Remediation Program Manager, a Senior Policy Advisor, and the Acting Executive Director. Mr. Enomoto also serves as the Chairperson of the United States Census Bureau's Race and Ethnic Advisory Committee for Native Hawaiians and Other Pacific Islanders, and is a Trustee of the Historic Hawai'i Foundation.

Mr. Enomoto has an unassailable record of Hawaiian cultural sensitivity and understanding from his extensive experience with the Kaho'olawe Island Reserve Commission to his current position at the Office of Hawaiian Affairs. His professional and cultural backgrounds will assist the Authority in its efforts in moving Kalaeloa forward in the future. Mr. Enomoto brings a strong record of accomplishments and experiences, personal and professional, which makes him well qualified to serve on and an invaluable asset to the Hawaii Community Development Authority.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, 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. 1870 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 421 and 615

Recommending that the Senate advise and consent to the nominations of the following:

KAHO'OLAWE ISLAND RESERVE COMMISSION

G.M. No. 421 MILTON M. ARAKAWA, for a term to expire 6-30-2011; and

G.M. No. 615 CRAIG A. NEFF, for a term to expire 6-30-2011

Your Committee received testimony in support of Milton M. Arakawa from Munekiyo Hiraga, Inc.; Chair of the Kaho'olawe Island Reserve Commission; one Maui Councilmember; and one individual.

The nominee is the Director of the Department of Public Works and Environmental Management, County of Maui. He has worked for the Hawaii Community Development Authority and the Department of Planning and Economic Development.

Mr. Arakawa received a Bachelor of Arts degree in History and Sociology, a Master of Arts in Sociology degree, and a Master of Urban and Regional Planning from the University of Hawai'i at Manoa. He is a member of the American Planning Association, American Institute of Certified Planners, and Kiwanis Club of Maui.

Your Committee notes the nominee's personal statement to the effect that the Kaho'olawe Island Reserve Commission should act as a steward of the Island of Kaho'olawe. All actions on the island should be done in accord with a master plan. The plan should outline specific achievable steps to maximize and leverage finite resources, as well as maximize efforts in the areas of environmental restoration, enhancement of cultural resources, and development of appropriate infrastructure.

Your Committee received testimony in support of Craig A. Neff from the Office of Hawaiian Affairs; Kaho'olawe Island Reserve Commission; Kohe Malamalama O Kanaloa; and six individuals.

The nominee is the owner of The Hawaiian Force, a retail clothing boutique in Hilo that features his artwork and designs on clothing and other items. He has previous service with the Kaho'olawe Island Reserve Commission from 1994-1999, and 2001-2002. Mr. Neff has been a member since 1981 of the Protect Kaho'olawe 'Ohana. His community service includes protection and repatriation of iwi kupuna on Moloka'i and Kaho'olawe.

Mr. Neff received a Bachelor of Fine Arts degree from the University of Hawai'i at Manoa. Your Committee notes his personal statement to the effect that he has been consistently involved with Kaho'olawe as a member of the Protect Kaho'olawe Ohana for the past twenty-six years. He has walked the island from ili to ili, and has paddled around the island from bay to bay. He served on the Kaho'olawe Island Reserve Commission in its formative years which focused on the development of safety and management policies, plans, and protocols. He has been involved in each and every burial protection and stabilization process conducted on the island. Mr. Neff is trained as a Na'alapa in the protocols to protect and stabilize the religious and cultural sites on Kaho'olawe.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, 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 Milton M. Arakawa: Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hee).

Signed by the Chair on behalf of the Committee. Record of Votes for Craig A. Neff: Ayes, 5. Noes, none. Excused, none.

SCRep. 1871 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 636 and 637

Recommending that the Senate advise and consent to the nominations of the following:

MOLOKA'I IRRIGATION SYSTEM WATER USERS ADVISORY BOARD

G.M. No. 636 STEVEN L. ARCE, for a term to expire 6-30-2009; and

G.M. No. 637 KATHY M. HANCOCK, for a term to expire 6-30-2011

Your Committee received testimony in support of Steve L. Arce from the Department of Agriculture; Chair of the Molokai Irrigation Systems Water Users Advisory Board; and Molokai Farm Bureau.

The nominee is the owner of Na Hua Ai Farms, which grows, harvests, and sells hay for animals. He is a graduate of Molokai High and Intermediate School.

Your Committee notes from Mr. Arce's personal statement that he wants to serve and protect the interests of the agricultural users and farmers. He has seen first hand some of the problems faced by farmers on Molokai, and wants to assure that the system is properly maintained and provides enough irrigation water for the farming community.

Your Committee received testimony in support of Kathy M. Hancock from the Department of Agriculture; Chair of the Molokai Irrigation Systems Water Users Advisory Board; Molokai Farm Bureau; Hawaii Crop Improvement Association; Monsanto Molokai Foundation; and eight individuals.

The nominee is the Nursery Manager for Monsanto MSP Molokai, where she is responsible for the nursery management operations for approximately 15,000 nursery rows comprising approximately seventy-five acres, including internal seed and material from more than thirty external corporate and university customers. She has also worked for Naiwa Farm & Nursery, Tri-L Construction, Moloka'i Education Center, and the National Park Service.

Ms. Hancock received a Bachelor of Science degree in Marine Biology from Texas A&M University at Galveston, a Master of Science degree in Marine Science from the University of Alabama, and a Doctor of Philosophy degree from the University of Pennsylvania.

Your Committee notes from the nominee's personal statement that she would use her distinguishing qualities such as intelligence, understanding, and foresight in maintaining the irrigation system.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, 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. 1872 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 682

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON WATER RESOURCE MANAGEMENT

G.M. No. 682 JAMES A. FRAZIER, for a term to expire 6-30-2011

Your Committee reviewed the personal history and personal statement submitted by the nominee, James A. Frazier, and finds him to have the necessary qualifications to be reappointed to the Commission on Water Resource Management.

Your Committee received testimony in support of James A. Frazier from the Department of Land and Natural Resources, Department of Water Supply of the County of Hawai'i, Hawaii Agriculture Research Center, the previous Acting Deputy Director to the Commission on Water Resource Management, and one individual.

Mr. Frazier is a graduate of Punahou School and earned a Bachelor of Science degree from Colorado State University. Presently, Mr. Frazier is retired after working thirty-five years in agribusiness with C. Brewer and Company, where he served in various fields and administrative positions which allowed him to live and work on each of the major Hawaiian islands. During Mr. Frazier's tenure with C. Brewer and Company, he supervised the operations and irrigation ditch systems on West and North Kauai, as well as in Ka'u and Hamakua on the Big Island. He was also indirectly involved with the major ground water supply systems on Oahu and Maui. Mr. Frazier also worked for four years as the Executive Director of the Natural Energy Laboratory of Hawaii where he oversaw the management of both ocean and domestic water resources. Mr. Frazier currently serves on the Commission on Water Resource Management where he has demonstrated a strong commitment by balancing both the supply and the conservation of water. Mr. Frazier's considerable hands-on experience in the field and in the management of ditch systems, and of ground-water supply systems, will provide the Commission on Water Resource Management with a heightened understanding of the competing demands regarding Hawaii's finite water resources in order to ensure that water is available both now, and for future generations.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, 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. 1873 Judiciary and Labor on Gov. Msg. No. 274

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF THE DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT

G.M. No. 274 MARIE C. LADERTA, for a term to expire 12-6-2010

Your Committee finds that Marie C. Laderta received her Bachelor of Arts from Marquette University in Milwaukee, Wisconsin, and her JD degree from the John Marshall Law School in Chicago. She attended the East China Institute of Law & Politics in Shanghai, China before practicing law in the private sector. From 1998-2003, Ms. Laderta was the supervisor of the Tort Litigation Division at the Department of the Attorney General, where her performance earned her the Departmental Manager of the Year Award in 2002. Ms. Laderta then went on to serve as the Deputy Director of the Department of Taxation from 2003-August 2005, where she was responsible for all operational matters including personnel administration, implementation of a departmental reorganization, departmental legislative initiatives, fiscal/budgetary planning, negotiation of tax compromises and penalty and interest waivers, community outreach, external and internal training and most notably, served as Project Manager for a \$53 million Integrated Tax Information Management System which revamped the entire computer and information management system for the department.

Your Committee finds that Ms. Laderta was appointed as the Interim Director of the Department of Human Resources Development in August 2005. Some of her notable accomplishments since taking the helm at DHRD include: the Kama'aina Stay Home program which showcases the various State government occupations to youths in high school who may be in the planning stages of deciding their post-secondary education; facilitating the recruitment application process by becoming accessible to the general public 24/7; providing more responsive assistance to departments in problem resolutions; and active involvement in the public workers' collective bargaining negotiations.

Your Committee finds that Ms. Laderta is also the Chairperson of the Board of Trustees for the State of Hawaii Deferred Compensation program, serves on the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund, and is the Governor's Representative on the Honolulu Symphony Board of Directors.

Your Committee received testimony in support of the nomination of Marie C. Laderta from the Deputy Director of DHRD, Hawaii Government Employees Association, Hawaii State Personnel Council, the Director of Human Services for the City and County of Honolulu, the Director of Human Services for the County of Hawaii, the Director of Personnel Services for the County of Maui, the Director of Personnel Services for the County of Kauai, the Human Resources Director for the State Judiciary, Director of the State Office of Planning, the Chief of Labor Relations & Training for the Department of Human Resources, Hawaii Public Housing Authority, State Attorney General, the Department of Education, Hawaii State Teacher's Association, Office of Hawaiian Affairs, Hawaii Health Systems Corporation, Hawaii Fire Fighters Association, United Public Workers, AFSCME, Local 646, AFL-CIO, the Honolulu Symphony Board of Directors, 15 employees at DHRD and numerous other citizens.

Your Committee finds that DHRD staff members indicate that Ms. Laderta possesses the necessary core leadership competencies of respect, fairness, integrity and honesty and consistently demonstrates these values in her day-to-day business actions and decisions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, 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 (Inouye, Kokubun).

SCRep. 1874 Education on Gov. Msg. No. 644

Recommending that the Senate advise and consent to the nomination of the following:

CENTER FOR NURSING ADVISORY BOARD

G.M. No. 644 NEIL S. MACNAUGHTON, R.N., PH.D., for a term to expire 6-30-2011

Upon review of background information submitted by the nominee, your Committee finds that Neil S. MacNaughton holds a Bachelor of Science degree in Nursing from Graceland College in Lamoni, Iowa, a Master of Arts degree in Nursing Administration from the University of

Iowa, and a Doctorate in Nursing from the University of Iowa, College of Nursing. Dr. MacNaughton currently serves as an Assistant Professor at the University of Hawaii at Manoa in the School of Nursing and Dental Hygiene and as a part-time nursing supervisor. He is being nominated for appointment to the Center for Nursing Advisory Board to serve his first term as a representative of doctorally prepared nurse researchers. Dr. MacNaughton's prior work experience includes teaching nursing at the university-level, lecturing, and serving as a teaching assistant, staff nurse, research assistant, clinical manager for a psychiatry team, clinical instructor, nurse manager, charge nurse, and volunteer R.N. He has received multiple grants and awards for his research and work in the field of nursing.

Testimony in support of the nominee was submitted by a Hawaii State Representative and two individuals.

Your Committee received responses from the nominee regarding the nominee's desire to serve, perception of the role and responsibilities of membership, qualifications for membership, and goals for the nominee's term of service on the Center for Nursing Advisory Board. Your Committee believes that the nominee adequately responded to the Committee's inquiries and demonstrated adequate knowledge of and a commitment to work towards the goals of the Board, including addressing the current nursing shortage in 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, 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 (Hee, Taniguchi, Tokuda).

SCRep. 1875 Education on Gov. Msg. No. 687

Recommending that the Senate advise and consent to the nomination of the following:

EDUCATION COMMISSION OF THE STATES

G.M. No. 687 ROSE Y. TSENG, for a term to expire 6-30-2010

Upon review of background information submitted by the nominee, your Committee finds that Rose Y. Tseng holds a Bachelor of Sciences degree in Chemistry from Kansas State University and a Master of Sciences degree, a Doctorate, and has served as a Post Doctor Research Fellow, in Nutritional Sciences, with minors in Biochemistry and Physiology, from the University of California at Berkeley. She currently serves as the Chancellor of the University of Hawaii at Hilo and is being nominated for appointment to the Education Commission of the States for her first term. Dr. Tseng's prior work experience includes service as a chancellor and Chief Executive Officer of a community college district, a university dean and professor, and an associated dean and professor. She is actively involved with many boards and commissions on education, serves on numerous community boards and organizations, and has received a multitude of awards and honors for both her community service and her professional experience.

Testimony in support of the nominee was submitted by three individuals.

Your Committee received responses from the nominee regarding the nominee's desire to serve, perception of the role and responsibilities of membership, qualifications for membership, and goals for the nominee's term of service on the Education Commission of the States. Your Committee believes that the nominee adequately responded to the Committee's inquiries and demonstrated adequate knowledge of and a commitment to work towards the goals of the Commission, including developing meaningful and effective education policy.

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, 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 (Hee, Taniguchi, Tokuda).

SCRep. 1876 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 334 and 591

Recommending that the Senate advise and consent to the nominations of the following:

ENDANGERED SPECIES RECOVERY COMMITTEE

G.M. No. 334 CLIFFORD W. MORDEN, for a term to expire 6-30-2009; and

G.M. No. 591 PATRICK JAMES HART, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Clifford W. Morden and Patrick James Hart to have the necessary qualifications to be appointed to the Endangered Species Recovery Committee.

Your Committee received testimony in support of Clifford W. Morden from the Department of Land and Natural Resources. Dr. Morden earned his Ph.D. from Texas A & M University. Presently, he works as an Associate Professor of Botany and the Center for Conservation Research and Training at the University of Hawaii at Manoa where he teaches courses on the Natural History of Hawaii, Conservation Biology, and Hawaiian Native Plants. Dr. Morden also serves as the Interim Director of the Lyon Arboretum and is the Director of the University of Hawaii's Herbarium. In September of 2006, Dr. Morden was appointed on an interim basis to the Endangered Species Recovery Committee where he has fully participated in efforts that promote the recovery of endangered species. Dr. Morden's vast knowledge and experience in conservation biology, experience with the conservation of endangered plants, and his knowledge of geographic dispersal of native species makes him a valuable component of the Endangered Species Recovery Committee.

Your Committee received testimony in support of Patrick James Hart from the Department of Land and Natural Resources. Dr. Hart earned a Ph.D. in Zoology from the University of Hawaii at Manoa and a B.A. in Aquatic Biology from the University of California at Santa Barbara. Presently, he is an Associate Professor of Biology at the University of Hawaii at Hilo where he teaches courses on the Natural History of Hawaii, Biology, Ecology, and Statistics. His research focuses on the conservation of endangered species and Hawaiian forest birds. Dr. Hart has been active in Hawaiian conservation for the last fifteen years and his work has been instrumental in guiding conservation and endangered species management programs. Dr. Hart's extensive knowledge and experience in conservation biology, endangered birds and plants, and the recovery needs of native species, will provide the Endangered Species Recovery Committee with a heightened understanding of the complex issues involved in the development of programs and policies to foster protection of Hawaii's native ecosystems.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, 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 Clifford W. Morden: Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hee).

Signed by the Chair on behalf of the Committee. Record of Votes for Patrick James Hart: Ayes, 5. Noes, none. Excused, none.

SCRep. 1877 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 618 and 703

Recommending that the Senate advise and consent to the nominations of the following:

LAND USE COMMISSION

G.M. No. 618 HOWARD H. HAMAMOTO, for a term to expire 6-30-2010; and

G.M. No. 703 VLADIMIR PAUL DEVENS, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Howard H. Hamamoto and Vladimir Paul Devens to have the necessary qualifications to be nominated to the Land Use Commission.

Testimony in opposition to Howard H. Hamamoto's nomination was submitted by the Sierra Club, Hawaii Chapter.

Your Committee notes that the Sierra Club's concerns indicated in its submitted testimony in opposition to Mr. Hamamoto's nomination related to the membership criteria of Land Use Commission, and not Mr. Hamamoto's qualifications. Your Committee notes that under section 205-1, Hawaii Revised Statutes, the only noted membership criteria other than county and at-large appointments is that at least one member shall have substantial experience or expertise in traditional Hawaiian land usage and knowledge of cultural land practices. Your Committee believes that further membership criteria and qualifications, such as the biological sciences, need to be legislatively established to ensure a broader and more qualified representation on the Land Use Commission, and intends to support the introduction of legislation during the 2008 Regular Session when two more member positions will need to be appointed.

Mr. Hamamoto received his Bachelor in Business Administration from the University of Hawaii and served in the United States Air Force, earning the rank of Lieutenant. He has extensive professional experience in real estate development, management, and investment. After nine years at Bank of Hawaii in commercial and real estate lending, he spent twenty years with AmFac Properties where he served as its President. During his tenure at AmFac Properties, he managed the extensive land holdings and carried other responsibilities, including strategic long range planning for the conversion of agricultural zoned lands into urban zoned lands. He also worked with the community and government agencies to obtain the appropriate approvals and permits. His real estate development experience includes residential apartments and condominiums, resort shopping centers, single-family residential subdivisions, light industrial subdivisions, warehouses, golf courses and clubhouses, and office buildings. Currently, Mr. Hamamoto is in real estate development and investment where he is involved in the acquisition of and investment in operating companies.

Mr. Hamamoto also extensively participates in community activities, including serving as the Chairperson of the Crown Prince Akihito Scholarship Foundation, a Director of the Japan-America Society of Hawaii, a Trustee and President of Maunalani Foundation Nursing Center, and a Member of the Distribution Committee of the Frear Eleemosynary Trust. He indicated to your Committee that he is committed to serving the Land Use Commission to the best of his abilities and is looking forward to assisting in and balancing the various issues that come before the Commission. Mr. Hamamoto's wealth of real estate knowledge and professional experience will prove to be an invaluable asset for the Land Use Commission.

Testimony in support of Vladimir Paul Devens' nomination was submitted by the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the State of Hawaii Organization of Police Officers (SHOPO); the Hawaii Fire Fighters Association; and forty-eight individuals.

Mr. Devens received his Bachelor of Arts in Economics and graduated magna cum laude, Phi Beta Kappa from the University of California at Berkeley. He also received his Doctorate of Jurisprudence from the University of California Boalt Hall School of Law where he was the Associate Editor of the Industrial Relations Law Journal. He is currently a Partner at Winer Meheula and Devens, LLP, where he practices in the areas of labor relations, personal injury, products liability, worker's compensation, construction, commercial and insurance litigation, and alternative dispute resolution. He previously served as an Associate at Ikazaki, Devens, Lo, Youth and Nakano and was also a Police Officer with the Honolulu Police Department where he was nominated for Officer of the Year. He is a member of the Hawaii State Bar Association, the American Bar Association, an Arbitrator of the Court Annexed Arbitration Program, and an AYSO Soccer, KAC Baseball, and Girls Softball Coach.

Mr. Devens indicated to your Committee that although his practice of law does not focus on land use, he does possess the knowledge and desire to learn more about land use. He believes that it is good practice to allow parties from each side of an issue an opportunity to be heard in order for the Commission to have a solid and broad understanding of the issue at hand. Furthermore, he believes in balancing the many facets of land use, including sensitivity towards Native Hawaiian rights and the protection of agricultural land pursuant to the State Constitution. Mr. Devens's demonstrated commitment, academic achievements, and professional background will prove to be an invaluable asset for the Land Use Commission.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, 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. 1878 Energy and Environment on H.C.R. No. 127

The purpose of this measure is to promote effective, long-term management of Hawaii's natural resources by urging the Governor to proclaim the last week in July of each year as "Conservation Week."

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the University of Hawaii at Manoa Sustainability Council, the Hawaii Conservation Alliance, the Hawaii Audubon Society, and one individual.

Your Committee finds that for the past fifteen years, the Hawaii Conservation Conference and many local, national, and international leaders, scientists, and conservation managers have convened during the last week in July to discuss the most current and vital conservation issues affecting Hawaii and the Pacific region. Proclaiming the last week in July as "Conservation Week" will help to increase public awareness and involvement in preserving Hawaii's extremely limited and fragile environment.

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. 127, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Kokubun, Trimble).

SCRep. 1879 Energy and Environment on H.C.R. No. 265

The purpose of this measure is to recognize the Papahānaumokuākea Marine National Monument for its natural, cultural, and historic heritage by supporting the nomination and designation of this Northwestern Hawaiian Islands Marine National Monument as a World Heritage Site.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and the Hawaii Audubon Society.

Your Committee finds that the Papahānaumokuākea Marine National Monument possesses outstanding universal value and fulfills the requirements set forth in the World Heritage Convention for designation as a mixed natural and cultural World Heritage Site. International recognition and preservation of this vast, isolated archipelago is vital in the global campaign to preserve biodiversity.

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. 265, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Kokubun, Trimble).

SCRep. 1880 Energy and Environment on H.C.R. No. 58

The purpose of this measure is to protect the water quality, ocean resources, and marine environment in Hawaii by requesting all branches of the United States government to prohibit dumping of vessel sewage in federal waters in the vicinity of the Hawaiian Islands Humpback Whale National Marine Sanctuary.

Your Committee received testimony in support of this measure from the Whaleman Foundation, the Whalesong Project, the Cetacea Defence Organisation, Snorkel Bob's Hawaii, and twenty-three individuals. The Department of Land and Natural Resources submitted testimony in support of the intent of this measure with comments.

Your Committee finds that the federal Environmental Protection Agency has the authority to designate the waters within the boundaries of the Hawaiian Islands Humpback Whale National Marine Sanctuary as a No-Discharge Zone for vessel sewage. Recognizing the harsh and irreversible impact that raw sewage dumping has on the marine environment, the state of Florida had the federal Environmental Protection Agency designate the state waters within the Florida Keys National Marine Sanctuary as a No-Discharge Zone pursuant to 312(f)(4)(A) of the Clean Water Act, which protects special aquatic habitats or species.

Your Committee further finds that Hawaii's unique ocean resources and special aquatic habitats and species need to be protected from vessel sewage dumping that is contaminating state waters.

Your Committee amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, 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 concurs with the intent and purpose of H.C.R. No. 58, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 58, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Kokubun, Trimble).

SCRep. 1881 (Joint) Human Services and Public Housing and Transportation and International Affairs on H.C.R. No. 129

The purpose of this measure is to request the U.S. Congress to enact H.R. 4465, the Global Democracy Promotion Act.

Prior to conducting a public hearing on this measure, your Committees circulated a proposed S.D. 1, to request the Center for Pacific Island Studies to convene and lead a task force to identify and address the needs of Pacific Islanders in Hawai'i.

Your Committees received testimony in support of the amended measure from the Center for Pacific Island Studies and the Department of Anthropology of the University of Hawai'i System, and two individuals.

Your Committees believe that there is a need to identify and address the needs of Pacific Islanders in Hawai'i.

The Center for Pacific Island Studies within the School of Hawaiian, Asian, and Pacific Studies at the University of Hawai'i at Manoa is the only congressionally-recognized national resource center for the study of the Pacific Islands. The Center for Pacific Island Studies, with its forty-two core and affiliate faculty members, possesses unparalleled expertise in the field of Pacific Island studies. The Center for Pacific Island Studies serves the Pacific region and its people through its commitment to the dynamic, active, and constructive exchange of knowledge on the Pacific Islands. Consequently, your Committees believe that the Center for Pacific Island Studies is the appropriate choice to convene and lead a task force to identify and address the needs of Pacific Islanders in Hawai'i. The task force would report its findings and recommendations to the 2008 Legislature.

Pursuant to the foregoing, your Committees have amended the title and the substance of this measure to reflect the amendments contained in the proposed S.D. 1.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 129, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 129, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 8. Noes, none. Excused, 3 (Sakamoto, Taniguchi, Hemmings).

SCRep. 1882 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 418 and 522

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF HAWAII

G.M. No. 418 DUTCHIE K. SAFFREY, for a term to expire 6-30-2011; and

G.M. No. 522 CYNTHIA S.H. NAZARA, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Dutchie K. Saffrey and Cynthia S.H. Nazara to have the necessary qualifications to be nominated to the Island Burial Council, Island of Hawaii.

Testimony in support of Dutchie K. Saffrey's nomination was submitted by the Department of Land and Natural Resources, Hui Kako'o `Aina Ho'opulapula, and two individuals. Hui Malama I Na Kupuna O Hawaii Nei submitted testimony in opposition to Ms. Saffrey's nomination.

Ms. Saffrey is a graduate of Kamehameha Schools and attended the Southern California School of Floral Design. For ten years, she served as United States Senator Hiram L. Fong, Sr.'s Secretary and Receptionist in Washington D.C. while the Senate was in session and in Honolulu during adjournments. She arranged all formal functions for Senator and Mrs. Fong. She later became a Sales Manager at Makaha Resort and Country Club and then the Princeville Resort before becoming a self-employed floral designer and hula instructor in Waianae for Ho'i Mai Malihini. She currently serves as a Hui Kako'o `Aina Ho'opulapula Board Director representing the Island of Hawaii and is an advocate for the rights of the twenty thousand waitlisted Hawaiian Homestead applicants.

Ms. Saffrey was appointed to serve on the Island Burial Council, Island of Hawaii in 2004, and had been nominated for a second term to serve as the Puna District representative on the Council. She has an exemplary background in Hawaiian culture with knowledge that was learned from respected kupuna. Her familial ties to the Island of Hawaii come from her paternal grandfather, Reverend Samuel Kapukauakahi, and her maternal grandmother, Annie Kanamu Ka'aemoku. Ms. Saffrey's demonstrated commitment and extensive Native Hawaiian knowledge and cultural background makes her an invaluable asset to the Island Burial Council, Island of Hawaii.

Testimony in support of Cynthia S.H. Nazara's nomination was submitted by the Department of Land and Natural Resources.

Ms. Nazara is a graduate of McKinley High School and received her Bachelor of Science in Marketing and Management Leadership from Leeward Community College. She is currently the Cultural Resource Manager at the Four Seasons Hualalai Resort in Kailua-Kona, Hawaii, where she works with a management team in the development plan to build, manage the growth of, and implement all programs established for a cultural center. She provides outstanding service to the residents, resort guests, and visiting schools on Hawaiian culture, and works with several community associations to bring in a binding awareness of the Hualalai Resort. She is a Board Member of the Kona Historical Society, an appointed Advisory Commissioner for Kaloko-Honokohau National Park, a member of the Kona Hawaiian Civic Club, and a member of the Daughters of Hawaii.

Ms. Nazara has been nominated for a second term to serve as the Kona District representative on the Council. She has an exemplary background in Hawaiian culture and comes from a Hawaiian family well known for their weaving skills. As the Cultural Manager for the Four Seasons Hualalai Resort, she had the tremendous responsibility of caring for burial and historical sites, and she has worked closely with cultural experts and archaeologists in identifying and protecting cultural sites. Ms. Nazara's demonstrated commitment and extensive Native Hawaiian knowledge and cultural background makes her an invaluable asset to the Island Burial Council, Island of Hawaii.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, 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 (Fukunaga, Hee).

SCRep. 1883 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 420 and 523

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF KAUA'I AND NI'HAU

G.M. No. 420 BARBARA JEAN SAY, for a term to expire 6-30-2011; and

G.M. No. 523 LEIANA P. ROBINSON, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements by the nominees, and finds Barbara Jean Say and Leiana P. Robinson to have the necessary qualifications to be nominated to the Island Burial Council, Islands of Kaua'i and Ni'ihau.

Testimony in support of Barbara Jean Say's nomination was submitted by the Department of Land and Natural Resources and Hui Malama I Na Kupuna O Hawaii Nei.

Ms. Say is retired and has been nominated to serve a second term on the Island Burial Council as the Hanalei District representative. She has lived in Hanalei for most of her life, and as a kanaka maoli, she is very familiar with the Hawaiian cultural practices of the district of Hanalei. Furthermore, she was involved in caring for the kupuna iwi long before the burials program was established. Ms. Say's demonstrated commitment to care for the iwi and wealth of knowledge and experience in Hawaiian culture makes her an invaluable asset to the Island Burial Council, Islands of Kaua'i and Ni'ihau.

Testimony in support of Leiana P. Robinson's nomination was submitted by the Department of Land and Natural Resources.

Ms. Robinson was born in Puuwai, Ni'ihau, and is a graduate of Kamehameha Schools. She is currently employed at Ni'ihau Ranch, LLC, but has previously worked at Ni'ihau Helicopters, Inc.; Ni'ihau Island Community; Ni'ihau Aloha, LLC; and Ni'ihau Island School. She is an active member of the Ni'ihau Island Church. She has been nominated to serve a second term on the Island Burial Council as Ni'ihau's regional representative. Her demonstrated commitment and interest in the activities of the Council and her extensive knowledge of the Ni'ihau culture makes Ms. Robinson an invaluable asset to the Island Burial Council, Islands of Kaua'i and Ni'ihau for a second term.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, 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 (Fukunaga, Hee).

SCRep. 1884 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 422 and 473

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF MAUI AND LANAI

G.M. No. 422 CLOTHILDA PUALANI PAOA, for a term to expire 6-30-2011; and

G.M. No. 473 LYNNE HISAE TAKIGUCHI, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Clothilda Pualani Paoa and Lynne Hisae Takiguchi to have the necessary qualifications to be nominated to the Island Burial Council, Islands of Maui and Lanai.

Testimony in support of Clothilda Pualani Paoa's nomination was submitted by the Department of Land and Natural Resources.

Ms. Paoa is a graduate of Farrington High School. Upon graduation, she served three years in the United States Air Force and later attended the University of Hawaii at Manoa. She and her husband later moved to Maui and established a brokerage firm to provide personalized services to clients interested in securing condominium, home, or land contracts. She later moved to Lanai where she has resided for the last several years. She is very involved in the Hawaiian culture and currently serves as a Kupuna Resource Teacher at the Lanai Elementary School to pass to the next generation her knowledge of the Hawaiian culture.

Ms. Paoa has been serving as the Lanai District representative on the Council for the last two years, and during that time, she has gained the respect and admiration of her fellow council members. Her demonstrated commitment and knowledge of the Hawaiian culture makes her a valuable asset to the Island Burial Council, Islands of Maui and Lanai.

Testimony in support of Lynne Hisae Takiguchi's nomination was submitted by the Department of Land and Natural Resources.

Ms. Takiguchi graduated from Baldwin High School in Wailuku, Maui and received her Associate in Arts degree in Hotel Operations from Maui Community College. She is currently an Administrative Assistant for Dowling Company, a real estate development company in Wailuku. Prior to her employment at Dowling Company, she worked at several hotels in Maui, including the Four Seasons Resort Maui, the Maui Prince Hotel, and the Grand Hyatt Wailea in Human Resource Management and Administration. She serves as the Chairperson of the Registration Committee for Baldwin High School Project Graduation and is a proud Baldwin High School Soccer Team Parent. She has also participated in the Habitat for Humanity Build-A-Thon and the American Cancer Society Relay for Life.

Ms. Takiguchi has been nominated to serve as the developer representative on the Council. Her strong professional experience in the hotel industry and experience and insights gained through her employment at Dowling Company will provide her the necessary tools to be a valuable asset to the Island Burial Council, Islands of Maui and Lanai.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, 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 (Fukunaga, Hee).

SCRep. 1885 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 702

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLAND OF OAHU

G.M. No. 702 CY M. BRIDGES, for a term to expire 6-30-2011

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Cy M. Bridges to have the necessary qualifications to be nominated to the Island Burial Council, Island of Oahu.

Testimony in support of Cy M. Bridges' nomination was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, and seven individuals.

Mr. Bridges is a graduate of Kahuku High School and attended Church College of Hawaii (now Brigham Young University of Hawaii) and Leeward Community College. He currently serves as the Cultural Director of the Polynesian Cultural Center in Laie where he oversees all aspects of the cultural presentations throughout the Center, and has been with the Polynesian Cultural Center since 1969. Mr. Bridges serves as the President of the Native Hawaiian Hospitality Association, as a Cultural Consultant for the Innovative Development Group, and is a member of the Lanihuli Hawaiian Civic Club. Additionally, he serves on the Ko'olauloa Neighborhood Board, the Hau'ula Community Association, and the Ko'olauloa Vision Team.

Mr. Bridges has been nominated to serve a second term on the Council as the regional representative for the Ko'olauloa District. During his first term with the Council, he was instrumental in wrapping, preparing, and re-interring a large number of iwi from Kualoa to Turtle Bay and in other areas of Oahu. He received an invitation from the Bernice Pauahi Bishop Museum to coordinate the protocol, preparation, and transferring of the iwi kupuna of Aotearoa at the Museum to the staff members of the Te Papa Museum in Tongarewa, Wellington, New Zealand.

Furthermore, he has represented Hawaii at numerous cultural conferences, workshops, seminars, and arts festivals around the world. Most recently, he was a judge at one of Hawaii's most prestigious cultural events, the Merrie Monarch Festival.

Mr. Bridges has been involved with Hawaiian culture and traditions throughout his life and is committed to assisting, teaching, and serving the community. His extensive knowledge of and experience in burial issues, vast knowledge of family genealogical ties, and cultural expertise makes Mr. Bridges an invaluable cultural resource for the Island Burial Council, Island of Oahu.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, 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. 1886 Economic Development and Taxation on Gov. Msg. No. 572

Recommending that the Senate advise and consent to the nomination of the following:

STATE FOUNDATION ON CULTURE AND THE ARTS COMMISSION

G.M. No. 572 SANDRA AU FONG, for a term to expire 6-30-2011

Upon review of the testimony and statement submitted by the nominee, your Committee finds that Sandra Au Fong has the necessary character, experience, and qualifications to serve on the State Foundation on Culture and the Arts Commission.

Your Committee received testimony in support of Sandra Au Fong from the State Foundation on Culture and the Arts Commission and three individuals.

Sandra Au Fong is Vice President of Leasing and Marketing for Market City Shopping Center, a company she has been associated with for twenty-three years. She has extensive experience in marketing, property management, property negotiations and acquisitions and real estate. In 2002, Mrs. Fong was recognized as a YWCA of Oahu Leader Luncheon Honoree and by the Organization of Women Leaders as the "Outstanding Woman of the Year". In addition to her professional experience, Mrs. Fong has served as a member of a wide range of community organizations and has been instrumental in raising hundreds of thousands of dollars for these organizations.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee, after full consideration of the background, 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. 1887 Economic Development and Taxation on Gov. Msg. Nos. 616 and 617

Recommending that the Senate advise and consent to the nominations of the following:

KING KAMEHAMEHA CELEBRATION COMMISSION

G.M. No. 616 ELAINE NICKIE HINES, for a term to expire 6-30-2011; and

G.M. No. 617 JENNIFER L. VIERNES, for a term to expire 6-30-2011

Upon review of the testimonies and statements submitted by the nominees, your Committee finds that Elaine Nickie Hines and Jennifer L. Viernes have the necessary character, experience, and qualifications to serve on the King Kamehameha Celebration Commission.

Your Committee received testimony in support of Elaine Nickie Hines from the Department of Accounting and General Services, the Waimanalo Hawaiian Homes Commission, God's Country Waimanalo, and one individual.

Elaine Nickie Hines is an active member of the Kamehameha Schools Kupuna Resource Program and a singer with the Royal Hawaiian Band. Prior to her retirement in 2000, Mrs. Hines had an extensive and varied career ranging from the hospitality industry to jail matron to governor's receptionist. She has been a musician since the 1940s and has performed with many of Hawaii's best known entertainers. Mrs. Hines represents the Waimanalo Homesteaders' Association and is a reappointment to the Commission, where she has served as Commissioner in charge of the annual parade for two years.

Your Committee received testimony in support of Jennifer L. Viernes from the Department of Accounting and General Services and one individual.

Jennifer L. Viernes is a receptionist at Hawaiian Tel Federal Credit Union, a position she has held for fifteen years. She is originally from Maui and attended Kapiolani Community College after graduating from Farrington High School. She places great value on the work of the Commission in perpetuating the legacy of King Kamehameha through the activities of the Commission and their impact on residents and visitor alike. Ms. Viernes represents Hale O Na Alii O Hawaii Ahahui Poo and is a reappointment to the Commission, where she has played an active role in the annual celebration.

As affirmed by the records of votes of the members of your Committee on Economic Development and Taxation that are attached to this report, your Committee, after full consideration of the background, 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. 1888 Economic Development and Taxation on Gov. Msg. No. 643

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

G.M. No. 643 JASON C.K. IKAIKA HAUANIO, for a term to expire 6-30-2010

Upon review of the testimony and statement submitted by the nominee, your Committee finds that Jason C.K. Ikaika Hauanio has the necessary character, experience, and qualifications to serve on the Board of Directors of the Natural Energy Laboratory of Hawai'i Authority.

Your Committee received testimony in support of Jason C.K. Ikaika Hauanio from the Department of Business, Economic Development and Tourism; the Natural Energy Laboratory of Hawai'i Authority (NELHA); and the Chairman of the NELHA Board.

Jason C.K. Ikaika Hauanio is Assistant Vice President and Senior Financial Advisor with Merrill Lynch, a company he has been associated with since 1996. He currently specializes in financial planning with retirees and small business owners, helping clients manage over \$118,000,000 in assets. Mr. Hauanio has a Bachelor of Arts and a Masters in Business Administration from the University of Hawaii and holds insurance and financial certifications and registrations. He is active in a number of business and community organizations, including the Kona-Kohala Chamber of Commerce and the Rotary Club of Kona-Mauka.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee, after full consideration of the background, 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. 1889 Economic Development and Taxation on Gov. Msg. No. 658

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 4TH TAXATION DISTRICT (KAUAI)

G.M. No. 658 JOSE RICARDO DA SILVA DIOGO, for a term to expire 6-30-2009

Upon review of the testimony and statement submitted by the nominee, your Committee finds that Jose Ricardo da Silva Diogo has the necessary character, experience, and qualifications to serve on the Board of Taxation Review, 4th Taxation District (Kauai).

Your Committee received testimony in support of Jose Ricardo da Silva Diogo from the Department of Taxation.

Jose Ricardo da Silva Diogo is the Owner and President of Diogo Appraisal Services, Inc., and has been a State Licensed Appraiser since 1993. Mr. Diogo has an Associate in Arts degree from Kauai Community College, attended the University of Hawaii at Manoa, and has an extensive and impressive list of continuing appraisal education. His appraisal coverage area is the Island of Kauai, and he is approved by nearly a dozen local and national lenders. Mr. Diogo is actively involved in professional and community organizations, and he has previously served on the Board of Taxation Review.

As affirmed by the records of votes of the members of your Committee on Economic Development and Taxation that are attached to this report, your Committee, after full consideration of the background, 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. 1890 Intergovernmental and Military Affairs on H.C.R. No. 190

The purpose of this measure is to request that the United States Congress and the United States President enact legislation relating to Filipino family reunification granting priority issuance of visas to Filipino veterans' children with approved immigration petitions.

Your Committee received testimony in support of this measure from WW II Fil-Am Veterans; United Filipino Council of Hawaii; Asian American Network for Cancer Awareness, Research and Training; Philippine Nurses Association; Nursing Advocates & Mentors, Inc.; Oahu Filipino Community Council; Congress of Visayan Organizations; Filipino Coalition for Solidarity; National Federation of Filipino American Associations; and one individual.

It is the intent of your Committee to recognize the sacrifice and service of Filipino veterans for their contributions to the United States during World War II, by urging the United States Congress and the President of the United States, to grant priority issuance of visas to Filipino veterans' children with approved immigration petitions.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 190, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, none. Excused, 1 (Tsutsui).

SCRep. 1891 (Majority) Water, Land, Agriculture and Hawaiian Affairs on H.C.R. No. 82

The purpose of this measure is to proclaim April 30 of every year as "Hawaiian Restoration Day," a day to recognize the historical and educational contributions of President Grover Cleveland's work for Hawaii and his advocacy and support of Queen Lili'uokalani.

Testimony in support of this measure was submitted by the Christian Voice of Hawaii, the Dr. Martin Luther King, Jr. Coalition-Hawaii, the Pacific Justice and Reconciliation Center, and two individuals. One individual submitted testimony in opposition.

Your Committee finds that the overthrow of the Hawaiian Kingdom in 1893 was a tragic moment in Hawaii's history. President Grover Cleveland was known as a man of integrity and a personal friend of Queen Lili'uokalani who tried to take substantive action against the overthrow of the Hawaiian Monarchy and support the restoration of the Queen as Head of the State of the Kingdom of Hawaii. Proclaiming April 30 of every year as "Hawaiian Restoration Day" will recognize the valiant efforts of President Cleveland and pay tribute to his friendship with and support of Queen Lili'uokalani.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 82, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 2. Noes, 1 (Slom). Excused, 2 (Fukunaga, Hee).

SCRep. 1892 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Energy and Environment on H.C.R. No. 231

The purpose of this measure is to protect the State's environment and agricultural industry from the detrimental effects of invasive species entering Hawaii by requesting Hawaii's Congressional delegation to introduce and support federal legislation to address concerns regarding the inspection of plants and products imported to Hawaii from foreign countries.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Department of Agriculture, the Hawaii Agriculture Research Center, the Hawaii Crop Improvement Association, the Hawaii Forest Industry Association, and the Nature Conservancy.

Your Committees find that federal law prohibits Hawaii from controlling, eradicating, or preventing a plant pest from entering the State from any foreign origin. The United States Department of Agriculture's risk-based analysis only targets specific "actionable" pests of national concern, but fails to consider those that are of critical importance to Hawaii and does not address the broad spectrum of pests, which may be hitchhiking on the commodity or packing material imported to the State. Unless federal policies recognize the State's uniqueness and provide substantial protection, Hawaii is left vulnerable to having additional quarantines placed on Hawaii's agricultural products to protect the mainland and other Pacific Island regions, countries, or territories. Requesting Hawaii's Congressional delegation to introduce and support legislation that addresses concerns regarding the inspection of plants and products imported to Hawaii from foreign countries will further aid in the prevention of invasive species and prevent the detrimental effects an invasive species outbreak can have on the State's economy, environment, and quality of life.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Energy and Environment that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 231, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 4 (Fukunaga, Hee, Ihara, Trimble).

SCRep. 1893 (Joint) Energy and Environment and Water, Land, Agriculture and Hawaiian Affairs on H.C.R. No. 84

The purpose of this measure is to:

- (1) Assert the State of Hawaii's endorsement of the Earth Charter as part of a framework for sustainable planning and development; and
- (2) Urge the Governor, mayors, county councils, and the Hawaii 2050 Sustainability Task Force to adopt and utilize the Earth Charter as part of a framework for sustainable planning.

Testimony in support of this measure was submitted by the United Nations Association of the United States of America, Hawaii Division; the Hawaii Conservation Alliance; the Dr. Martin Luther King, Jr. Coalition-Hawaii; and one individual. One individual submitted testimony in opposition.

Before officially adopting the Earth Charter, your Committees request further opportunity to study the Charter and determine whether its provisions are applicable and appropriate for Hawaii to adopt and use as a framework for sustainable planning and development. Furthermore, your Committees believe that the Hawaii 2050 Sustainability Task Force is already using an appropriate framework to establish the Hawaii 2050 Sustainability Plan.

Thus, your Committees have amended this measure by deleting its title and contents and replacing it with language from H.C.R. No. 199, H.D. 1, which requests the Department of Land and Natural Resources to report to the Legislature on existing marine protected areas. The report is to include:

- (1) An inventory of all marine protected areas in the State where fishing is restricted;
- (2) The stated objectives or goals for each marine protected area;
- (3) A description of the management strategy, baseline data, and controls used in the establishment of each of the current marine protected areas;
- (4) A description of the monitoring, control, and enforcement programs implemented by the respective divisions in support of each marine protected area;
- (5) A descriptive evaluation and summary analysis of the effectiveness of each marine protected area in:
 - (A) Achieving the stated management objectives or goals; and
 - (B) Fulfilling the monitoring, control, and enforcement programs; and
- (6) A summary of public comments and responses on the draft report to the Legislature, to be collected following public meeting in each county.

Your Committees have further amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 84, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 84, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 3 (Fukunaga, Hee, Ihara).

SCRep. 1894 Water, Land, Agriculture and Hawaiian Affairs on H.C.R. No. 170

The purpose of this measure is to ensure the longevity and viability of the livestock industry in Hawaii by requesting the Department of Agriculture to convene a task force to develop long-term solutions to effectively protect the livestock industry.

Specifically, this measure requests that the Department of Agriculture establish a task force to:

- (1) Examine the current policies, procedures, and operations of livestock farms in Hawaii;

- (2) Explore and identify best practices and any other available options to develop long-term solutions to effectively protect the livestock industry in Hawaii; and
- (3) Establish findings, and identify and recommend solutions to issues involving satisfying livestock feed requirements.

Testimony in support of this measure was submitted by the Department of Agriculture; the College of Tropical Agriculture and Human Resources, University of Hawaii; the Hawaii Farm Bureau Federation; the Hawaii Teamsters and Allied Workers Local 996; the Hawaii Egg Producers Association Cooperative; Horizon Lines, LLC; and one individual.

Your Committee finds that the cost of feeding livestock in Hawaii is significantly higher than on the mainland and this higher cost threatens local livestock producers with closure. Hawaii relies heavily on overseas shipping for a majority of its food and products for food production; thus, if local livestock producers go out of business, the State will become even more dependent on imported foods and will lose the option of buying perishable goods, such as beef, milk, eggs, poultry, and pork, at their freshest. Your Committee recognizes that S.B. No. 1307 and H.B. No. 1221, introduced during the 2007 Regular Session, both establish a livestock revitalization program. However, the measures will only provide a short-term solution to one of the many issues that the livestock industry in Hawaii faces. Thus, your Committee believes that the establishment of a task force to develop long-term solutions will assist in ensuring the longevity and viability of the Hawaii's livestock industry.

Your Committee has amended this measure by:

- (1) Adding an additional stakeholder to the task force by including members representing the various sectors of Hawaii's transportation industry to gain a broader perspective and more appropriately address the transportation concerns of livestock feed; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 170, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 170, S.D. 1.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hee).

SCRep. 1895 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Economic Development and Taxation on H.C.R. No. 292

The purpose of this measure is to pay tribute to the various historic, cultural, and unique sites in the Nuuanu-Liliha area by recognizing the Nuuanu-Liliha Corridor as the Nuuanu-Liliha Historic Corridor.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, a Representative from the Hawaii State House of Representatives, the Historic Hawaii Foundation, and the Hawai'i Capitol Cultural District.

Your Committees find that there are many historic and cultural sites located within the Nuuanu-Liliha district. These historic sites date from the early days of the Hawaiian Monarchy, to the inflow of immigrants to Chinatown, to the building of many of today's well-known religious institutions. Historic corridors are geographic areas containing buildings, sites, objects, and vistas of natural, historic, geographic, or architectural significance and are associated with persons or events important to understanding the history and culture of area. Recognizing the Nuuanu-Liliha Corridor as a historic corridor will properly pay tribute to the various historic, cultural, and unique sites in the Nuuanu-Liliha area.

Your Committees have amended this measure by:

- (1) Deleting the term "designates" to avoid confusion with an official designation on the State or National Register of Historic Places;
- (2) Clarifying that the recognition is non-regulatory in nature and is for the purposes of fostering civic pride, encouraging good stewardship, and marketing the area's resources to its residents and visitors; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Economic Development and Taxation that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 292, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 292, S.D. 1.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 2 (English, Hee).

SCRep. 1896 Judiciary and Labor on Gov. Msg. No. 267

Recommending that the Senate advise and consent to the nomination of the following:

ATTORNEY GENERAL OF THE STATE OF HAWAII

G.M. No. 267 MARK J. BENNETT, for a term to expire 12-6-2010

Upon review of the resume, written statement of the nominee, and testimony, your Committee finds that the nominee 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 a partner at McCarriston Miho Miller Mukai MacKinnon, LLP, and previously served as Assistant United States District Attorney in Hawai'i 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 Hawai'i, and an Adjunct Professor of Law at the William S. Richardson School of Law. The nominee has served as the Attorney General for the State of Hawai'i for the last four years.

Your Committee received testimony in support of the nominee from United States District Court Judges Samuel King and David Ezra, United States Senator Daniel Akaka, United States Representative Neil Abercrombie, the Prosecutor's Office of Honolulu, Hawai'i, Maui, and Kaua'i, State of Hawai'i Organization of Police Officers, Hawai'i Government Employees Association, the United Public Workers, the Honolulu Police Department, the Hawai'i County Police Department, Maui County Police Department, The Hawai'i Family Forum, the Sex Abuse Treatment Center, the Hawai'i Medical Association, the Office of Hawaiian Affairs, the Native Hawaiian Bar Association, the Hawai'i State Bar Association, the State Department of Public Safety, the Department of Hawaiian Homes Lands, the Department of Transportation, the Department

of Human Resources, the Department of Education, the Catholic Diocese of Honolulu, and approximately one hundred forty individuals most of whom are lawyers.

Your Committee notes that the testimony in support of the nominee credited him with implementing Megan's Law, passed by the Legislature and the nominee's support and implementation of policies relating to sex offenders, sexual and spousal abusers and his governance of an office of over 700 employees. Furthermore, your Committee received numerous testimonies praising the nominee for his intellect and his ability to simplify complex legal cases quickly and act upon them immediately.

SUBSTITUTE TEACHERS

Your Committee received testimony in opposition to the nominee from approximately eighty individuals, most of whom are substitute teachers who view the nominee as the reason they are owed approximately sixty-five million dollars by their account. The substitute teachers noted that their case has been appealed by the Office of the Attorney General after they prevailed at the Circuit Court before Judge Karen Ahn.

CHILD SUPPORT ENFORCEMENT AGENCY

Your Committee had several concerns about the nominee. Your Committee finds that the Child Support Enforcement Agency is administered by the Attorney General's Office. In 2005, the Office of the Attorney General failed to collect more than \$500 million in delinquency payments for Hawaii's children. Hawaii ranked last in the nation in collecting those delinquent payments. Your Committee finds that the delinquency payments presently exceed \$584 million and Hawaii continues to be ranked last in the nation, behind Puerto Rico, the Virgin Islands and Guam.

Your Committee notes that the nominee indicated that for the population size the State of Hawaii is "ranked where it ought to be". Respectfully, your Committee is disappointed in the response and disagrees. Your Committee believes that Hawaii should exceed any and all measurements regardless of population size or ranking because the 500 million dollars in arrearages severely impacts custodial parents and hampers the well being of the family unit of the parents and children in a state where the cost of living is in the top five in the United States. Your Committee further notes that in 1988 the Legislature authorized automatic paycheck wage deductions because it was concerned about child support payments not being made by the non-custodial parent.

POLITICAL CAMPAIGN ACTIVITIES

Your Committee finds that Chapter 28 of the Hawaii Revised Statutes delineates the authority of the Office of the Attorney General. Although the nominee could not state what section gave him authority to actively and personally campaign against a constitutional amendment passed by the Legislature regarding the mandatory retirement age for judges, the nominee indicated that he was educating the public on the criminal justice system. Your Committee notes that judges' mandatory retirement age does not relate to the criminal justice system because there are judges who are not within the criminal justice system. In addition, your Committee is concerned that there exists an appearance that the nominee's action in personally opposing the constitutional amendment was inappropriate and partisan.

CONFLICTS OF INTEREST

Your Committee finds that as the chief law enforcement and legal officer of the State, the Attorney General must remain nonpartisan. The Attorney General must be free from politics and enforce the laws regardless of political affiliations. Your Committee is concerned about the Attorney General's involvement in the confirmation hearing of Mr. Peter Young for the Chairperson of the Board of Land and Natural Resources (and who acts as the Director of the Department of Land and Natural Resources). Although the nominee's office is presently conducting a criminal investigation of that Department, with Mr. Young being involved as a witness or otherwise, the nominee has submitted written testimony in support of the reconfirmation of Mr. Young. This outright and written endorsement of Mr. Young casts concerns as to whether the criminal investigation presently conducted by the Office of the Attorney General is being or would be impartially done.

PROFESSIONAL STANDARDS OF CONDUCT

Moreover, your Committee finds that the obligation of all lawyers is to maintain the highest standards of ethical conduct. Public confidence in law and lawyers must not be eroded by irresponsible and improper conduct of a lawyer. It has been noted in the past and continues to hold true today that when explicit ethical guidance does not exist, a lawyer should determine his conduct by acting in a manner that promotes public confidence in the integrity, efficacy and efficiency of the legal system and the legal profession. A consequent obligation of lawyers to maintain the highest standards of ethical conduct. Your Committee finds that a lawyer should strive to avoid not only professional impropriety, but as important, also the appearance of impropriety.

APPEARANCE OF IMPROPRIETY

Although Hawaii does not have a nepotism law, the nominee must set a higher standard as the state's chief legal officer. Your committee is concerned that the fact that the nominee's wife works for the nominee casts at minimum the appearance of impropriety regardless that she predated his appointment as the Attorney General. Your Committee notes that since the public hearing was held on April 21, 2007, it has received inquiries regarding the working relationship between the nominee and his wife relating to the appearance of impropriety, the ethical concerns and the potential erosion of public confidence notwithstanding the absence of a Hawaii nepotism statute. Furthermore, your Committee notes that this is not the first time this issue has been brought before the State Senate.

Your Committee finds that it is necessary that these concerns be expressed so the nominee is aware of public inquiries made to the Senate Committee on Judiciary and Labor. Your Committee finds that it is essential that the chief law enforcement officer of the State be nonpartisan, objective and beyond reproach and avoid even the mere appearance of impropriety in dealing with the public, the Hawaii State Legislature, and the Judiciary.

Finally, your Committee notes that because nepotism is an important issue it has proposed in House Bill 1909 SD1 legislation governing legislators. If passed as proposed, spouses of legislators would not be allowed to lobby the legislature or work in their office. The legislative proposal is patterned after the Executive White House standards employed by the United States President and is intended to send a strong signal that the Legislature is concerned about even the appearance of impropriety involving spouses.

HAWAIIAN ISSUES

Your Committee received testimonies in support of the nominee from the Hawaiian Bar Association, the Office of Hawaiian Affairs, and the Department of Hawaiian Home Lands. It wishes to note that in both cases the testimony reflected strong support for the nominee because of his

unrelenting support for Native Hawaiian issues and people. Your Committee is aware that the long-standing settlement discussion with the Office of Hawaiian Affairs (OHA) for past due legal entitlements is still pending after over a decade of on again, off again negotiations between OHA and the Office of the Attorney General on behalf of the State of Hawai'i. Furthermore, your Committee is aware that the Attorney General exercised his prerogative to file an interlocutory appeal after a circuit court found that the plaintiffs had standing to sue in the case regarding a class action lawsuit, *Kalima et al. v. State of Hawaii, et. al.*, Civ. No. 99-4771-12. Moreover, your Committee finds that on June 30, 2006, the Hawai'i Supreme Court ruled for the plaintiffs and remanded the case back to the Circuit Court. Respectfully, your Committee does not agree that the Attorney General has "always supported Hawaiians" or "has won every case for the Department of Hawaiian Home Lands."

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, 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. 1897 (Majority) Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 276

Recommending that the Senate not advise and consent to the nomination of the following:

CHAIRPERSON OF THE BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 276 PETER T. YOUNG, for a term to expire 12-31-2010

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, Peter T. Young, in consideration of his nomination for the position of Chairperson of the Board of Land and Natural Resources.

INTRODUCTION

In its efforts to maintain a fair, balanced, open, and duly noticed confirmation hearing, your Committee followed a strict and planned agenda, which included the subpoenaing of witnesses, the issuance of subpoena duces tecum to compel the production of specific documents and other items, the opportunity for open testimony, and the opportunity for Mr. Young to provide a statement and testimony before your Committee. Copies of submitted written testimony were also made available to the public for inspection. Furthermore, written testimony was accepted by your Committee throughout the course of the hearing.

The advise and consent process is a constitutionally mandated responsibility that your Committee does not take lightly. Your Committee undertook its responsibility seriously, especially as this process involves the confirming of an individual who will be appointed as the steward of the State's natural resources so that these resources will be preserved and sustained in perpetuity for the benefit of future generations.

There were several concerns that were expressed to your Committee with respect to the qualifications and performance of the nominee during his tenure as the Chairperson of the Board of Land and Natural Resources. The extent of these concerns involved actions and non-actions, accountability, management, communication, and employee morale within the Department of Land and Natural Resources.

Due to a current and ongoing criminal investigation by the Department of the Attorney General and an ethics investigation by the State Ethics Commission, your Committee was requested by the Attorney General and the Executive Director and General Counsel of the State Ethics Commission to convene an executive session to hear testimony from certain subpoenaed witnesses in order to protect and preserve the confidentiality of the ongoing investigations. Although it was the intent of your Committee to maintain an open hearing, your Committee respected the confidential nature of and did not want to jeopardize these investigations. Thus, your Committee, after due consideration, granted the Attorney General's and Executive Director's requests for an executive session. Your Committee emphasizes, however, that redacted transcripts of the executive session will be made available to the public after review from the Attorney General and the Executive Director. Your Committee clarifies that Mr. Young is not the target of the criminal or ethics investigations, but also notes that these investigations were initiated by employees of the Department of Land and Natural Resources, and only formally requested by the Chairperson.

Your Committee emphasizes that ample opportunity was provided for the public to testify, which many individuals took by appearing before your Committee. However, due to time constraints, your Committee needed to close open testimony to also allow ample opportunity for those witnesses that had been subpoenaed to appear before them. It is important to note that although the opportunity for open testimony ended, your Committee still accepted written testimony throughout the course of the hearing.

TESTIMONY

Testimony in support of Mr. Young's nomination was submitted by individuals representing the following government entities: Executive Chambers; the Department of Land and Natural Resources, including the Division of Aquatic Resources, the Commission on Water Resource Management, and the State Historic Preservation Division; the Department of Defense; the Department of Budget and Finance; the Department of Transportation; the Department of the Attorney General; the Hawaii Housing Finance and Development Corporation, Department of Business, Economic Development, and Tourism; the Hawaii Film Office, Department of Business, Economic Development, and Tourism; the Office of Planning, Department of Business, Economic Development, and Tourism; the Agribusiness Development Corporation; the Hawai'i Tourism Authority; the Hawaii Community Development Authority; the Office of Hawaiian Affairs; the Kaho'olawe Island Reserve Commission; the Mayor, County of Hawaii; the Managing Director, County of Hawaii; a Councilmember, City and County of Honolulu; and a Council Member, Maui County.

Testimony in support of Mr. Young's nomination was submitted by individuals representing the following businesses or organizations: the Nature Conservancy; the Trust for Public Land; Snorkel Bob's Hawaii; Title Guaranty of Hawaii, Ltd.; the Waimea Preservation Association; the Ko'olau Foundation; Hui Ho'omalulu i ka 'Aina; Hālaui Kū Māna; the West Hawai'i Fisheries Council; the Hawai'i Racing Association; the Windward Ahupua'a Alliance; 'Ahahui Mālama I Ka Lōkahi; the Hawaii Cattlemen's Council, Inc.; the Kikiaola Land Company; the Hawaii Agriculture Research Center; the Sierra Club, Hawaii Chapter; Kokua Kalihī Valley; the Maui Invasive Species Committee; the Oceanic Institute; the Kalepa Coalition; the East Kauai Water Users' Cooperative; Save Our Seas; the Hawaii Science & Technology Council; the Hawai'i Hotel & Lodging Association; the Kaua'i Visitors Bureau; Mālama Maunaloa; the Conservation Council of Hawai'i; the Historic Hawai'i Foundation; the Activities & Attractions Association of Hawaii; the Sierra Club, Maui Group; UPC Hawaii Wind Partners; the Sugar Cove Association of Apartment Owners; the Ocean Tourism Coalition; the Hawaii Forest Industry Association; the Hawaii Audubon Society; Castle and Cooke Hawaii; the Community Conservation Network; the 'Ilio'ulokalani Coalition; EarthJustice; the Lalamilo Farm Lots Association; the Limahuli

Garden and Preserve of the National Tropical Botanical Garden; the Hawaii Farm Bureau Federation; the Hawaii Aquaculture Association; the Western Pacific Regional Fishery Management Council; the Kona Blue Water Farms; Syngenta Seed, Inc.; Jack's Diving Locker; the Defend Oahu Coalition; the Ka'u Agricultural Water Cooperative District; the Kailua Hawaiian Civic Club; the Ko'olaupoko Hawaiian Civic Club; the Native Hawaiian Hospitality Association; the La'au Ali'i of Moku O Kona of the Royal Order of Kamehameha I; and KAHEA: The Hawaiian-Environmental Alliance.

Testimony in support of Mr. Young's nomination was submitted by four hundred seventy-nine individuals and a petition in support with over one thousand signatures

Testimony in opposition to Mr. Young's nomination was submitted by individuals representing the following businesses or organizations: Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the Island Shorecasters; the Keehi Boat Club; the Atlapac Fishing Club; the Waialua Boat Club; the Hawaii Kai Boat Club; the Kakaako Kasting Club; the Society for Hawaiian Archeology; the Ka'u Preservation; the Hawaii Boaters Political Action Association; and Animal Rights Hawai'i. Thirty-three individuals submitted testimony in opposition to Mr. Young's nomination. Comments were submitted by three individuals.

Ten subpoenaed individuals testified in opposition to Mr. Young's nomination. Two subpoenaed persons provided records.

PETER T. YOUNG – BACKGROUND

Mr. Young is a graduate of Hawaii Preparatory Academy and received his Bachelor of Business Administration degree in Real Estate from the University of Hawaii at Manoa. Prior to his appointment as Chairperson of the Board of Land and Natural Resources, he was the Deputy Managing Director for the County of Hawaii. From his station in Kona, he assisted in the supervision of the administrative functions of agencies, departments, and boards and commissions in Hawaii County with particular emphasis on services in West Hawaii. He also has extensive professional experience in real estate services, including appraisal, market analysis, consulting, arbitration, land use planning, project management, and feasibility studies.

Mr. Young has been active in a long list of professional organizations, community organizations, and boards or commissions, including the Natural Energy Laboratory of Hawaii Authority; the American Red Cross, Hawaii State Chapter; the Hawaii Island United Way, the Hawaii Association of Realtors; the Ironman Triathlon; and the Waimea Community Association, to name a few. He has also taught business courses at the University of Hawaii at Manoa as a lecturer, and at Parker High School in science and business math where he also served as the Boys and Girls Soccer Coach and Boys Baseball Coach.

Mr. Young was appointed as the Chairperson of the Board of Land and Natural Resources in 2003. He indicated to your Committee that, due to the enormous amount of duties and areas that the Department of Land and Natural Resources (Department) is responsible for, his learning curve was steep and sometimes arduous. He needed to make the transition from a county deputy, which is a position he considers a messenger role, to the head of a state department, which is a position he considers an implementation role. After his first two years as Chairperson, various environmental organizations and concerned individuals called for his resignation, which resulted in a turning point for Mr. Young. He indicated to your Committee that he learned he needed to inform and better work with the public and to not make assumptions that the public knew what the Department was doing. He also recognized that the Department needed to work together as a team, rather than separate entities under an administrative umbrella.

With respect to informing the public, Mr. Young made greater strides in providing more forums and opportunities for the public to participate in the issues that the Department was handling, such as land acquisitions or sales, environmental initiatives, coastal and ocean resource management plans, and preservation efforts. He also committed himself to being personally available and visible to the public by attending meetings, and speaking with and contacting various interested individuals and organizations. With respect to team building within the Department, Mr. Young instituted weekly staff meetings with Department administrators, department weekly updates that are posted on the Department's intranet and internet, "Brown Bag in the Boardroom with the Boss," monthly Department Neighbor Island Leadership Meetings, and multi-divisional task forces to tackle broader issues the Department is responsible to handle.

PETER T. YOUNG - ACCOMPLISHMENTS

Of the many accomplishments that Mr. Young cited during his tenure at the Department, your Committee notes the following four accomplishments. First, President Bush recently designated the Northwest Hawaiian Islands as a marine national monument, the Papahānaumokuākea Marine National Monument, which will be co-managed by the State of Hawaii and the United States Departments of Commerce and Interior by using an ecosystem-based approach to conserve, protect, and enhance the biodiversity, ecological integrity, and cultural legacy of the Northwest Hawaiian Islands. Your Committee recognizes and appreciates the great importance and precedence this national designation has for Hawaii. Your Committee notes that many individuals who submitted testimony cited the designation as a reason for their support of Mr. Young; however, it is a query for your Committee whether their support is for the nominee or for the federal designation.

Second, Mr. Young cites as an accomplishment during his tenure, the creation of the Hawaii Invasive Species Council in 2003 under chapter 194, Hawaii Revised Statutes. The Council supports an integrated, multi-year program targeted to prevent invasive species from entering Hawaii, to respond and control invasive species already in Hawaii, and to promote further research and public outreach. The creation of the Legacy Land Conservation Commission in 2006 under chapter 173A, Hawaii Revised Statutes, is also cited as an accomplishment. Although both commissions are important steps in protecting and preserving Hawaii's environment and lands, your Committee notes that both are legislative initiatives.

Third, Mr. Young cites as an accomplishment his efforts in initiating further openness, team building, and discussion within the various divisions of the Department, including weekly staff meetings with Department administrators, department weekly updates, "Brown Bag in the Boardroom with the Boss," monthly Department Neighbor Island Leadership Meetings, and multi-divisional task forces. Your Committee encourages further openness within the Department, but is concerned that these opportunities are not open to all employees of the Department. Testimony indicated that some meetings are only open to employees who hold supervisory administrative positions, and opportunities to meet with the Chairperson during weekly brown bag meetings are thwarted by time constraints, cancellations, and the amount of people in attendance.

Finally, Mr. Young cites as an accomplishment the recent enactment of the lay gillnet rules to prevent overfishing and protect fish populations in Hawaii waters. Your Committee notes that these rules are still a source of controversy and are not widely accepted among fishers due to its infringement on their lifestyle, livelihood, and cultural practices.

YOUR COMMITTEE'S OVERALL CONCERNS

During the course of the five-day hearing at which ample opportunity for public input and engagement was provided, and an opportunity for Mr. Young to speak and answer questions, your Committee, after due consideration, has overall concerns with respect to Mr. Young's performance and qualifications during his tenure as Chairperson of the Board of Land and Natural Resources. Your Committee emphasizes that, although the individuals appointed as Chairperson will change over the years, the enormous responsibility of protecting and preserving Hawaii's lands, waters, and resources continues, and it is vital for the right individual to engage department staff to carry out these duties to sustain Hawaii's natural resources for the benefit of future generations.

Your Committee recognizes the overwhelming testimony in support of Mr. Young's nomination from government agencies, businesses and organizations, and individuals. Testimony indicated that, although his first two years as Chairperson were controversial, the last two years of his term have displayed a positive and significant turn around. Various organizations testified that Mr. Young was more approachable, visible, accessible, interested, and determined to develop solutions.

Although your Committee recognizes and notes Mr. Young's improved public outreach and public perception, your Committee is concerned with his performance during his tenure within the Department. It is of great importance that your Committee must take all factors into account in making their determination and must also consider the Chairperson's management and leadership of the Department. Although his public perception has improved, there are problems within the Department, which requires his attention, improvement, and change. Testimony in opposition indicated to your Committee personnel issues, management conflicts, fiscal problems, and the lack of leadership. These problems are very troubling to your Committee, because an ineffective and poorly operated Department has tremendous, potentially adverse consequences on the public, future generations, and on the State's natural resources.

Your Committee was particularly troubled with Mr. Young's response to questions regarding his leadership style and ability to fulfill his responsibilities as Chairperson. Thus, your Committee has the following overall concerns regarding Mr. Young's performance as Chairperson during the last four years: (1) lack of accountability; (2) mismanagement; and (3) the lack of self-initiative to address problems and prevent future problems from occurring. These overall concerns are exemplified within the Department through personnel issues, the Division of Boating and Ocean Recreation (DOBOR), the State Historic Preservation Division (SHPD), the Kaloko Dam tragedy, and the Bureau of Conveyances (BOC).

1. Personnel Issues

The Hawaii Government Employees Association (HGEA) submitted testimony in opposition indicating the low employee morale and ineffective program performance within the Department. HGEA attributed the poor employee morale to Mr. Young's frequent micromanaging of the professional staff of the Department, which prevented them from offering advice for which they were hired, and is counterproductive in properly managing the complex programs of the Department. Furthermore, HGEA cites the adversarial position the Department takes in labor relations matters, which is indicated by a large number of grievances filed during the Chairperson's tenure. HGEA is aware of and understands that there were preexisting personnel issues when Mr. Young was appointed in 2003, but finds that he has had an ample opportunity to correct these problems and create a workplace environment that will prevent future adverse morale issues.

Your Committee is particularly concerned about the prohibitive practice complaints that were filed with the Hawaii Labor Relations Board during Mr. Young's tenure. Testimony indicated that an attempt was made to merge the fiscal office of the Division of Boating and Ocean Recreation with the main fiscal office of the Department without prior union consultation. Testimony also indicated that an attempt was made to merge the Land Court and regular system branches together at the Bureau of Conveyances without prior and proper union consultation. Furthermore, your Committee is gravely concerned about the establishment of the Office of Conservation and Coastal Lands, because testimony and records indicate that the Office was established without legislative approval or approval by the Board of Land and Natural Resources.

2. Division of Boating and Ocean Recreation (DOBOR)

Your Committee is concerned with the situation and controversy that has arisen with respect to the use of the Boating Special Fund under section 200-8, Hawaii Revised Statutes, to pay for the hiring of additional Division of Conservation and Resource Enforcement (DOCARE) officers. The moneys in the Special Fund are intended to be used to support boating programs and the repair and maintenance of boating facilities. However, testimony indicated to your Committee that, in fact, a number of these additional DOCARE positions supported by the Special Fund were still vacant, which created a "ghost employee" situation due to double-billing of officer services. Thus, your Committee is concerned whether the transfer of these funds is an appropriate use of the Boating Special Fund. Mr. Young and the Director of Finance informed your Committee that the use of the Special Fund to pay for additional DOCARE officers is a proper use and is consistent with the Special Fund's legislative intent. However, this concern remains unresolved, which indicates to your Committee a lack of communication between the Chairperson and those who work for DOBOR and a lack of final resolution to the matter.

Testimony indicated that DOBOR experienced a loss in federal grants totaling \$600,000 in law enforcement reimbursement funds from the Federal Recreation Boating Safety Grant because DOBOR could not present proper documentation as prescribed by the United States Coast Guard Recreational Boating Safety program. There was a lack of appropriate enforcement documentation and the 2006 state management audit of the Division of Conservation and Resource Enforcement found that DOCARE could not properly account for their on-the-water law enforcement activity. This lack of accountability resulted in DOBOR not receiving federal reimbursement funds, which the program depends on for its operations and maintenance.

Finally, testimony indicated that the concerns of boaters were not taken in account, especially with respect to harbor improvements and the privatization of small boat harbors. Small boat harbors are currently in desperate need of repairs, but with limited funding, these improvements have not occurred. Furthermore, the feasibility of privatizing the small boat harbors has been discussed by the Department, which is a source of great concern for the boaters. Although boaters have voiced their opposition to the idea, despite this opposition, Mr. Young commented that Hawaii is one of the few states in which the State operates and controls small boat harbors and that the Department is still looking into the feasibility of privatizing these harbors. Your Committee is concerned that the Chairperson is failing to consider the opinions and views of those who are most affected by this type of study, and this failure exemplifies a lack of responsibility.

3. State Historic Preservation Division (SHPD)

Your Committee notes that the State Historic Preservation Division is a source of great concern due to the high rate of employee turnover, large number of vacant positions, and the lack of strong leadership and management of and within the Division. SHPD is responsible for preserving and protecting Hawaii's most precious historical and cultural remnants of the past, and your Committee is concerned that mismanagement and limited resources will lead to the loss of these precious vestiges.

Your Committee was especially concerned with Mr. Young's qualifications as the State Historic Preservation Officer. Mr. Young currently serves in this role because the position has remained vacant for several years. Under section 6E-5, Hawaii Revised Statutes, the State Historic Preservation Officer must possess professional competence and experience in the field of historic preservation. When asked by your Committee on his qualifications and experience in historic preservation, Mr. Young responded that he was qualified due to his four years as Chairperson. He further indicated that when he took office in 2003, a determination was made that he was qualified to hold that position, but he could not recall who requested for, who made, or when this determination occurred. Your Committee is concerned about the ramifications an unqualified State Historic Preservation Officer may have for SHPD.

Testimony indicated severely low employee morale as evidenced by a high turn-over rate. Within the past two years, nineteen out of twenty-seven employees have left SHPD. Former SHPD employees commented that the workload was overwhelming, and their resources and working conditions were extremely limited. Furthermore, they complained about abusive treatment from the Administrator, filed grievances with the union, and felt underappreciated and ignored. Although some SHPD employees made attempts to contact Mr. Young about the conditions of their work environment, they felt that there were no attempts made to rectify or address the problems; thus resulting in many leaving the division. Your Committee believes that the Chairperson's lack of leadership, unexplainable reliance on the capabilities of SHPD's Administrator, and lack of taking responsibility to ensure a proper and healthy work environment for the SHPD employees has left the division understaffed and behind in work.

Finally, your Committee is tremendously concerned with SHPD's handling of the Kii Cave discovery and the Kaloko Heights project. A former SHPD archeologist testified that she determined that the inadvertent discovery of Kii Cave, although considered a non-burial site, was very rare, very sacred, and very special. Despite her professional determination and request that a mitigation plan be developed and Native Hawaiian groups be consulted in order to protect this sacred find, her findings and advice were undermined by the SHPD Administrator and she was instead reprimanded for her handling of the site. Thus, Kii Cave was left unprotected because it was not considered a burial site. When your Committee asked Mr. Young about Kii Cave, he admitted that he did not know much about it, except for what was printed in the newspapers.

Furthermore, with respect to the Kaloko Heights project, the lead archeologist and the head archeologist refused to sign the grading permits because all mitigation plans were not completed and approved. They indicated that, due to their refusal to sign, the permit was signed by the SHPD Administrator without all of the appropriate communications being made or proper plans being set in place. When your Committee questioned Mr. Young about the Kaloko Heights project, he cited reasons of vacancies at the division and the pressure to get the grading work done.

4. Dam Safety

Your Committee is very concerned with regard to the Department's lack of attention in maintaining inspections of Hawaii's dams. State law requires that dams be inspected every five years. Under Mr. Young's tenure, this has not occurred. For example, Kaloko Dam was not inspected during the Chairperson's tenure. In October 23, 2005, the *Honolulu Advertiser* quoted the State's only dam safety engineer commenting, "We've been very fortunate we haven't had any major dam failures here." Unfortunately, it took the tragedy of the dam bursting and lives being lost for change to occur.

Furthermore, your Committee notes the Department's lack of attention and responsibility in ensuring the safety of Hawaii's dams. Despite claims by the Department that resources were limited to fulfill inspection requirements, testimony indicated that instead, resources were not fully used or requested by the Department and Chairperson. This is an indication that dam safety, which has significant public safety ramifications, was not provided its deserved attention by the Department, especially when only one engineer was assigned to dam safety and inspections.

5. Bureau of Conveyances (BOC)

Your Committee recognizes that the Bureau of Conveyances has had longstanding problems prior to Mr. Young's appointment in 2003, but is concerned that these problems remain unresolved or have increased during the course of his tenure. Your Committee emphasizes the great importance of the BOC because it is the repository of information relating to title to land upon which homes and businesses are situated. If the information in this repository is compromised, it could result in potentially enormous legal and economic problems for the public. Thus, your Committee believes that utmost care and attention is necessary to ensure that the BOC is working at its most optimal level.

Your Committee is particularly concerned with the low employee morale within the BOC. Testimony indicated numerous grievances filed by BOC employees because these employees felt that their concerns and opinions were dismissed by their immediate supervisors. Employees testified that they attempted to contact Mr. Young to discuss their concerns, but found that the forums and opportunities provided for them were limited or ineffective. Although contact was finally established with Mr. Young, there has been no evidence of any effective changes being made, despite Mr. Young's assurances that he would look into the matter.

When your Committee asked Mr. Young about the BOC employees' concerns, he responded that their concerns were taken into consideration and it was one of the reasons why he instituted daily meetings with the administrators of the BOC so that open discussion can occur, and he expressed his desire to implement further team building within the division. Your Committee is concerned over the way Mr. Young has chosen to handle this situation. Rather than address the real issue of handling the lack of leadership and management within the BOC, he has instituted the idea of team building, which indicates that Mr. Young views this situation as though the employees, not the administrators, are the problem. Your Committee also notes that more attention was devoted to the BOC after negative reports were published in the *Pacific Business News*.

Your Committee is also greatly concerned with the information sharing that the BOC is involved in with other title companies, and the Department's utter lack of accountability. Mr. Young indicated that BOC information is shared with participating title companies statewide. However, he was unable to show written contract agreements between the BOC and these participating title companies, or show an established fee structure in which these companies are expected to abide by. Furthermore, your Committee questions the absence of current established rules or procedures for information sharing that will provide guidelines and penalties in case of misuse or abuse.

Finally, your Committee is concerned with claims made in submitted testimony that preferential treatment is given by the BOC to certain title companies. This is a cause for great concern because it can lead to abuse and inequality. When your Committee asked Mr. Young about the claims of preferential treatment, he was only aware that there were claims made, but not aware of any actual instances.

CONCLUSION

Your Committee finds that Mr. Young's lack of accountability and mismanagement of the Department of Land and Natural Resources during his tenure as Chairperson has created a high level of disenchantment, low employee morale, fiscal problems, and public safety issues. His lack of

communication with Department employees and his strong reliance on certain administrators who are ineffective conduits of communication or cooperation result in discontent within the Department, and show poor managerial judgment.

Your Committee further finds that there is an established pattern of problems being addressed and effective solutions being developed and implemented only when tragedies, negative press, or public disenchantment is expressed or occurs. Your Committee believes that problems should be proactively addressed and steps should be taken in advance to prevent any future problems or tragedies from occurring.

Although your Committee recognizes Mr. Young's efforts to improve his accessibility to the public and departmental employees over the past two years, given his overall record of weakness in leadership, accountability, and management, your Committee believes that he is not the right individual for the position of Chairperson of the Board of Land and Natural Resources.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee not qualified for the position to which nominated and recommends that the Senate does not advise and consent to the nomination.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, 1 (Slom). Excused, none.

SCRep. 1898 Economic Development and Taxation on Gov. Msg. Nos. 709, 710, 711 and 721

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. 709 ROLAND VILORIA RESURRECCION, for a term to expire 6-30-2011;

G.M. No. 710 ANNE L. SYLVESTER, for a term to expire 6-30-2009;

G.M. No. 711 EDWARD H. W. YOUNG, for a term to expire 6-30-2011; and

G.M. No. 721 GLENN S. YAMADA, for a term to expire 6-30-2011

Upon review of the testimonies and statements submitted by the nominees, your Committee finds that Roland Viloría Resurreccion, Anne L. Sylvester, Edward H. W. Young, and Glenn S. Yamada have the necessary character, experience, and qualifications to serve on the Board of Directors of the Hawai'i Strategic Development Corporation.

Your Committee received testimony in support of Roland Viloría Resurreccion from the Department of Business, Economic Development, and Tourism; Hawai'i Strategic Development Corporation; the Chair of the Maui County Council; the Mayor and the Assistant Fire Chief, Logistics, of the City of Fort Wayne, Indiana; the President of the Wayne County Board of Commissioners; the Public Safety Academy of Northeast Indiana; and Schenkel Shultz Architecture.

Roland Viloría Resurreccion is with the Pacific Asia Design Group, Inc., and has seventeen years working in the architectural field in Indiana. He received dual Bachelor's Degrees in Architecture and Science in Environmental Design from Ball State University and joined an architectural firm in Fort Wayne shortly after graduation. Mr. Resurreccion has extensive experience as a project manager for a wide range of public buildings, from schools and libraries to fire stations, as well as private buildings. He is focusing on the area of "green" technologies and brings an innovative and entrepreneurial approach to his work.

Your Committee received testimony in support of Anne L. Sylvester from the Department of Business, Economic Development, and Tourism; Hawai'i Strategic Development Corporation; A&B Properties, Inc.; and four individuals.

Anne L. Sylvester is an Associate Attorney at Alston Hunt Floyd & Ing and has considerable experience as a commercial litigation attorney. In addition, she is currently pursuing a Master's Degree in Diplomacy & Military Studies and was a Fellow at the Department of Defense Asia Pacific Center. Ms. Sylvester is a graduate of the University of California at Los Angeles and Hastings Law School in San Francisco. She is active in a broad range of professional and community organizations and is a member of the Hawaii, California, and Federal Bar Associations.

Your Committee received testimony in support of Edward H. W. Young from the Department of Business, Economic Development, and Tourism; Hawai'i Strategic Development Corporation; Enterprise Honolulu; Maui Economic Development Board, Inc.; Hawaii Island Economic Development Board; Hawaii Venture Capital Association; Oceanit; and two individuals.

Edward H. W. Young is the Hawaii Technology Development Venture (HTDV) Project Manager for Enterprise Honolulu, and is responsible for providing business services and technical assistance to HTDV grant recipients and other Hawaii-based technology companies. Prior to this, Mr. Young was Assistant Vice President at City Bank for twelve years and Chief Operating Officer for a Hawaii-based retail business for seven years. He holds a Bachelor of Business Administration in Accounting from the University of Hawaii. Mr. Young is active in many professional and community organizations and brings a financial and entrepreneurial background to his reappointment to the Board.

Your Committee received testimony in support of Glenn S. Yamada from the Department of Business, Economic Development, and Tourism; Hawai'i Strategic Development Corporation; Government Affairs Committee of the Honolulu Japanese Chamber of Commerce; and two individuals.

Glenn S. Yamada is Market Manager at the Pearlridge Branch of American Savings Bank and has been a senior administrator with American Savings Bank since 1986. He holds a Bachelor of Business Administration in Finance from the University of Hawaii and has completed numerous personal and leadership development courses. In addition to his business expertise, Mr. Yamada has over thirty years of experience serving in nonprofit organizations as a leader and board member. He is currently an active member in a wide range of professional and community organizations and is a reappointment to the Corporation's Board.

As affirmed by the records of votes of the members of your Committee on Economic Development and Taxation that are attached to this report, your Committee, after full consideration of the background, 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. 1899 Judiciary and Labor on Gov. Msg. No. 317

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TRUSTEES OF THE DEFERRED COMPENSATION PLAN

G.M. No. 317 RYAN S. USHIJIMA, for a term to expire 6-30-2011

Your Committee finds that Ryan S. Ushijima has been involved in the investment industry for the past 15 years, both in the private and public sectors. For 5 years, Mr. Ushijima was a financial and operations principal in a broker-dealer that specialized in underwriting municipal bonds. Mr. Ushijima then served for 7 years as the State of Hawaii's Securities Commissioner. In the last 3 years, Mr. Ushijima has been the Chief Compliance Officer for First Hawaiian Bank's Wealth Management Group and its wholly owned investment adviser subsidiary, Bishop Street Capital Management.

Your Committee received testimony in support of the nominee from the Interim Director of the Department of Human Resources Development, who also serves as the Chairperson of the Deferred Compensation Plan Board of Trustees, and the Director of the Department of Budget and Finance.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, 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 (Inouye, Kokubun).

SCRep. 1900 Judiciary and Labor on Gov. Msg. No. 685

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL RIGHTS COMMISSION

G.M. No. 685 BRYAN P. ANDAYA, for a term to expire 6-30-2011

Your Committee finds that Bryan P. Andaya is currently an attorney with Imanaka Kudo & Fujimoto where he handles cases relating to labor and employment law, business law, and real estate law. He is the President of the United Filipino Counsel of Hawaii and the Corporate Secretary and Member of the Board of Directors of the Filipino Community Center Inc., a 501(c)(3) non-profit organization. In the past, Mr. Andaya has been the Chairman of the Annual Filipino Fiesta and Parade, President, and later Chairman of the Board of the Honolulu Filipino Junior Chamber of Commerce, a member of the Kalihi-Palama Neighborhood Board, and Treasurer of the Filipino Lawyers Association of Hawaii.

Your Committee received testimony in support of Mr. Andaya from the Hawaii Civil Rights Commission, the Department of Labor and Industrial Relations, the Filipino Coalition for Solidarity, and 17 individuals.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, 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. 1901 Judiciary and Labor on Gov. Msg. No. 686

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL RIGHTS COMMISSION

G.M. No. 686 MARK G. VALENCIA, for a term to expire 6-30-2009

Your Committee finds that Mark G. Valencia graduated from the University of Hawaii-West Oahu in 1993 and obtained a J.D. from Southern Methodist University School of Law in Dallas. Following graduation he went on to clerk for Judge Walter Kirimitsu in the Hawaii Intermediate Court of Appeals ("ICA"). From 1997-2004, Mr. Valencia practiced law as an attorney with Damon Key Leong Kupchak Hastert. From 2004-2005 he served as a policy analyst for the Office of the Governor. Currently, Mr. Valencia is an adjunct professor at Hawaii Pacific University as well as an attorney with Case Lombardi & Pettit.

Your Committee received testimony in support of the nominee from ICA Chief Judge Mark Recktenwald, retired Judge Sandra Simms, retired Judge Walter Kirimitsu, the Department of Labor and Industrial Relations, 7 attorneys, and 5 individuals.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, 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 (Kokubun, Nishihara).

SCRep. 1902 Judiciary and Labor on Gov. Msg. Nos. 664 and 665

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON THE STATUS OF WOMEN

G.M. No. 664 WENDY M. F. LOH, for a term to expire 6-30-2011.; and

G.M. No. 665 ANNA M. MAYEDA, for a term to expire 6-30-2011

Your Committee finds that Wendy M. F. Loh is the owner of Kona Paradise Candies. She also currently serves on the boards for the American Heart Association, the Organization of Chinese Americans, the River of Life Mission, the Jackie Chan Foundation, Miss Hawaii Development, and Miss Hawaii USA. She is also the Vice President for the Pacific Gateway Center and has volunteered with the Food Bank and the Charlie Wedemeyer Foundation.

Your Committee finds that Anna M. Mayeda attended the University of Hawaii where she received a Bachelor's in Education in 1970 and a Master's in Education in 1971. Ms. Mayeda has served as the President of the Seabury Hall Parent Organization, an Event Planner for Maui Community College, the Development Chair for the Maui Academy of Performing Arts, and a Maui co-chair for the Mother's March of Dimes. She has volunteered with numerous other organizations and was awarded the State of Hawaii First Lady's Outstanding Volunteer award in 1994 and the Outstanding Young Woman of America award in 1985. Since 2002, Ms. Mayeda has worked for the American Cancer Society and is currently the Program Director for the Maui, Molokai, and Lanai office.

Although your Committee did not receive any testimony in support of either of the nominees, your Committee finds that Ms. Loh and Ms. Mayeda have the skills and knowledge necessary to effectively serve on the Commission on the Status of Women.

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, 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 Wendy H. F. Loh: Ayes, 3. Noes, none. Excused, 2 (Kokubun, Nishihara).

Signed by the Chair on behalf of the Committee. Record of Votes for Anna M. Mayeda: Ayes, 5. Noes, none. Excused, none.

SCRep. 1903 Judiciary and Labor on Gov. Msg. No. 707

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLAND OF OAHU

G.M. No. 707 VICTORIA A. FRANCO, for a term to expire 6-30-2011

Your Committee received testimony in support of Victoria A. Franco from 20 individuals.

Ms. Franco was born and raised here in Hawaii and worked for Lucent Technologies for 21 years. For the last four years, Ms. Franco has been a Deputy Voter Registrar. She has also been the Site Coordinator for the Goodwill VITA Tax Clinic for the past two years.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, 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. 1904 Judiciary and Labor on Jud. Com. No. 3

Recommending that the Senate consent to the nomination of the following:

DISTRICT COURT OF THE THIRD CIRCUIT

LLOYD VAN DE CAR

Upon review of the resume, application for judicial office, testimony, and the nominee's submissions, your Committee finds that the nominee graduated from Kamehameha Schools and received his Bachelor of Arts Degree from the University of Hawaii. The nominee received his Juris Doctor Degree from the William S. Richardson School of Law. The nominee was in the second class of graduates, which included many others who distinguished themselves in Hawaii's legal and political fields, from that school. The nominee clerked in the Hawaii Supreme Court and then went to work in the Public Defenders Office. Later, the nominee worked for Legal Aid Society of Hawaii for fifteen years before going to private practice for eight years. The nominee then went back into public service working at the Attorney General's Office in the Family Law Division in Hilo.

Your Committee received and reviewed information from the Office of the Disciplinary Counsel of three complaints on the nominee that were all investigated and dismissed.

Your Committee received testimony in support of the nominee from seventeen individuals, six of whom were attorneys. Your Committee also received testimony in opposition to the nominee from six individuals.

Your Committee heard concerns about the temperament of the nominee from those who opposed the nomination. The fact that the concerns were raised by employees of the Family Court in Hilo was troublesome to your Committee. Your Committee checked with judges who also noted the temperament issue. In reference to the nominee's temperament, your Committee points to one of the testimonies:

"I clearly remember Mr. Van De Car pointing his extended finger so close to one of my witness's face that I saw this witness become more verbally defensive and offensive than I ever seen him become... My other witness, a female professor, also felt unduly badgered by Mr. Van De Car, who, as she saw it, approached her with a street-level confrontational style rather than a manner better suited to Family Court decorum."

Your Committee is also concerned that the nominee may not be able to hear many of the cases in Family Court because of a conflict where his former office would be involved. This may have an impact on the caseload backlog in the court.

However, your Committee is aware of the nominee's years of public service representing the poor and disadvantaged and his candidness in his recognition of the temperament concerns and that his future conduct as a judge will be closely observed. Your Committee also finds that the Judiciary will need to address any conflict issues administratively.

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, 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, 0. Noes, none. Excused, none.

SCRep. 1905 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 672

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

G.M. No. 672 LAWRENCE M. REIFURTH, for a term to expire 12-6-2010

Upon reviewing the personal history provided by the nominee, Lawrence M. Reifurth, your Committee finds that Mr. Reifurth is currently the Deputy Director of the Department of Commerce and Consumer Affairs (DCCA), a position he has held since January 2003. As the Deputy Director, Mr. Reifurth assists the Director in overseeing the operation of the 375-employee department that is responsible for administrative hearings, business registration, consumer advocacy, consumer protection, professional and vocational licensing, regulated industry complaints, regulation of cable television, financial services, and the insurance and securities industries. Mr. Reifurth is also responsible for overseeing the fiscal, budget, personnel, and administrative services function of the DCCA. Mr. Reifurth's primary responsibility with the DCCA is coordinating and implementing the department's legislative efforts and creating the departmental legislative process manual.

Prior to being named the Deputy Director of the DCCA, Mr. Reifurth was an attorney with the law firm of Oshima Chun Fong & Chung, specializing in commercial litigation. During his time with Oshima Chun Fong & Chung, Mr. Reifurth also represented various public utilities, including telecommunication companies and water and wastewater companies.

Mr. Reifurth also served as the State Insurance Commissioner in 1994 and was tasked with regulating the insurance industry in the State and developing state policy on insurance issues.

Mr. Reifurth also worked at the Department of the Attorney General as the Supervising Deputy Attorney General of the Education Unit, as well as serving as a Deputy Attorney General in the Utility Regulation Unit.

Prior to moving to Hawaii, Mr. Reifurth was an associate attorney in California.

Mr. Reifurth is a graduate of Marquette University and received his Masters in Business Administration and his Juris Doctorate from Northwestern University.

Testimony in support of Mr. Reifurth was submitted by the Public Utilities Commission; Hawaii Financial Services Association; Retail Merchants of Hawaii; Hawaiian Electric Company, Inc.; the Building Industry Association of Hawaii; and thirty-one individuals.

Your Committee finds that Mr. Reifurth has played a positive role in the development of the DCCA while serving as the Deputy Director. In addition, his experience working with the DCCA as a deputy attorney general, as the former Insurance Commissioner, and as a counsel to many public utilities while in private practice, will serve him well as the Director of the DCCA.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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 (Ige, Ihara).

SCRep. 1906 Health on Gov. Msg. No. 273

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF THE DEPARTMENT OF HEALTH

G.M. No. 273 CHIYOME L. FUKINO, M.D., for a term to expire 12-6-2010

Upon review of the statements submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the government functions related to health. Your Committee further finds that the nominee has been appointed based upon her credentials, integrity, and a desire to make Hawaii better through her position as Director of Health to which she has been nominated.

Your Committee received testimony supporting the confirmation of Dr. Chiyome L. Fukino from United States Senator Daniel Akaka, the University of Hawaii at Manoa Department of Geriatric Medicine, Hawaii Health Systems Corporation, Hawaii Medical Association, Healthcare Association of Hawaii, American Medical Response, Wahiawa General Hospital, Kahuku Hospital, Leahi Hospital, Kauai Veterans Memorial Hospital, Samuel Mahelona Memorial Hospital, Na Pu'uwai, Hawaii Medical Center, Brigham Young University Hawaii, the Polynesian Cultural Center, Hawaii Reserves, Inc., Ironworkers Union Local 625 Stabilization Fund, Hawaiian Marine Enterprises, Wellness Arts Workshops, Goodwill Industries of Hawaii, AARP Hawaii, Hawaii Long Term Care Association, MDX Hawaii, Catholic Charities Hawaii, Office of Hawaiian Affairs, a State Representative, and twenty-five individuals.

Your Committee finds that Dr. Chiyome Fukino is being reappointed to a second term for the position of Director of Health. Dr. Fukino is a graduate of Kamehameha Schools. She also received a B.A. in Psychology from Brandeis University before returning to Hawaii to attend the University of Hawaii. Dr. Fukino received her M.D. from the University of Hawaii John A. Burns School of Medicine in 1979 and then went on to complete her residency in Internal Medicine at the University of Hawaii Integrated Medical Residency Program.

Dr. Fukino has worked as a physician in Hawaii since 1982 and through her dedication, compassion, professionalism, and understanding of the health care issues that face Hawaii, she has gained the respect and admiration of her colleagues, employees, and patients.

Your Committee finds that Dr. Fukino has proven herself to be an effective leader of one of the most complex executive agencies in the State. As Director of Health, she has been responsible for approximately four thousand employees and a \$1 billion budget. She is a true consensus builder with superb decision making skills and a management style that facilitates solutions.

Dr. Fukino has demonstrated her commitment to improving the morbidity and mortality rates throughout the State and on improving the health status and quality of life of all of Hawaii's population. She has actively addressed issues regarding developmental disabilities, environmental health, rural health, behavioral health, emergency medical services, chronic disease prevention, and workforce shortage issues. She has been instrumental in developing a comprehensive state plan to address critical long term care issues and in establishing the State Certified Nurse Aide (CNA) training program. Since Dr. Fukino began as the Director of Health, twenty-two training programs have been established.

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, 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 (Whalen).

SCRep. 1907 (Joint) Economic Development and Taxation and Tourism and Government Operations on Gov. Msg. No. 269

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM

G.M. No. 269 THEODORE E. LIU, for a term to expire 12-6-2010

Theodore E. Liu has served as Director of Business, Economic Development, and Tourism since 2003, where he is responsible for overseeing the Department of Business, Economic Development, and Tourism (Department) and its seven attached agencies. Prior to this, he was Co-Founder and Partner of PacifiCap Group, LLC from 2000 to 2003, and Managing Director of the Investment Banking Department at Morgan Stanley & Co., Incorporated, from 1996 to 1999. Mr. Liu also spent several years in Beijing, China as Deputy Chief Executive Officer of China International Capital Corporation, in Hong Kong and New York as Senior Associate with Skadden Arps Slate Meagher & Flom, and in Shanghai as Chief Executive Officer with Public International Investments Ltd., First Shanghai Investments Ltd.

Mr. Liu has a J.D. degree from New York University School of Law and a B.G.S degree in Economics and Political Science from the University of Michigan.

Testimony in support of Mr. Liu was received from United States Department of Agriculture Rural Development; U.S. Small Business Administration; Department of Business, Economic Development, and Tourism; and nine of its administrators; Aloha Tower Development Corporation; Hawaii Community Development Authority and the Chairperson of the Authority; Hawaii Housing Finance and Development Corporation and two of its Board members; Hawaii Strategic Development Corporation; three members of the Board of High Technology Development Corporation; Office of Planning; Small Business Regulatory Review Board and a member of the Board; Hawai'i Convention Center; Workforce Development Council; Public Utilities Commission; Department of Transportation; University of Hawai'i System and twenty-nine members of its administration and faculty, and the Office of Hawaiian Affairs.

Testimony in support of the nominee was also received from The Chamber of Commerce of Hawaii; Economic Development Alliance of Hawaii; Enterprise Honolulu; Hawaii Science & Technology Council; HiBEAM; Chinese Chamber of Commerce of Hawaii; Hawaii Chinese Tourism Association; Hawaii Teo Chew Association; Hong Kong Business Association of Hawaii; Government Affairs Committee of the Honolulu Japanese Chamber of Commerce; BIA-Hawaii; Hawai'i Arts Alliance; Hawaii Pacific Export Council; Big Island Fishermen's Association; senior administrators from Chaminade University and Hawaii Pacific University; Catholic Charities Hawai'i; Hawaii Family Forum; Faith Action for Community Equity; Hawaii Global Youth Center; Empower Oahu; Hawai'i Capital Cultural District; and Windward Ahupua'a Alliance.

Supportive testimony was also provided by The Gas Company; Hawaiian Electric Company, Inc.; Hawaii Renewable Energy Alliance; Aloha Petroleum, Ltd.; BlueEarth Biofuels LLC; ClearFuels Technology, Inc.; Energy Industries; HSI Electric; Imperium Renewables Hawaii LLC; Kauai Ethanol LLC; PowerLight Corporation; Puna Geothermal Venture; and Sopyg, Inc.

Additional testimony in support was received from Alexander & Baldwin, Inc.; AIG Hawaii Insurance Company, Inc.; Advantage Capital Partners; AGIS Network; Aloha Island, Inc.; AT Marketing; Avalon Development Company; BAE Systems; Belt Collins Hawaii Ltd.; Bowen Hunsaker Hira Consulting, Inc.; CBL Lending; CMC Consulting Group; CTA Solutions; Castle & Cooke Homes Hawaii, Inc.; Cavanah Associates, Inc.; Cellular Bioengineering, Inc.; Center for Tomorrow's Leaders; Central Pacific Bank; ChipIn, Inc.; City Mill Company, Ltd.; Coldwell Bankers Pacific Properties; DragonBridge Capital Merchant Bank; E Noa Corporation & Waikiki Trolleys; EnviroServices & Training Center, LLC; The Estate of James Campbell; Events International; Ferraro Choi; First Hawaiian Bank; First Insurance Company of Hawaii, Ltd.; Gay & Robinson, Inc.; Global Brain, Inc.; Hamakua Macadamia Nut Company; Hawaii Chinese News; Hawaii Pacific Health; Hawaii Superferry; Hawaiian Airlines; Hawaiian Cement; Hawaiian Dredging; Hawaiian Telcom; Hawaiya Technologies, LLC; Sam O. Hirota, Inc.; Harbor Wing Technologies, Inc.; Ho'ākea Communications; International Finance Group; KUD International; KTA Super Stores; Koa Trading Company; Kolohala Holdings; Kona Brewing Co.; Koyo USA Corp.; L&L Franchise, Inc.; Market City, Limited; NLP Music, Inc.; Oceanic Time Warner Cable; Oceanit; ORMAT Technologies, Inc.; Outrigger Enterprises, Inc.; Panda Group; PacMar Inc.; People Bridge; Quantum Leap Interactive, Inc.; Referentia Systems Incorporated; Roeca, Louie & Hiraoka; SJ Investments, Ltd.; Sanford Murata, Inc.; Sony Hawaii Company; Starwood Hotels & Resorts Worldwide, Inc.; 3Point; TIMCORP International Marketing Co., Ltd.; Thomas J. Mitrano, Inc.; Townsend Capital, LLC; TREX Enterprises; Vantage Counsel LLC; Ventana Capital; Wimberly Allison Tong & Goo; World Journal, and over sixty individuals.

Kipahulu `Ohana and three individuals submitted testimony with reservations or in opposition.

In his statement, Mr. Liu noted that, at his first advice and consent hearing in 2003, he outlined his vision for the Department – “To build a responsive, effective and accountable team with a culture of excellence that provides relevant service, solves problems, facilitates business and provides leadership in innovative ideas that impact a broad sector, all with the objective of promoting broad value creation for and improving the standard of living for Hawaii citizens.”

He stated that he remains committed to that vision through a reorganized Department aligned toward clear strategic goals; greater transparency and accountability; major initiatives, including spearheading the initial focus in 2004 on the State's affordable housing crisis, the Economic Momentum Commission in 2005, the “Energy for Tomorrow” policy and legislation package passed by the Legislature in 2006, and the “Innovation Initiative” in 2007.

Mr. Liu also outlined what he sees as the opportunities and challenges over the next period for Hawaii's economy: bringing about a “soft landing” and sustaining the recent economic growth; evening out the boom-and-bust economic cycles; and creating a more diversified and innovative economy. To meet these economic challenges, the Department is focused on six areas: increasing workforce housing; developing competitive workforce skills; achieving energy sufficiency and security; developing human capital and innovation capacity; increasing exports of goods and services; and improving the business environment.

Members of your Committees had a number of questions for Mr. Liu regarding Department programs and initiatives, including: development plans for Kakaako and Kalaeloa under the Hawaii Community Development Authority; the effectiveness and costs of foreign trade missions; costs, particularly personnel, for the Overseas Offices; funding and expenditures related to the Community Based Economic Development program; expenditures related to the Integrated Development Group (IDG) federal funds; and the status of the U.S. Citizens and Immigration Service related to the EB-5 Immigrant Investors program. Members also questioned Mr. Liu regarding his use of departmental resources, including equipment and staff time, in soliciting letters of support for his confirmation.

Mr. Liu responded both in writing and through further discussion with Committee members on all of the above concerns. He noted that the questions by the Committees have raised a number of issues that he will consider fully in future decisions related to the activities of the Department.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Tourism and Government Operations that are attached to this report, your Committees, after full consideration of the background, 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. Ayes with Reservations, 1 (Kim). Noes, none. Excused, none.

SCRep. 1908 Human Services and Public Housing on Gov. Msg. Nos. 354 and 355

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE COUNCIL ON INDEPENDENT LIVING

G.M. No. 354 WAYNETTE KAM YAU CABRAL, for a term to expire 6-30-2010; and

G.M. No. 355 DARA YUKIKO FUKUHARA, for a term to expire 6-30-2010

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Statewide Council on Independent Living.

Your Committee received testimony in support of WAYNETTE KAM YAU CABRAL, from the Department of Human Services, Family Voices of Hawai'i, the Executive Director of the Statewide Council on Independent Living, and two individuals. Ms. Cabral earned a B.S.W. and an M.S.W. from the University of Hawaii at Manoa. Ms. Cabral has over thirty years of experience in the area of developmental disabilities. She has worked as a Social Work Consultant and as a Program Coordinator with the Special Education Center of Oahu. She has also served as Community and Legislative Liaison and as Program Specialist for the State Council on Developmental Disabilities. She is presently the Executive Administrator of the State Council on Developmental Disabilities. Her professional accolades include the 2004 Professional of the Year Award from the Special Parent Information Network and the 2004 Advocacy Award from the Easter Seals of Hawaii. Ms. Cabral's extensive experience in the area of developmental disabilities make her a great asset to the Statewide Council on Independent Living.

Your Committee received testimony in support of DARA YUKIKO FUKUHARA, from the Department of Human Services, the Executive Director of the Statewide Council on Independent Living, and two individuals. Ms. Fukuhara earned a B.A. in Print Journalism from the University of Hawaii at Manoa. She is the current President of the Statewide Council on Independent Living and is overseeing the State Plan for Independent Living for 2007 to 2010. As an individual with a physical disability, Ms. Fukuhara stated that she is in receipt of some of the State's services and recognizes the needs of a person with a disability. She is also a mentor and advisory board member of Successful Transitions in Diverse Environments Hawai'i, which provides opportunities for select young adults who receive services from Vocational Rehabilitation to move into greater community participation, higher education, and employment. Ms. Fukuhara's personal experiences, as well as her leadership abilities, make her a valuable contributor to the Statewide Council on Independent Living.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee, after full consideration of the background, 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, 1 (Hemmings).

SCRep. 1909 Human Services and Public Housing on Gov. Msg. Nos. 385, 386, 387, 388 and 389

Recommending that the Senate advise and consent to the nominations of the following:

STATE REHABILITATION COUNCIL

G.M. No. 385 LARRY GELLER, for a term to expire 6-30-2010;

G.M. No. 386 JONATHAN J. CHUN, for a term to expire 6-30-2009;

G.M. No. 387 KATIE KEIM, for a term to expire 6-30-2010;

G.M. No. 388 HOWARD ALAN LESSER, for a term to expire 6-30-2010; and

G.M. No. 389 JULIE KAY SMITH, for a term to expire 6-30-2010

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Larry Geller, Jonathan J. Chun, Katie Keim, Howard Alan Lesser, and Julie Kay Smith to have the necessary qualifications to be nominated to the State Rehabilitation Council.

Your Committee received testimony in support of Larry Geller, from the Department of Human Services, the Chair of the State Rehabilitation Council, Kokua Council, Island Skill Gathering, the National Multiple Sclerosis Society, and one individual. Mr. Geller earned a B.S.E.E. with honors from the Polytechnic Institute of Brooklyn and has completed coursework towards an M.A. in Sociology at the University of Hawaii at Manoa. His prior professional experience includes serving as Public Information Coordinator for the Assistive Technology Resource Centers of Hawaii, as Executive Director of the Hawaii Coalition of Health, and as Administrator with The Clinic, Child and Adolescent Resources for Education. Mr. Geller is the current President of the Kokua Council and a recipient of the 2003 Mental Health Association Annual Award and the

2002 Mental Health Association of Maui Annual Award. His considerable knowledge of the problems and needs of seniors and disabled individuals make Mr. Geller a valuable asset to the State Rehabilitation Council.

Your Committee received testimony in support of Jonathan J. Chun, from the Department of Human Services, the Chair of the State Rehabilitation Council, and the Arc of Kauai. Mr. Chun earned a B.A. from the University of Hawaii at Manoa and graduated cum laude with a J.D. from the Gonzaga School of Law. He is presently an attorney with Belles Graham Proudfoot & Wilson. Mr. Chun's prior professional experience includes serving as a State Senator for the Seventh Senatorial District, as First Deputy County Attorney with the Kauai County Office of the County Attorney, and as Deputy Corporation Counsel with the Honolulu Department of the Corporation Counsel. As noted by the Department of Human Services, Mr. Chun provides the State Rehabilitation Council with the consultation and collaboration required with the State Workforce Development Council, and an invaluable perspective of disability needs and issues on Kauai.

Your Committee received testimony in support of Katie Keim, from the Department of Human Services, the Chair of the State Rehabilitation Council, Ho'Opono, the former Commissioner of the Rehabilitation Services Administration in Washington, D.C., the Director of the Iowa Department for the Blind, and one individual. Ms. Keim is presently a vocational rehabilitation instructor and counselor with the State Department of Human Services Division of Vocational Rehabilitation and Services for the Blind. Her prior professional experience includes consulting and teaching in the areas of independent living, vocational rehabilitation, employment programs, and transitional youth programs. She is the State Secretary of the National Federation of the Blind, and a member of the National Rehabilitation Association and the National Counsel of State Administrators for Blind Services. During her first term on the State Rehabilitation Council, Ms. Keim collaborated with other members to strengthen the partnership with Hawaii's Vocational Rehabilitation Services, to meet federal mandates, and to support the creation of quality employment opportunities for Hawaii's disabled population. Ms. Keim's intimate knowledge of both the challenges and possibilities facing individuals with disabilities make her a valuable contributor to the State Rehabilitation Council.

Your Committee received testimony in support of Howard Alan Lesser, from the Department of Human Services, the Chair of the State Rehabilitation Council, and the Hawaii Disability Rights Center. Mr. Lesser earned a B.A. in Psychology from the University of Cincinnati. He is presently a case advocate with the Hawaii Disability Rights Center. His prior professional experience includes serving as Deputy Director of the Hawaii Centers for Independent Living; as Director of Rehabilitation for Goodwill Industries of Honolulu, Inc.; as a case advocate with Protection and Advocacy Agency of Hawaii, Inc.; as a program specialist with the Hawaii State Planning Council on Developmental Disabilities; and as Executive Director of the Autistic Vocational Education Center. Mr. Lesser is a former Chair of the Hawaii State Mental Health Planning and Advisory Council and a former Board Member of the Honolulu Community Action Program. Mr. Lesser's significant experience and commitment to client advocacy provides the State Rehabilitation Council with a heightening understanding of the advocacy issues facing the vocational rehabilitation program.

Your Committee received testimony in support of Julie Kay Smith, from the Department of Human Services, the Chair of the State Rehabilitation Council, and two individuals. Ms. Smith graduated magna cum laude with a B.A. in Elementary Education and Special Education from the University of Northern Iowa. She also earned an M.A.E. in Special Education from the University of Northern Iowa and a Ph.D. in Special Education from the University of Florida. She presently provides professional development consultation to improve the instruction and facilitate inclusive education within the Waianae Coast schools. Her work enables her to focus on supporting a diverse range of learners in general education classrooms, including students with disabilities. Ms. Smith has an extensive background in special education, having taught as an assistant professor with the Department of Special Education at the University of Hawaii at Manoa over the past six years, and with the Department of Special Education at the University of Northern Iowa before that. In addition, she has several publications to her credit and has been invited to lecture numerous times in the area of special education. Ms. Smith is the current Co-chair of the State Rehabilitation Council's Human Resources Subcommittee, which has met monthly to develop and implement plans to provide educational information regarding disability to the public. Ms. Smith's extensive experience as a teacher educator, specifically in the area of special education, makes her a great asset to the State Rehabilitation Council.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee, after full consideration of the background, 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, 1 (Hemmings).

SCRep. 1910 Human Services and Public Housing on Gov. Msg. Nos. 530, 531 and 706

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII PUBLIC HOUSING AUTHORITY (PHA)

G.M. No. 530 R. ERIC HO'OLULUKAMAKANI BEAVER, ESQ., for a term to expire 6-30-2010.;

G.M. No. 531 CLARISSA PUANANI HOSINO, for a term to expire 6-30-2009.; and

G.M. No. 706 KAULANA H.R. PARK, for a term to expire 6-30-2009

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds R. Eric Ho'olulukamakani Beaver, Clarissa Puanani Hosino, and Kaulana H.R. Park to have the necessary qualifications to be nominated to the Board of Directors of the Hawaii'i Public Housing Authority.

Your Committee received testimony in support of R. Eric Ho'olulukamakani Beaver's nomination from the Senior Policy Advisor to the Governor; Department of Health; Department of Human Services; Brigham Young University-Hawaii; two individuals representing Hawaii Reserves, Inc.; Kaua'i Economic Development Board, Inc.; and Rosehill & Associates.

Mr. Beaver received his Juris Doctorate from J. Reuben Clark Law School in Provo, Utah and his Bachelor of Science in Business Management from Brigham Young University-Hawaii. He is the President and Chief Executive Officer of Hawaii Reserves, Inc., for which he also served as Chief of Operations and Assistant General Counsel. He has worked as a research assistant, law clerk, instructor of business courses, and corporate trainer. Mr. Beaver is a member of the Oahu Burial Council and has served three terms on Neighborhood Board No. 28 (Koolauloa). He is the president of the Kahuku Hospital Board and president of Laie Hawaii Stake, Church of Jesus Christ of Later-day Saints. He is a founding member of the Kahuku High School Alumni Board, a member of the Koolauloa Ohana Group, Ko'olauloa Educational Alliance

Corp., and a member of the boards of Na Kamalei and BYU-Hawaii Alumni. Mr. Beaver coaches PAL basketball and is a Scouting Coordinator for the Boy Scouts of America.

Testimony from Mr. Beaver's supporters indicates that as interim director, he has already shown to be dedicated and passionate about housing issues and the current challenges facing the PHA. Therefore, based on his experience and training, your Committee finds Mr. Beaver to be qualified to continue to serve on the PHA Board of Directors as an At-Large/Oahu representative.

Your Committee received testimony in support of Ms. Clarissa Puanani Hosino's nomination from the Senior Policy Advisor to the Governor; two individuals representing the Department of Human Services, Hawaii Public Housing Authority; the State of Hawaii Federal Public Housing and Section 8 Resident Advisory Board; Kaua'i Economic Development Board, Inc.; and eleven individuals.

Ms. Hosino is a resident of the Kalanihuiua federal public housing project and has been a resident of various public housing buildings throughout the State for over thirty-two years. She has served as the president of the Kalanihuiua Resident Association, a member of the Hawaii Public Housing Resident Advisory Board, and a volunteer mentor for school children. Ms. Hosino received her General Education Degree from Konowaena High School at the age of thirty-six, having dropped out of school after the eighth grade. She is the mother of seven, foster-mother of thirteen, and a grandmother/great-grandmother of thirty-eight.

Testimony from her supporters indicates that as an interim director, Ms. Hosino has been a strong voice for the public housing tenants and has demonstrated excellent problem solving skills. Based on her experience and training, your Committee finds Ms. Hosino to be qualified to serve on the PHA Board of Directors as a tenant representative.

Your Committee received testimony in support of Mr. Kaulana H.R. Park's nomination from the Senior Policy Advisor to the Governor; Department of Hawaiian Homelands; Department of Human Service, Hawaii Public Housing Authority; and the Department of Human Resources Development.

Mr. Park is the Executive Assistant to the Chairman/Director of the Department of Hawaiian Homelands. His prior work experience includes positions as a Business Loan Manager and Officer at the Office of Hawaiian Affairs, Branch Manager and Assistant Vice President of Bank of America, Assistant Branch Manager of First Hawaiian Bank and a Business Banking Officer at Wells Fargo Bank. Mr. Park holds a Bachelor of Science in Petroleum Engineering from Stanford University and is a graduate of Kamehameha High School. He is a member of the Board of Directors and a former President of the Native Hawaiian Chamber of Commerce, a Hawaii Advisory Committee member of the U.S. Commission on Civil Rights, and a member of the Board Council of Hope Chapel-Olomania Christian Fellowship. He is a member of the 2003 Class of Pacific Century Fellows and a recipient of the Pacific Business News "40 Under 40" in 2001.

Based on his experience and training, your Committee finds Mr. Park to be qualified to serve on the PHA Board of Directors as an Oahu representative.

As affirmed by the records of votes of the members of your Committee on Human Services and Public Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Hooser, Hemmings).

SCRep. 1911 Human Services and Public Housing on Gov. Msg. Nos. 595, 596, 597, 598, 599, 600, 666, 667 and 668

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON FATHERHOOD

- G.M. No. 595 BARRETT KEOKI AWAI, for a term to expire 6-30-2007;
- G.M. No. 596 BERNARD P. CARVALHO, JR., for a term to expire 6-30-2009;
- G.M. No. 597 MICHAEL R. DIAS, for a term to expire 6-30-2007;
- G.M. No. 598 MYRNA B. MURDOCH, for a term to expire 6-30-2007;
- G.M. No. 599 MARIKA RIPKE, PH.D., for a term to expire 6-30-2009;
- G.M. No. 600 SYLVIA H.L. YUEN, PH.D., for a term to expire 6-30-2009;
- G.M. No. 666 BARRETT KEOKI AWAI, for a term to expire 6-30-2009;
- G.M. No. 667 MICHAEL R. DIAS, for a term to expire 6-30-2009; and
- G.M. No. 668 MYRNA B. MURDOCH, for a term to expire 6-30-2009

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Barrett Keoki Awai; Bernard P. Carvalho, Jr.; Myrna B. Murdoch; Marika Ripke, Ph.D.; Sylvia H.L. Yuen, Ph.D.; and Michael R. Dias to have the necessary qualifications to be nominated to the Commission on Fatherhood.

Your Committee received testimony in support of Mr. Barrett Keoki Awai's nomination from the State Commission on Fatherhood. Mr. Awai earned a Bachelor of Arts in Science from Brigham Young University, an Associate of Arts from Arizona Western College and a High School Diploma from Kamehameha Schools. He is the Youth and Young Adult Director of Kawaihāo Church and the owner and president of I Mua Canoe Club. Mr. Awai was formerly employed by the Big Island Steakhouse. His community service experience includes volunteering for the Special Olympics and various beach and shoreline cleanups.

Mr. Awai has served on the Commission since May 2, 2006. Based on his experience and training, your Committee finds Mr. Awai to be qualified to serve on the Commission on Fatherhood representing Oahu and recommends confirmation for his current term to expire on June 30, 2007, and an additional term to expire in 2009.

Your Committee received testimony in support of Mr. Bernard P. Carvalho, Jr.'s nomination from the State Commission on Fatherhood. Mr. Carvalho's professional experience includes serving as the Recreation Program Development Coordinator, Director of Recreation, and Recreation

Leader II for the County of Kauai Parks and Recreation and a substitute teacher for the Department of Education. He earned a Bachelor of Science in Communication and Public Relations from the University of Hawai'i at Manoa and a High School Diploma from Kapaa High School.

Mr. Carvalho has served on several community boards and committees, including Kamehameha Schools Parent Association of Kauai, of which he was president; Kawaihau District Leadership Coalition; Hale Ho'omaluu; Work Force Investment Youth Council; Hawaii Recreation Parks Association; KaAnuenue Connection/Coalition for a Drug Free Hawaii; Kapaa High School Foundation; and St. Catherine's Church Pastoral Council. Mr. Carvalho received the E Ola Pono Award for Community Service in 2002.

Based on his experience and training, your Committee finds Mr. Carvalho, Jr. to be qualified to serve on the Commission on Fatherhood representing Kauai and recommends confirmation for a term to expire in 2009.

Your Committee received testimony in support of Miss Myrna B. Murdoch's nomination from the State Commission on Fatherhood. Miss Murdoch earned a Master of European Language with honors from the University of Hawaii at Manoa and a Bachelor of Arts with honors from the University of Victoria in Canada. She has been employed as a Legislative Assistant for Senator Suzanne Chun-Oakland, English Tutor for Hawaii Pacific University, Associate Vice President of Dean Witter Morgan Stanley, CEO and Founder of Folies Beargeres, stock broker for E.F. Hutton, and a teacher's assistant. Miss Murdoch has been a presenter on Ho'oponopono and is a published author.

Miss Murdoch community service experience includes serving as president and founder of Children's Rights Council of Hawaii and a trustee of the Honolulu Theater for Youth. She is a board member of the YMCA of Honolulu, State of Hawaii Civil Defense Board, and the Children's Rights Council National Board. Miss Murdoch is also a member of the Child and Family Service Board Guild, Junior League of Honolulu, Punahou School Room Parent and Luke Community Service, Association of Family and Conciliatory Courts, Association of Conflict Resolution, National Association for the Council of Children, and Family Mediation Canada.

Miss Murdoch began her service on the Commission on May 2, 2006. Based on her experience and training, your Committee finds Miss Murdoch to be qualified to serve on the Commission on Fatherhood representing Oahu and recommends confirmation for her current term to expire on June 30, 2007, and an additional term to expire in 2009.

Your Committee received testimony in support of Ms. Marika Ripke's nomination from the State Commission on Fatherhood. Ms. Ripke earned a Doctorate in Human Development and Family Studies and a Master of Arts in Child Development and Family Relationships from the University of Texas at Austin. She earned a Bachelor of Science in Psychology from Texas A & M University, graduating Magna Cum Laude.

Ms. Ripke is the Project Director of Kids Count Hawaii at the University of Hawaii Center on the Family (the Center). Prior to her current position, Ms. Ripke was a Co-Project Coordinator and the Center. She has published and presented numerous pieces relating to child psychology and development. She has received numerous awards and grants for her scholarly work. Some of her community service experiences include serving as a researcher and grant writer for The Father's Connection, a child mentor and tutor for Austin Independent School District, a humanitarian aid delegate to Cuba through MADRE International, and a fundraising volunteer for Pathways Community Counseling.

Ms. Ripke served as secretary of the Commission on Fatherhood from 2004-2007. Based on her experience and training, your Committee finds Ms. Ripke to be qualified to serve on the Commission on Fatherhood as a House of Representatives nominee representing Oahu and recommends confirmation for a term to expire in 2009.

Your Committee received testimony in support of Dr. Sylvia H.L. Yuen's nomination from the State Commission on Fatherhood. Dr. Yuen is the Director of the Center on the Family at the University of Hawaii. She earned a Doctorate in Psychology and a Bachelor of Science in Home Economics Education from the University of Hawaii and a Master of Science in Child Development from the University of Illinois. She has published, edited, and reviewed numerous writings on subjects relating to gerontology, psychology, and child development.

Dr. Yuen has received numerous honors, awards, and grants for her scholarly work and community service. Among the most prestigious awards are several Excellence in Teaching Awards, a 1996 commendation for noteworthy achievements from the Hawaii House of Representatives, her 1995 Presidential Selection and a 1981 Gubernatorial appointment to serve on the White House Conference on Aging, the 1983 Robert W. Clopton Award for distinguished community service, and serving on the Advisory Board to assist the United Nations plan for the 1982 World Assembly on Aging.

Based on her experience and training, your Committee finds Dr. Yuen to be qualified to serve on the Commission on Fatherhood and recommends confirmation for her current term to expire on June 30, 2007, and an additional term to expire in 2009.

Your Committee received testimony in support of Mr. Michael R. Dias nomination from the State Commission on Fatherhood and the Lili'uokalani Trust of the Queen Lili'uokalani Children's Center.

Mr. Dias is an Employment Specialist at ALU LIKE, Inc., Hawai'i Island Center and a part-time instructor for the Na Pua No'eau-Ho'omalamalama Program at the University of Hawaii at Hilo. His prior work experience includes serving as the Father Involvement Specialist at ALU LIKE, Inc., Ho'okahua Early Childhood Development in Honolulu and the Hawai'i Island Representative for ALU LIKE, Inc., in Hilo.

Mr. Dias earned a Bachelor of Science in Social Science and English with a Minor in Hawaiian Studies from the University of Hawaii at Hilo. He is a member of the Hawai'i Coalition for Dads, of which he has served as Co-Chair.

Mr. Dias began his service on the Commission on May 2, 2006. Based on his experience and training, your Committee finds Mr. Dias to be qualified to serve on the Commission on Fatherhood representing the island of Hawaii and recommends confirmation for his current term to expire on June 30, 2007, and an additional term to expire in 2009.

As affirmed by the records of votes of the members of your Committee on Human Services and Public Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Hooser, Hemmings).

SCRep. 1912 Human Services and Public Housing on Gov. Msg. Nos. 611, 612, 613, 614, 700 and 701

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE COUNCIL ON INDEPENDENT LIVING

- G.M. No. 611 LILLIAN GONZALES BROWN, for a term to expire 6-30-2008;
G.M. No. 612 BRIAN KESSLER, for a term to expire 6-30-2009;
G.M. No. 613 SANDRA K. MEEHAN, for a term to expire 6-30-2008;
G.M. No. 614 MARC ANTOINE MORTIMER, for a term to expire 6-30-2009;
G.M. No. 700 LOUISE R. HORIO, for a term to expire 6-30-2008; and
G.M. No. 701 NATHAN E. SAY, for a term to expire 6-30-2010

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Lillian Gonzales Brown, Brian Kessler, Sandra K. Meehan, Marc Antoine Mortimer, Louise R. Horio, and Nathan E. Say to have the necessary qualifications to be nominated to the Statewide Council on Independent Living (Council).

Your Committee received testimony in support of Lillian Gonzales Brown's nomination from the Department of Human Services and the Statewide Independent Living Council of Hawaii.

Ms. Brown is a freelance disability educator and consultant and the founder of the Institute on Disability Culture. Ms. Brown has conducted training and given presentations on a variety of disability-related topics, staff orientation, and curriculum design and implementation throughout the United States and abroad. Her prior work experience includes the World Institute On Disability, Kaiser Permanente Hospital-Division of Research, Suicide Prevention of Alameda County, Planned Parenthood of Alameda County, Center for Independent Living of Berkeley, and the University of California at San Francisco Sex and Disability Unit.

Ms. Brown is a former member of the Disability Action Committee, Las Cruces, New Mexico; St. Mary's Hospital Community Advisory Board, San Francisco; Oakland Mayor's Commission on the Disabled; Community Advisory Committee for Sex Education for Disabled People, Oakland, California; Alameda County Developmental Disability Case Conference Committee; and the Area Board Advisory Committee. She is a former member of the Board of Directors of Suicide Prevention of Alameda County, and Community Advisory Committee of Planned Parenthood of Alameda County.

Your Committee finds that Ms. Brown has extensive experience in the field of disability studies and independent living as an educator, consultant, lecturer, and trainer. Your Committee finds that the Council will benefit both from her perspective as a person with a disability and as well as her background in the planning and development of services to enable people with disabilities to lead more independent lives. For the foregoing reasons, your Committee finds Ms. Brown to be qualified to serve as an individual with a disability representative on the Council.

Your Committee received testimony in support of Brian Kessler's nomination from the Department of Human Services and one individual.

Mr. Kessler earned a Bachelor of Arts in Political Science from the University of Pittsburgh and is a MBA/MA in Global Leadership Candidate at Hawaii Pacific University. He is a Partner with the Grand Prix Association of Hawaii and a Business Development Consultant for Sales & Marketing Strategies. His prior work experience includes serving as a Business Development Consultant and Founder of Broadbus Technologies in Boston, Vice President of Business Development of Nanosoft Corporation in Chicago, Investment Advisor for International Money Management in Honolulu, an Independent Floor Trader in Sydney, and International Securities Specialist for Dean Witter Reynolds in Boston.

Mr. Kessler has served on numerous Boards of Directors and Committees. He is the Manoa Representative to the Ala Wai Watershed Association; the Land, Planning, and transportation Chair of the Manoa Neighborhood Board; and a Mayoral appointee to the City and County of Honolulu Child Care Advisory Board. He is a former member of various committees of the Honolulu Community Media Council-FCC and of the Hawaii Centers for Independent Living, former Chairman of the Board Development Committee and former Co-Chair of the Golf Committee of the Honolulu Theater for Youth, former Resource Development Committee member of Prevent Child Abuse Hawaii, among many others. He is also a member of numerous professional organizations.

Your Committee finds Mr. Kessler to be an accomplished entrepreneur and businessman who will provide the Council with the business perspective of disability issues and the promotion of independent living for persons with disabilities. Based on his extensive experience and training, your Committee finds Mr. Kessler to be qualified to serve on the Council.

Your Committee received testimony in support of Sandra K. Meehan's nomination from the Department of Human Services, the Statewide Independent Living Council of Hawaii, Hawaii Fi-Do Service and Therapy Dogs, and one individual.

Mrs. Meehan earned an Associate of Arts in Criminal Justice Administration from the University of Hawaii and has participated in several workshops on topics including leadership management, culture diversity, and substance abuse. Mrs. Meehan's work experience includes serving as the Executive Director of the Tri-County Independent Living Center in Utah, Community Advocate for the Association of Independent Living Centers in Utah, and Outreach Coordinator for Hawaii Centers for Independent Living. From 2005 to March 2006, she was a full-time caregiver for her brother.

Mrs. Meehan is the present Program Administrator of Hawaii Fi-Do Service Dogs and Treasurer of Independent Living Hawaii. She is the former president of the Association for Independent Living of Utah, a former representative to the National Council on Independent Living, and a former board member of the Utah State Independent Living Council.

Your Committee finds that Mrs. Meehan has vast experience in independent living and developing independent living outreach services and new centers. It is evident that she has used her personal experience with having a disability to contribute to the advancement of others. Based on her experience and training, your Committee finds Mrs. Meehan to be qualified to serve on the Council.

Your Committee received testimony in support of Marc Antoine Mortimer's nomination from the Department of Human Services; Developmental Disabilities Board Area 10, Life Quality Assessment Project; Special Olympics Hawaii; and three individuals.

Mr. Mortimer has certifications in Help Desk from the Westside Center for Independent Living, Office Assistant from Southern California Regional Occupational Center, and as a Competent Toastmaster from Toastmasters'.

Mr. Mortimer has been employed as a Life Quality Assessment Visitor for Developmental Disabilities Board Area 10 in Glendale, California; a Social Activity Program Instructor for South Bay Vocational Center; a file clerk for a private law firm; an office assistant for the State

Compensation Insurance Fund in Mesa, California; and an Underwriter Support Clerk and Office Support Clerk for an insurance agency. He was a volunteer computer lab tutor for the Long Beach Public Library and a volunteer computer lab assistant for Easter Seals. Mr. Mortimer's advocacy experience includes advocating for community service programs for misdemeanor offenders in lieu of fine or imprisonment, promoting assistive technology, and increasing accessibility and maintaining funding for persons with disabilities. He served as a member of the Social Services Advisory Committee to the Community Services Commission of the City Council of Torrance, California; a member of the Service Employees International Union and United for Quality and Choice; District 49 Toastmasters; Special Olympics Global Messengers Toastmaster Club; and an apprentice member of the Greater Los Angeles Chapter of the National Speakers Association.

Your Committee finds Mr. Mortimer to be a person with a disability who strongly supports an individual's right of self-determination and full participation in the community. Your Committee notes that he has been effective in advocating on his own behalf and contributed to others by volunteering in organizations that serve people with disabilities. For the foregoing reasons, your Committee finds Mr. Mortimer to be qualified to serve as an individual with a disability representative on the Council.

Your Committee received testimony in support of Louise R. Horio's nomination from the Department of Human Services, the Statewide Independent Living Council of Hawaii, and three individuals.

Ms. Horio earned a Bachelor of Education and a Fifth Year Degree (considered a Master in Education, at the time) from the University of Hawaii, and she has a Professional Certificate in Teaching.

Ms. Horio retired from teaching elementary school after nearly thirty years of service. She is the President of the Hui Kupuna VIP, a senior group of visually impaired individuals which meets bi-monthly as a support and social group that volunteers for the Domestic Abuse Shelter. Ms. Horio is also the Chair of Citizens for Fair ADA Ride.

Your Committee finds that Ms. Horio has been a strong advocate for older individuals who are blind. Based on her experience and training, your Committee finds Ms. Horio to be qualified to serve as an individual with a disability representative on the Council.

Your Committee received testimony in support of Nathan E. Say's nomination from the Department of Human Services, the Statewide Independent Living Council of Hawaii, and one individual.

Your Committee finds that Mr. Say is a senior at Brigham Young University Hawaii majoring in History. Your Committee further finds that Mr. Say has been very active in the disability community in Hawaii. He has written and made several presentations to various groups on disability and culture.

Based on his experience and training, your Committee finds Mr. Say to be qualified to serve as an individual with a disability representative on the Council.

As affirmed by the records of votes of the members of your Committee on Human Services and Public Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Hooser, Hemmings).

SCRep. 1913 Human Services and Public Housing on Gov. Msg. Nos. 654, 655 and 656

Recommending that the Senate advise and consent to the nominations of the following:

STATE REHABILITATION COUNCIL

G.M. No. 654 PINA S. LEMUSU, for a term to expire 6-30-2007;

G.M. No. 655 PINA S. LEMUSU, for a term to expire 6-30-2010; and

G.M. No. 656 DONALD THOMSON, for a term to expire 6-30-2010

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Pina S. Lemusu and Donald Thomson to have the necessary qualifications to be nominated to the State Rehabilitation Council.

Your Committee received testimony in support of Miss Pina S. Lemusu's nomination from the Department of Human Services and two individuals from the University of Hawaii at Manoa College of Education.

Miss Lemusu earned a Master of Education specializing in Rehabilitation Counseling from the University of Hawaii at Manoa, a Bachelor of Justice Administration from the University of Hawaii West Oahu, a Liberal Arts degree from Leeward Community College, and her High School Diploma from Faga'itua High School in American Samoa.

Her work experience includes serving as a Youth Program Specialist for Hawaii Centers for Independent Living and a Job Placement Specialist for Lanakila Rehabilitation Center. She has completed training in strategic and Olmstead training and as a mentor-in-training for the Successful Transition In Diverse Environments (STRIDE). She is a member of the National Rehabilitation Association, Statewide Independent Living Council, and the Recruitment Committee of the University of Hawaii at Manoa College of Education Vocational Advisory Board. Miss Lemusu is also serving as the coordinator for the Hawaii portion of the national "Road to Freedom Tour," that aims to promote the awareness and respect of the Americans with Disabilities Act.

Miss Lemusu has served as an interim member of the State Rehabilitation Council since August 2006. Based on her many achievements, it is evident that she is a highly motivated and caring person who finds great satisfaction and self fulfillment in serving others. For these reasons, your Committee finds Miss Lemusu to be qualified to serve on the State Rehabilitation Council representing recipients of vocational rehabilitation services.

Your Committee received testimony in support of Mr. Donald Thomson's nomination from the Department of Human Services and one individual. Mr. Thomson has taught as a Professor of Sociology and American Studies at Leeward Community College for over thirty-six years, serving as the Social Science Division Chair for the last seven. He is a former vice-chair of the Leeward Faculty Senate.

Mr. Thomson has earned both of his Masters in American Studies and Sociology from the University of Hawaii at Manoa. He attended the California School for the Blind and the California Orientation Center for the Blind. He is a member of the Hawaii Association of the Blind of which he is the Legislative Chair and Second Vice President. Mr. Thomson is a former President and former First Vice President of that Association. He has also held the position of Legislative Chair of the University of Hawaii Student Faculty Union and of President of Friends of Jazz Hawaii.

Based on his experience and training, your Committee finds Mr. Thomson to be qualified to serve on the State Rehabilitation Council representing recipients of vocational rehabilitation services.

Your Committee finds both of these nominees to be very accomplished and to be excellent examples of individuals with disabilities who have succeeded and desire to give a voice to others. Your Committee believes they have the background and personal drive needed to give guidance and direction to the State Rehabilitation Council to better meet the needs of its constituents.

As affirmed by the records of votes of the members of your Committee on Human Services and Public Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Hooser, Hemmings).

SCRep. 1914 Public Safety on H.C.R. No. 312

The purpose of this measure is to examine the financial costs of sending Hawaii offenders for incarceration in prisons on the mainland due to the overcrowding in Hawaii correctional facilities.

Specifically, this measure requests a report from the Department of Public Safety on the financial costs of sending Hawaii inmates to out-of-state correctional facilities.

Testimony in support of this measure was submitted by the Department of Public Safety, Community Alliance on Prisons, and one individual.

Your Committee finds that it is important to have an accurate and transparent accounting of the costs associated with imprisoning offenders on the mainland.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 312, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1915 Health on S.B. No. 409

The purpose of this short form measure is to amend the law relating to health.

Your Committee has amended this measure by replacing its contents with language that requires a health insurance provider to include in its policies, coverage for medical vigilance services for covered patients who are receiving in-patient health care services at an acute care hospital.

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. 409, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 409, S.D. 1, and be recommitted to the Committee on Health, for further consideration.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Menor, Whalen).

SCRep. 1916 (Majority) Commerce, Consumer Protection and Affordable Housing on H.B. No. 91

The purpose of this measure is to remove private or governmental accounting experience as meeting the required professional experience for a license in public accountancy and to remove the requirement that a candidate have a baccalaureate degree in accounting prior to taking the certified public accountant (CPA) examination.

Your Committee received testimony in support of this measure from the Hawaii Association of Public Accountants; Sharon Courter, CPA, LLC; Deborah Daniells & Associates, CPAs, Inc.; Lloyd Y. Kimura, CPA, Inc.; Kobayashi, Doi & Lum CPAs LLC; Niwao & Roberts Certified Public Accountants, A Professional Corporation; and thirty six individuals. Testimony in opposition to this measure was submitted by the State Auditor, the Board of Public Accountancy, the Department of Taxation, the Hawaii Society of Certified Public Accountants, and one hundred twenty seven individuals.

Your Committee finds that the public is better served when candidates for a CPA license are required to obtain their work experience in public accounting rather than through private or government experience. In addition, your Committee finds that allowing all candidates with a baccalaureate degree other than in accounting to take the CPA exam does not change the CPA licensing requirements, but simply allows those candidates to take the exam at an earlier date. This would open the accounting profession to a larger pool of potential CPAs. This measure will also benefit potential CPA candidates who attended a school that did not offer a baccalaureate degree in accounting, by allowing them to take the exam earlier and encouraging them to stay in the accounting field.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee. Ayes, 4. Ayes with Reservations, 2 (Ige, Ihara). Noes, 2 (Espero, Slom). Excused, none.

SCRep. 1917 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 521, 610 and 699

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION (HFD)

G.M. No. 521 CHARLES P. WATHEN, for a term to expire 6-30-2008;

G.M. No. 610 ALLAN LOS BANOS, JR., for a term to expire 6-30-2010; and

G.M. No. 699 RICHARD TOLEDO, JR., for a term to expire 6-30-2009

Upon review of the personal history submitted by the nominee, Charles P. Wathen, your Committee finds that Mr. Wathen is the president of Wathen & Associates Limited, a Honolulu and Denver based consulting and development firm. Mr. Wathen is also the president of Pier Management Hawaii LLC, which manages apartment units in the State.

Mr. Wathen has previously organized housing conferences for the Urban Land Institute and has participated in several housing task forces and advisory committees. He is currently a member of the Urban Land Institute, as well as a member of Housing Hawaii, a non-profit housing coalition.

Testimony in support of Mr. Wathen was submitted by the Department of Business, Economic Development & Tourism; the Hawaii Housing Finance and Development Corporation; Catholic Charities of Hawai'i; and two individuals.

Your Committee finds that Mr. Wathen is an advocate for affordable housing and will serve as an asset to the Board of Directors of the Hawaii Housing Finance and Development Corporation.

Upon reviewing the personal history provided by the nominee, Allan Los Banos, Jr., your Committee finds that Mr. Los Banos is currently a safety coordinator and program specialist with the Hawaii Masons & Plasterers Training Program. Mr. Los Banos is also an instructor at Honolulu Community College and with Hawaii Electricians Training. Mr. Los Banos is active in numerous professional and community organizations. He has also been awarded various accolades for his leadership and community service.

Mr. Los Banos has also served as a member of the Hawaii Community Development Authority Board the Housing and Community Development Corporation.

Testimony in support of Mr. Los Banos' nomination was submitted by the Department of Business, Economic Development & Tourism; the Hawaii Housing Finance and Development Corporation; the Building Industry Association of Hawaii; Cement Concrete Products Industry of Hawaii; the Hawaii Building & Construction Trades Council, AFL-CIO; and the Hawaii Laborers-Employers Cooperation and Education Trust Fund.

Your Committee finds that Mr. Los Banos' experiences will provide a unique perspective to the Board of Directors of the Hawaii Housing Finance and Development Corporation.

Upon reviewing the personal history submitted by the nominee, Richard Toledo, Jr., your Committee finds that Mr. Toledo is the owner and operator of Equity Financial Group, a mortgage brokerage firm. Mr. Toledo has also served as a mortgage broker with several other companies and was part-owner and manager of K.K. Ranch, Inc.; a cattle ranch on the island of Hawaii.

Testimony in support of Mr. Toledo was submitted by the Department of Business, Economic Development & Tourism and the Hawaii Housing Finance and Development Corporation.

Your Committee finds that Mr. Toledo's professional experience as a mortgage broker and as a manager will make him a key component of the Board of Directors of the Hawaii Housing Finance and Development Corporation.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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, none.

SCRep. 1918 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 569 and 684

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 569 DOREEN LILLY GRIFFITH, for a term to expire 6-30-2011; and

G.M. No. 684 WILLIAM L. WONG, for a term to expire 6-30-2009

Upon review of the background information submitted by the nominee, Doreen Lilly Griffith, your Committee finds that Ms. Griffith is a managing partner with the Honolulu Office of Grant Thornton LLP, a global accounting, tax, and business advisory organization. She is the first female managing partner of a national certified public accountant firm in Honolulu. Prior to joining Grant Thornton LLP, Ms. Griffith was a senior tax manager with PricewaterhouseCoopers LLP in Virginia. Ms. Griffith is active in numerous professional and community organization.

Testimony in support of Ms. Griffith was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Credit Union League, and three individuals. Comments were submitted by the Maui Chapter of the Hawaii Association of Public Accountants and one individual.

Your Committee finds that Ms. Griffith's many years of experience will make her a key component of the Board of Public Accountancy.

Upon review of the background information submitted by the nominee, William L. Wong, your Committee finds that Mr. Wong is the president and sole owner of William L. Wong CPA & Associates, Inc., a financial and tax consulting firm in Kailua-Kona, Hawaii. Mr. Wong graduated from the University of Hawaii with a degree in finance and attended the University of Hawaii's Graduate School of Business. Throughout the years, Mr. Wong has won numerous accolades, including being named the national winner of the U.S. Small Business Administration's Accountant Advocate of the Year for 1999.

Testimony in support of Mr. Wong was submitted by two individuals. Comments were submitted by the Maui Chapter of the Hawaii Association of Public Accountants.

Your Committee finds that Mr. Wong's knowledge and experience will serve him well as a member of the Board of Public Accountancy.

Your Committee would like to note that the comments submitted as to both Ms. Griffith and Mr. Wong did not reflect upon the nominees personally, but raised the issue as to the lack of a Maui representative on the Board.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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, none.

SCRep. 1919 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 592, 593 and 594

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. 592 RICHARD Y. MITSUMORI, for a term to expire 6-30-2011;

G.M. No. 593 PAUL H. MURRAY, LPLS, for a term to expire 6-30-2011; and

G.M. No. 594 ROBERTO B. YUMOL, AIA, for a term to expire 6-30-2011

Upon review of the background information submitted by the nominee, Richard Y. Mitsumori, your Committee finds that Mr. Mitsumori received his Bachelor of Science in Engineering from the University of Hawaii in 1959. After receiving his degree, Mr. Mitsumori joined the State Department of Transportation. After relocating to the island of Hawaii, Mr. Mitsumori became the head of the Road Maintenance Division of the County of Hawaii's Department of Public Works. Before retiring in 1994, Mr. Mitsumori was the head of the Traffic Division of the Department of Public Works.

Mr. Mitsumori has also served on the Barbers and Cosmetology Licensing Board and is currently serving on the Motor Vehicle Licensing Board for a term that expires on June 30, 2007.

Testimony in support of Mr. Mitsumori was received from the Department of Commerce and Consumer Affairs and one individual.

Your Committee finds that Mr. Mitsumori has demonstrated a commitment to public service and that his membership to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects will allow him to continue his public service as well as to share his wealth of experience in the engineering field.

Upon review of the background information submitted by the nominee, Paul H. Murray, LPLS, your Committee finds that Mr. Murray is a licensed professional land surveyor and is the owner of Paul H. Murray & Associates, LLC. Mr. Murray has been a licensed professional land surveyor since 1992 and a land court surveyor since 1996. Mr. Murray is familiar with all aspects of land surveying from working as a Rodman after high school to working his way up to being the owner of his own company.

Testimony in support of Mr. Murray was submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that Mr. Murray's broad experiences and knowledge, from being a basic entry Rodman to becoming a licensed professional land surveyor, will provide a unique perspective to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects.

Upon review of the background information submitted by the nominee, Roberto B. Yumol, AIA, your Committee finds that Mr. Yumol is a registered professional architect both in the State of Hawaii and in the Philippines. Mr. Yumol received his Bachelor of Science in Architecture in 1969. Mr. Yumol is currently an associate with the firm of Group 70 International Inc. Prior to that, Mr. Yumol worked for Architects Hawaii Ltd.; AM Partners Inc.; and also had his own firm. Throughout his career, Mr. Yumol has been involved with numerous projects throughout the State.

Mr. Yumol has also been awarded numerous accolades throughout his architectural career. Mr. Yumol is a member of the American Institute of Architects and the Filipino American League of Engineers and Architects. He is also active with various community organizations.

Your Committee received testimony in support of Mr. Yumol from the Department of Commerce and Consumer Affairs; Group 70 International, Inc.; Applied Technology Corporation; and sixteen individuals.

Your Committee finds that Mr. Yumol's many years of experience will make him a great asset to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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, none.

SCRep. 1920 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. No. 690

Recommending that the Senate advise and consent to the nomination of the following:

ELEVATOR MECHANICS LICENSING BOARD

G.M. No. 690 MARC KEALA MITSUO YAMANE, for a term to expire 6-30-2011

Upon reviewing the personal history submitted by the nominee, Marc Keala Mitsuo Yamane, your Committee finds that Mr. Yamane graduated with honors from DeVry Institute of Technology with a Bachelors of Science in Electronics Engineering. Mr. Yamane has over fifteen years of experience as an elevator mechanic. He is currently with Otis Elevator and is an instructor with the International Union Elevator Constructors (IUEC) National Elevator Industry Educational Program.

Mr. Yamane is active in various professional organizations. He is a member of the Tau Alpha Pi National Honor Society. He is also a past trustee of the IUEC Local 126 and a past member of the executive board of the IUEC Local 126. Mr. Yamane is the current president of the IUEC Local 126.

Testimony in support of Mr. Yamane was received from the Department of Commerce and Consumer Affairs.

Your Committee finds that Mr. Yamane's many years of experience and his concern for the protection and safety of consumers and the public will make him an asset to the State through his service on the Elevator Mechanics Licensing Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee, after full consideration of the background, 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. 1921 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 638, 639 and 640

Recommending that the Senate advise and consent to the nominations of the following:

MOTOR VEHICLE INDUSTRY LICENSING BOARD

G.M. No. 638 STANLEY TOSHIYA MASAMITSU, for a term to expire 6-30-2011;

G.M. No. 639 DONALD K. TOUCHI, for a term to expire 6-30-2008; and

G.M. No. 640 WERNER UMBHAU, for a term to expire 6-30-2009

Upon reviewing the personal history submitted by the nominee, Stanley Toshiya Masamitsu, your Committee finds that Mr. Masamitsu is currently the president of the Tony Group car dealership. He has been with the Tony Honda company since 1995. Mr. Masamitsu holds a Bachelor of Science in Business Administration from the University of Southern California with an emphasis in Management and Human Resources. He is also very active in the community serving as a member of the YMCA, the Muscular Dystrophy Association of Hawaii, the Hawaii Automobile Dealers Association, the Honolulu Japanese Chamber of Commerce, and the Honolulu Country Club Foundation.

Your Committee received testimony in support of Mr. Masamitsu from the Honolulu Japanese Chamber of Commerce and the Hawaii Automobile Dealers' Association.

Your Committee finds that Mr. Masamitsu's experience will make him a key component of the Motor Vehicle Industry Licensing Board.

Upon reviewing the personal history submitted by the nominee, Donald K. Touchi, your Committee finds that Mr. Touchi is a graduate of the University of Hawaii with a Bachelors degree in Business Administration. Mr. Touchi began his career in 1968 selling, administering, and maintaining pension plans for Continental Assurance Company. In 1973, Mr. Touchi returned to Hawaii to form Financial Images, Inc. and is currently semi-retired. Mr. Touchi has served on the State Plan Policy Council and has chaired the City Salary Commission. He is also a volunteer at the Institute for Human Services and plays the piano weekly at the St. Francis West Hospices, the V.A. Center for the Aged, and the Pearl City Nursing Home.

Testimony in support of Mr. Touchi was submitted by the Department of Commerce and Consumer Affairs and three individuals.

Your Committee finds that Mr. Touchi has proven a commitment to community service and his unique background will make him an asset to the Motor Vehicle Industry Licensing Board.

Upon reviewing the personal history submitted by the nominee, Werner Umbhau, your Committee finds that Mr. Umbhau is a retired banker, who first worked as a loan officer with First Hawaiian Bank in 1958 and retired in 1994 as a vice president with Bank of Hawaii.

Mr. Umbhau is a member of the Hawaii Automobile Dealer Association and the Car Rental and Leasing Association. He is currently retired from the banking industry, having served as a loan officer, branch manager, and vice president for automobile financing. Mr. Umbhau has volunteered his time, serving on the boards or councils of the St. Augustine Church By the Sea, Meals on Wheels, and the Queen's Gate Community Association.

Testimony in support of Mr. Umbhau was submitted by the Department of Commerce and Consumer Affairs and two individuals.

Your Committee finds that Mr. Umbhau's years of experience and broad knowledge will greatly benefit the Motor Vehicle Industry Licensing Board.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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, none.

SCRep. 1922 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 704 and 705

Recommending that the Senate advise and consent to the nominations of the following:

MOTOR VEHICLE REPAIR INDUSTRY BOARD

G.M. No. 704 LEE ROGERS CHAMPION, for a term to expire 6-30-2010; and

G.M. No. 705 MICHELLE W.J. WONG, for a term to expire 6-30-2010

Upon review of the background information submitted by the nominee, Lee Rogers Champion, your Committee finds that Mr. Champion is a graduate of Ball State University, where he received his Master of Arts in History. Mr. Champion received his Bachelor of Arts degree in History and Secondary Education from Parsons College. Since 1991, Mr. Champion has been a customer service representative with Hawaiian Telcom.

Mr. Champion is very active in the community and serves as the current church deacon for Central Union Church, the Current Deputy Post Commander 8616 (Waikiki) for the Veterans of Foreign Wars, and as an election day precinct official.

Testimony in support of Mr. Champion was submitted by the Department of Commerce and Consumer Affairs, the Office of Elections, and three individuals.

Your Committee finds that Mr. Champion will be a great asset to the Motor Vehicle Repair Industry Board.

Upon review of background information submitted by the nominee, Michelle W.J. Wong, your Committee finds that Ms. Wong is currently employed by Realty Group Properties. Prior to this, she worked for various other companies in the real estate/property management arena. Ms. Wong holds a real estate broker license and is a certified property manager. She is also the past president of the Institute of Real Estate Management, Hawaii Chapter.

Your Committee received testimony in support of Ms. Wong from the Department of Commerce and Consumer Affairs and three individuals.

Your Committee finds that Ms. Wong's professional background will bring a fresh perspective to the Motor Vehicle Repair Industry Board.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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, none.

SCRep. 1923 Commerce, Consumer Protection and Affordable Housing on Gov. Msg. Nos. 647, 648 and 649

Recommending that the Senate advise and consent to the nominations of the following:

PEST CONTROL BOARD

G.M. No. 647 ALVIN F. FUKUYAMA, for a term to expire 6-30-2009;

G.M. No. 648 ROBERT H. KOIDE, for a term to expire 6-30-2009; and

G.M. No. 649 RONALD S. WEINBERG, for a term to expire 6-30-2011

Upon reviewing the personal history submitted by the nominee, Alvin F. Fukuyama, your Committee finds that Mr. Fukuyama, who grew up working on his father's fruit and vegetable farm, has been working with pesticides all his life. Mr. Fukuyama is the owner of State Termite & Pest Control, Inc. Prior to that, Mr. Fukuyama worked with Osmose Pacific, Island Termite, and Vet's Termite Control. Mr. Fukuyama is the current president of the Hawaii Pest Control Association.

Testimony in support of Mr. Fukuyama was submitted by the Department of Commerce and Consumer Affairs and the Hawaii Pest Control Association.

Your Committee finds that Mr. Fukuyama's many years of experience will make him a key asset to the Pest Control Board.

Upon reviewing the personal history submitted by the nominee, Robert H. Koide, your Committee finds that Mr. Koide is a graduate of Walla Walla College with a Bachelors degree in Business Administration. He has worked with various pest control companies and has been the owner of Environ Control, Inc. since 1986. Mr. Koide is also very involved in both professional and community organizations and previously served two years as the Hawaii Pest Control Association's president.

Testimony in support of Mr. Koide's nomination was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Pest Control Association, and two individuals.

Your Committee finds that with over twenty-five years in the pest control industry, Mr. Koide's knowledge and experience will benefit the Pest Control Board.

Upon reviewing the personal history submitted by the nominee, Ronald S. Weinberg, your Committee finds that Mr. Weinberg received his Bachelor of Science degree in Zoology and Physiology from Long Island University. Mr. Weinberg went on to receive his Masters degree in the radiation studies of insects from the University of Wyoming. Mr. Weinberg served as a scientist with the University of California Lawrence Livermore Laboratory from 1989 until his retirement in 2004. Mr. Weinberg also serves on the Kailua Neighborhood Board.

Your Committee received testimony in support of Mr. Weinberg from the Department of Commerce and Consumer Affairs.

Your Committee finds that Mr. Weinberg's educational and professional background will provide a unique perspective to the Pest Control Board.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committee, after full consideration of the background, 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, none.

SCRep. 1924 Education on Gov. Msg. Nos. 713, 714, 715, 716 and 718

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII TEACHER STANDARDS BOARD

G.M. No. 713 JONATHAN GILLENLINE, for a term to expire 6-30-2010;

G.M. No. 714 ANNETTE A. NISHIKAWA, for a term to expire 6-30-2010;

G.M. No. 715 ALVIN NAAWAO PARKER, for a term to expire 6-30-2010;

G.M. No. 716 LORILENE ANALEI KARRATTI PEREIRA, for a term to expire 6-30-2009; and

G.M. No. 718 CAROLINE SUE WONG, for a term to expire 6-30-2010

Upon review of background information submitted by the nominee, your Committee finds that Jonathan Gillentine holds a Bachelor of Science degree in Speech Pathology and Audiology, a professional diploma in Elementary Education, a Master of Education in Special Education degree, and a Doctorate in Philosophy in Education from the University of Hawaii at Manoa. He currently serves as a preschool teacher for children with special needs and is being nominated for reappointment to the Hawaii Teacher Standards Board for a second term as a representative of elementary school personnel on Oahu. Dr. Gillentine's prior work experience includes service as a high school teacher in the following areas or capacities, special education, math and science, algebra, and a transition teacher, as well as an elementary school teacher. He is a National Board Certified Teacher who has received numerous grants and awards for his work in education, is a member of many professional and community service organizations, and is deeply involved in professional development as both a presenter and a participant.

Testimony in support of Dr. Gillentine was submitted by the Department of Education, the Hawaii State Teachers Association, and one individual.

Upon review of background information submitted by the nominee, your Committee finds that Annette A. Nishikawa holds a Bachelor of Arts degree in Education from the University of Hawaii, as well as certificates as a teacher in elementary education and as a school administrator. She currently serves as a middle school principal and is being nominated for reappointment to the Hawaii Teacher Standards Board for a second term as a representative of intermediate school administrators on Oahu. Ms. Nishikawa's prior work experience includes service as a vice principal, intermediate school teacher, and elementary school teacher. She is actively involved in numerous community and professional organizations and is the recipient of several awards and professional honors.

Testimony in support of Ms. Nishikawa was submitted by the Department of Education, the Hawaii Government Employees Association, and one individual.

Upon review of background information submitted by the nominee, your Committee finds that Alvin Naawao Parker holds a Bachelor of Humanities degree in History from the University of Hawaii and a Master of Education degree and a certificate in special and regular education from Gonzaga University. He currently serves as a charter school principal and is being nominated for appointment to the Hawaii Teacher Standards Board for his first term as a representative of elementary school personnel on Oahu. Mr. Parker's prior work experience includes service as a special education teacher, a vessel operations superintendent, and a business owner. He is actively involved in numerous community and professional organizations in the State.

Testimony in support of Mr. Parker was submitted by the Council for Native Hawaiian Advancement, the Hawaii Government Employees Association, and the Senate President.

Upon review of background information submitted by the nominee, your Committee finds that Lorilene Analei Karratti Pereira holds a Bachelor of Arts degree in Elementary Education and a professional diploma in Mathematics from the University of Hawaii at Manoa. She currently serves as sixth grade teacher and is being nominated for appointment to the Hawaii Teacher Standards Board for her first term as a representative of private school personnel on Oahu. Ms. Pereira's prior work experience includes service as an elementary school and kindergarten teacher. She is actively involved in her community and is the member of professional organizations.

Testimony in support of Ms. Pereira was submitted by the Hawaii Association of Independent Schools and three individuals.

Upon review of background information submitted by the nominee, your Committee finds that Caroline Sue Wong holds an Atrium Baccalaureus degree, with Honors, in Social Science from Wheaton College in Wheaton Illinois, a Master of Arts degree in Social Science from Michigan State University and a Master of Education degree in Educational Administration from the University of Hawaii. She currently serves as middle school principal and is being nominated for appointment to the Hawaii Teacher Standards Board for her first term as a representative of secondary school administrators on Oahu. Ms. Wong's prior work experience includes service as an educational specialist, a principal, a vice principal, an intermediate school teacher, and a high school teacher. She is actively involved in numerous community and professional organizations, has received multiple awards and honors for her work in education, and has published several articles regarding education.

Testimony in support of Ms. Wong was submitted by the Department of Education, the Hawaii Government Employees Association, two State Senators, and ten individuals.

Your Committee questioned each nominee and received responses regarding the nominee's desire to serve, perception of the role and responsibilities of membership, qualifications for membership, and goals for the nominee's term of service on the Hawaii Teacher Standards Board. Your Committee believes that the nominees adequately responded to the Committee's inquiries and demonstrated adequate knowledge of and a commitment to work towards the goals of the Board, including addressing the teacher shortage problem in Hawaii, specifically the need for licensing and re-licensing more highly qualified teachers.

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, 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 (Hee, Taniguchi, Tokuda).

SCRep. 1925 Health on Gov. Msg. Nos. 573 and 574

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

G.M. No. 573 JOE D. CORDOVA, for a term to expire 6-30-2011; and

G.M. No. 574 ROSELANI MANUWAI-ROWE, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Joe D. Cordova and Roselani Manuwai-Rowe to have the necessary qualifications to be nominated to the State Council on Developmental Disabilities.

Your Committee received testimony in support of Mr. Cordova's nomination from the Department of Health, Department of Human Services, State Council on Developmental Disabilities, three individuals from Vocational Rehabilitation Services For the Blind, two individuals representing the State Rehabilitation Council, the University of Hawai'i at Manoa, Family Voices of Hawai'i, Hoopono Services for the Blind, Lanakila Rehabilitation Center, and Hire Abilities-Hawaii.

Mr. Cordova holds a Master of Arts in Guidance and Counseling from the University of New Mexico and a Bachelor of Science in Computer Science from New Mexico State University. He is the administrator of the Vocational Rehabilitation and Services for the Blind Division of the Hawaii Department of Human Services. His past work experience includes serving as a Regional Commissioner for Region V (Kansas City) and VII (Chicago), and the Director of the Division for the Blind and Visually Impaired for the Rehabilitation Services Administration, Office of Special Education and Rehabilitative Services, United States Department of Education; Deputy Director of the New Mexico Commission for the Blind; Special Advisor to the Mayor of the City of Albuquerque, New Mexico, Liaison for Disability Affairs; a mental health counselor; and a computer programmer analyst.

Mr. Cordova's professional organization memberships include the Governor's Committee on Concerns of the Handicapped, for which he served as Chair; Mayor's Commission for the Handicapped (Albuquerque), board member; Advisory Board to Section 504 of the Rehabilitation Act, Albuquerque Public Schools; P.L. 94-142 Advisory Committee, Albuquerque Public Schools; State Independent Living Council, Division of Vocational Rehabilitation; and 504 Self Evaluating Committee, Department of Human Services.

Based on his experience and training, and his position in the Department of Human Services, your Committee finds Mr. Cordova to be qualified to serve as a state agency representative on the State Council on Developmental Disabilities.

Your Committee received testimony in support of Mrs. Manuwai-Rowe's nomination from the State Council on Developmental Disabilities and Family Voices of Hawai'i.

Mrs. Manuwai-Rowe is a licensed pastor with the Northwest International Church of the Foursquare Gospel. She has extensive experience with special education and learning disability issues, most recently as a parent Consultant for the Learning Disabilities Association of Hawaii and as the Po'ohala Family Support Council Project Coordinator for State Planning on Developmental Disabilities Council. Additionally, Mrs. Manuwai-Rowe has first hand experience with caring for individuals with developmental and learning disabilities. Her brother, for whom she provided care for for thirteen years, had Down Syndrome. She also has two daughters with learning disabilities. Mrs. Manuwai-Rowe has been active in their lives, advocating for their needs while navigating through the various state systems.

Based on her personal and professional experiences, your Committee finds Mrs. Manuwai-Rowe to be qualified to serve as a family member representative for Oahu on the State Council on Developmental Disabilities.

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, 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, 1 (Whalen).

SCRep. 1926 Health on Gov. Msg. Nos. 575, 576, 577, 578, 579, 580, 581, 582, 583 and 584

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII ADVISORY COMMISSION ON DRUG ABUSE AND CONTROLLED SUBSTANCES

- G.M. No. 575 MARTIN HO'OLU BENTO, for a term to expire 6-30-2009;
- G.M. No. 576 STEPHEN BRADY, for a term to expire 6-30-2009;
- G.M. No. 577 BART S. HUBER, for a term to expire 6-30-2009;
- G.M. No. 578 JONAH-KUHIO KALANIANA'OLE KA'AUWAI, for a term to expire 6-30-2008;
- G.M. No. 579 DARIN H. KAWAZOE, for a term to expire 6-30-2009;
- G.M. No. 580 BARBARA-ANN KELLER, for a term to expire 6-30-2009;
- G.M. No. 581 PAULA T. MORELLI, PH.D., for a term to expire 6-30-2011;
- G.M. No. 582 TAMAH-LANI S.K. NOH, for a term to expire 6-30-2010;
- G.M. No. 583 JODY SHIROMA PERREIRA, for a term to expire 6-30-2009; and
- G.M. No. 584 BYRON NAOYUKI YOSHINO, for a term to expire 6-30-2009

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Martin Ho'olu Bento, Stephen Brady, Bart S. Huber, Jonah-Kuhio Kalaniana'ole Ka'auwai, Darin H. Kawazoe, Barbara-Ann Keller, Paula T. Morelli, Ph.D., Tamah-lani S.K. Noh, Jody Shiroma Perreira, and Byron Naoyuki Yoshino and finds them to have the necessary qualifications to be appointed to the Hawai'i Advisory Commission on Drug Abuse and Controlled Substances.

Your Committee received testimony in support of Martin Ho'olu Bento from the Department of Health.

Mr. Bento earned a Juris Doctorate and a Masters of Arts in Public Health from the University of Hawaii at Manoa. His prior professional experience includes serving as the Deputy Public Defender, Office of the Public Defender, in Honolulu and as a Judicial Law Clerk and Bailiff for the First Circuit Court for the State of Hawaii. Mr. Bento is currently a courtroom litigator and founding member of the law firm of Bento & Inciong, in Honolulu where he is a criminal and civil trial attorney focusing on Circuit, District, and Family Court criminal and civil matters. His considerable knowledge of the complex issues involved in criminal law make Mr. Bento a valuable asset to the Hawai'i Advisory Commission on Drug Abuse and Controlled Substances.

Your Committee received testimony in support of Stephen Brady from the Department of Health.

Dr. Brady earned an M.D. from the University of Pennsylvania and a Ph.D. in Public Health from the University of Hawaii at Manoa. Dr. Brady is board certified in internal medicine and is a fellow of the American College of Physicians. He was appointed as Vice-Chair of the Department of Native Hawaiian Health at the University of Hawaii, John A. Burns School of Medicine, where he serves as an Associate Professor. His prior professional experience includes over twenty years in the medical field and he has studied substance abuse, both in medical school, and through continuing medical education for the past decade through the Hawai'i Medical Association, and has served as the Chair of the Physicians' Health Committee at Straub Clinic and Hospital for the past six years. Dr. Brady's considerable medical knowledge and expertise will provide the Hawai'i Advisory Commission on Drug Abuse and Controlled Substances with an invaluable perspective on the multitude of issues surrounding drug abuse and controlled substances.

Your Committee received testimony in support of Bart S. Huber from the Department of Health.

Mr. Huber earned a Master of Arts in Public Administration from Central Michigan University and a Bachelor of Arts degree from the University of California at San Diego. Mr. Huber is currently a Metropolitan Police Major with the Honolulu Police Department where he has worked since 1983. He is also a former member of the State Board for Mothers Against Drunk Drivers. Mr. Huber's lengthy experience in the police department will provide the Hawai'i Advisory Commission on Drug Abuse and Controlled Substances with an important perspective in order to address concerns associated with drug abuse and controlled substances.

Your Committee received testimony in support of Jonah-Kuhio Kalaniana'ole Ka'auwai from the Department of Health; Narcotics Enforcement Division; Hope Chapel of West O'ahu; the Business Manager of the Department of Public Safety, Correctional Industries; REMAX Realtors; Chief of Enlisted Force Development, Headquarters Pacific Air Forces; and three individuals.

Mr. Ka'auwai earned a Bachelor of Arts degree in Business and Philosophy from Boston College. He is presently the Division Administrator for the Department of Public Safety Correctional Industries for the State of Hawaii. He is a member of several professional organizations, including the American Correctional Association, National Correctional Industries Association, and the Hawaii Criminal Justice Association where he served as its former president. Mr. Ka'auwai's experience in corrections brings a valuable viewpoint to the Hawai'i's Advisory Commission on Drug Abuse and Controlled Substances.

Your Committee received testimony in support of Darin H. Kawazoe from the Department of Health.

Mr. Kawazoe earned a Master of Arts in Urban and Regional Planning and a B.S.W. from the University of Hawaii at Manoa. He is presently a consultant with the State Department of Public Safety where he develops strategies to work effectively with offenders in the Laumaka Work Release Center and the Oahu Intake Center. His prior professional experience includes serving as a consultant to Child and Family Services, Queen Liliuokalani Children's Center, Office of the Lieutenant Governor in Hawaii, and CARE Hawaii, Inc., which provides community-based intensive outpatient services. Mr. Kawazoe brings a wealth of knowledge to the Hawai'i's Advisory Commission on Drug Abuse and Controlled Substances regarding the development of community-based programs and organizations with an emphasis on education, health, prevention, culturally-relevant, and criminal justice-appropriate treatment services.

Your Committee received testimony in support of Barbara-Ann Keller from the Department of Health.

Ms. Keller earned an M.S.W. from the University of Hawaii at Manoa and a Bachelor of Science in Secondary Education from Oregon State University. She is presently employed by the Judiciary of the State of Hawaii as a Social Worker VI for the Maui Drug Court where she plans and coordinates the Maui Drug Court Program. She is a member of the Coalition for a Tobacco Free Hawaii, the Hawaii Association of Alcohol and Drug Addiction Counselors, Mental Health Association of Maui County, National Association of Alcohol and Drug Addiction Counselors. Ms. Keller's knowledge and experience developing drug court programs provides the Hawai'i Advisory Commission on Drug Abuse and Controlled Substances with an important practical perspective.

Your Committee received testimony in support of Paula T. Morelli, Ph.D. from the Department of Health, Chief Operations Officer at Kalihi-Palama Health Center, Dean of the University of Hawaii, School of Social Work, and two individuals.

Dr. Morelli earned her Ph.D. from the University of Washington and an M.S.W. from the University of Southern California. She is currently the Associate Professor of Social Work at the University of Hawaii at Manoa where she is the Chair of the Ph.D. Program. Her previous professional experience includes serving as the Assistant Professor of Social Work at the University of Hawaii at Manoa and also working for many years as a Clinical Social Worker. Dr. Morelli is also a published author and has made numerous scholarly presentations on a wide variety of topics relating to substance abuse and mental health. Dr. Morelli's reappointment to the Hawai'i Advisory Commission on Drug Abuse and Controlled Substances provides a wealth of knowledge and a heightened understanding of the issues surrounding mental health and drug addiction.

Your Committee received testimony in support of Tamah-lani S.K. Noh from the Department of Health.

Major Noh earned a Master of Arts in Professional Psychology from the American School of Professional Psychology. She is presently the Executive Support Officer and Drug Demand Reduction Administrator for the Counterdrug Support Program where she establishes policy and procedures related to law enforcement and federal and state agencies. Her previous professional experience includes working with the State Drug Control Liaison and worked directly for Lieutenant Governor Aiona. She has also served in the Hawaii Air National Guard since 1985. Major Noh's military background brings a unique and valuable perspective to the Hawai'i Advisory Commission on Drug Abuse and Controlled Substances.

Your Committee received testimony in support of Jody Shiroma Perreira from the Department of Health; Narcotics Enforcement Division; Community Outreach Manager Kauai of HINAMAUKA; Director of Community and Alumni Relations of HINAMAUKA; Sassy/G Magazine; Executive Director, Hawaii State Commission on the Status of Women; President and Chief Professional Officer of Aloha United Way; and four individuals.

Ms. Perreira earned a Bachelor of Arts in Journalism from the University of Hawaii at Manoa. She is presently the Editor-In-Chief of Sassy/G Magazine, which is the number one teen publication in the State of Hawaii that serves to empower island youth through editorials, events, and programs and is also the Marketing and Public Relations Director for Skyward Communications. Ms. Perreira has served as a volunteer for Mothers Against Drunk Driving-Youth in Action, the Lieutenant Governor's Drug Summit Steering Committee and Prevention Ad-Hoc Committee, Honolulu County Coalition for the Prevention of Underage Drinking, and many others. Ms. Perreira's experience working with Hawaii's youth makes her a great asset to the Hawai'i Advisory Commission on Drug Abuse and Controlled Substances.

Your Committee received testimony in support of Byron Naoyuki Yoshino from the Department of Health.

Dr. Yoshino earned a Ph.D. in Pharmacy from the University of the Pacific. He is presently the Owner and Co-Founder of Pharmacy Partners of Hawaii, providing services to long-term care facilities, including nursing homes, care homes, hospice facilities, and assisted living facilities. His prior professional experience includes co-founding Pharmicare in Honolulu, Pharmacy Director for Times Supermarkets, and the Owner and President of Aiea Medical Pharmacy in Aiea. He is a member of several professional associations, including the American Pharmacist's Association, Hawaii Pharmacist's Association, and American Society of Consultant Pharmacists. Dr. Yoshino's extensive experience and knowledge of the pharmaceutical industry will provide the Hawai'i's Advisory Commission on Drug Abuse and Controlled with a heightened understanding and awareness of the issues surrounding drug abuse and controlled substances.

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, 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, 1 (Whalen).

SCRep. 1927 Health on Gov. Msg. Nos. 585, 586, 688 and 689

Recommending that the Senate advise and consent to the nominations of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

- G.M. No. 585 GAIL ANN CHEW, for a term to expire 6-30-2011;
- G.M. No. 586 BERTHA F.K. LEONG, for a term to expire 6-30-2011;
- G.M. No. 688 EUDICE R. SCHICK, for a term to expire 6-30-2009; and
- G.M. No. 689 MARY ALEY WILKINSON, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Gail Ann Chew, Bertha F.K. Leong, Eudice R. Schick, and Mary Aley Wilkinson to have the necessary qualifications to be nominated to the Policy Advisory Board for Elder Affairs.

Your Committee received testimony in support of Gail Ann Chew's nomination from the Department of Health, Academy of the Pacific, Family Promise of Hawaii, Lanakila Rehabilitation Center, Saint Louis School, and four individuals.

Ms. Chew is a senior executive with over twenty years of experience in brand marketing, communications, and partnership development. She is a graduate of the University of California at Davis with an A.B. in English and an M.A. in Education. Her extensive community experience includes serving on the Board of Trustees of the Academy of the Pacific, the Advisory Board of the Aloha Section PGA, and the Board of Directors of Family Promise of Hawaii. She is also a member of the Oahu Country Club, Chinese Chamber of Commerce, Native Hawaiian Hospitality Association, Hawaii Opera Theater, and an associate member of the Society of American Travel Writers.

Based on her experience and training, your Committee finds Ms. Chew to be qualified to serve as an Oahu representative on the Policy Advisory Board for Elder Affairs.

Your Committee received testimony in support of Bertha F.K. Leong's nomination from the Department of Health, the Hawaii State Representative for the Nineteenth District, and Kuli'ou'ou/Kalani Iki Neighborhood Board #2.

Mrs. Leong is the current president of the Aina Haina Community Association and a life member of Daughters of Hawaii. Mrs. Leong's experience includes representing the 18th District for six years in the House of Representatives of the State of Hawaii, serving on the Kuli'ou'ou/Kalani Iki Neighborhood Board for ten years, and over twenty years with the Department of Education.

Based on her experience, your Committee finds Mrs. Leong to be qualified to serve as an over-sixty Oahu representative on the Policy Advisory Board for Elder Affairs.

Your Committee received testimony in support of Eudice R. Schick's nomination from the Department of Health, the Chair of the Hawai'i County Council, the Arthritis Foundation, and four individuals.

Mrs. Schick holds an Associate Degree in Accounting with highest honors from Burdett College of Business Administration in Boston, Massachusetts. She has over forty years of experience with office management, including financial management and accounting. Mrs. Schick's volunteer experience includes serving as treasurer and president of various religious organizations, treasurer of the Kaimuki Intermediate School Parent Teacher Association, treasurer and president of the Kaimuki Intermediate School Band Boosters, president of Kalani High School Band Boosters, a board member of the Waikoloa Outdoor Circle, volunteer for the Arthritis Foundation, school liaison specialist for the Retired and Senior Volunteer program on Oahu, and fundraising chairperson for the Waikoloa Seniors and Waikoloa Community Development Corporation.

Her personal experience with getting around the island with a disability has made her acutely aware of the support needed for successful independent living. Mrs. Schick successfully lobbied for a handicap access button to be installed in one of Oahu's public buildings.

Based on her experience, your Committee finds Mrs. Schick to be qualified to serve as an over-sixty Oahu representative on the Policy Advisory Board for Elder Affairs.

Your Committee received testimony in support of Mary Aley Wilkinson's nomination from the Department of Health and six individuals, including the Senior Pastor of Hawaii Kai Church.

Ms. Wilkinson has a Master of Arts in Teaching English as a Second Language from the University of Hawaii, a Master of Arts in Teaching from the University of New Mexico, and a Bachelor of Arts from the University of Chicago. She is a retired educator with experience at the Hawaii School for Girls, American Samoa Department of Education, and Chaminade University. Her community service experience includes serving as a recording secretary of the AARP, Chapter 60; director of Mauna Luan Board of Directors, and on the Hawaii Kai Neighborhood Board.

Based on her experience and training, your Committee finds Ms. Wilkinson to be qualified to serve as an over-sixty Oahu representative on the Policy Advisory Board for Elder Affairs.

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, 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, 1 (Whalen).

SCRep. 1928 Health on Gov. Msg. Nos. 605, 669 and 695

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, HONOLULU SUBAREA

- G.M. No. 605 KEITH ALAN LEE, for a term to expire 6-30-2007;
- G.M. No. 669 KEITH ALAN LEE, for a term to expire 6-30-2011; and
- G.M. No. 695 SARAH H. NORDWALL, for a term to expire 6-30-2011

Your Committee received testimony in support of Keith Alan Lee from the Department of Health; King, Nakamura & Chun-Hoon; The Queen's Health Systems; Kaiser Permanente; John Child & Company; Hawaii Women's Legal Foundation; Bank of Hawaii; one State Representative; and three individuals.

Mr. Lee is being appointed to the Health Planning Council, Honolulu Subarea, for a first term to expire on June 30, 2007, and for a second term to expire on June 30, 2011. Mr. Lee is the Vice President of Legal Services/Regional Counsel for Kaiser Foundation Health Plan, Inc. As Kaiser Hawaii's chief legal officer, he advises Kaiser Permanente Hawaii's executive leadership on matters having broad consequences on the health plan's hospital and medical care program's policies, procedures, and practices. He was the Corporate Secretary and General Counsel for The Queen Emma Foundation. Mr. Lee received a Bachelor of Arts degree, magna cum laude, in Political Science and American Studies from the University of Michigan. He also received Juris Doctor and Master of Business Administration degrees from the University of Chicago. He currently serves on the board of the Native Hawaiian Legal Corporation.

Your Committee received testimony in support of Sarah H. Nordwall from the Department of Health; Hawaii Commission on the Status of Women; and four individuals.

Ms. Nordwall was the District Coordinator and is now working part time as a Fashion Consultant for Carlisle Designer Clothes in Hawaii. Ms. Nordwall began Sarah of Hawaii and was a buyer for Liberty House department stores. Her community activities include serving as a board member for Achievement Rewards for College Scientist; the Rotary Club of Honolulu; Hawaii Theatre; and Central Union Church.

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, 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 (Menor, Whalen).

SCRep. 1929 Health on Gov. Msg. Nos. 697 and 733

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII HEALTH SYSTEMS CORPORATION

- G.M. No. 697 LORETTA ANNE HELLRUNG, for a term to expire 6-30-2009; and
- G.M. No. 733 FRANCIS L. JUNG, for a term to expire 6-30-2008

Your Committee received the resumes and statements submitted by the nominees, and finds Loretta Anne Hellrung and Francis L. Jung, to have the necessary qualifications to be nominated to the Board of Directors of the Hawai'i Health Systems Corporation.

Your Committee received testimony in support of Loretta Anne Hellrung from Hawai'i Health Systems, the Director of the Mike Carroll Gallery, and one individual.

Ms. Hellrung earned a Master's degree in Elementary Education from Pace University and an undergraduate degree in Economics from Hobart and William Smith Colleges. Ms. Hellrung's prior professional experience includes working on Wall Street where she held a senior position as Vice President in Administration for Goldman, Sachs & Company. She eventually left the business world to complete her teaching degree and subsequently relocated to Lana'i in 2004 where she has worked extensively in the community. For the past several years, Ms. Hellrung has chaired the American Cancer Society's Relay for Life, and will also serve as co-chair for a team that is working diligently to establish an animal shelter on Lana'i. Ms. Hellrung is a compassionate member of society and continues to build and foster strong relationships in the community, making her an important addition to the Board of Directors of the Hawai'i Health Systems Corporation.

Your Committee received testimony in support of Francis L. Jung from Hawai'i Health Systems Corporation, Chair of the Hawai'i State Commission on the Status of Women, Assistant Vice President and Branch Manager of First Hawaiian Bank, Kealahou Branch, and two individuals.

Mr. Jung earned a Juris Doctor from the New England School of Law and an LL.M. from Harvard Law School. Presently, he works as a senior partner in the law firm of Jung & Vassar where he has worked since 1985, specializing in real estate law, civil litigation, corporate, commercial, and international law. Mr. Jung is also the President and Director of TKJ, Inc., a Hawai'i non-profit corporation established to render free legal counseling services to the public. His past professional experience includes serving as a Director of the Housing and Community Development Corporation of Hawai'i, primarily responsible for the maintenance and creation of State assisted housing. Mr. Jung's appointment to the Board of Directors of the Hawai'i Health Systems Corporation will allow him to utilize his considerable legal knowledge and expertise in order to make significant contributions to Hawai'i's multifaceted health care system.

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, 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 (Menor, Whalen).

SCRep. 1930 Health on Gov. Msg. No. 627

Recommending that the Senate advise and consent to the nomination of the following:

MEDICAL ADVISORY BOARD

G.M. No. 627 DENNIS M. CROWLEY, M.D., for a term to expire 6-30-2011

Your Committee received the resume and statement submitted by the nominee, and finds Dennis M. Crowley, M.D., to have the necessary qualifications to be nominated to the Medical Advisory Board.

Your Committee received testimony in support of Dennis M. Crowley, M.D. from the Department of Transportation and Hawaii Centers for Independent Living.

Dennis M. Crowley, M.D., earned a medical degree from The Creighton University School of Medicine. Presently, Dr. Crowley is in private practice at Queen's Medical Center and Kapiolani Medical Center and is as an Associate Clinical Professor of Medicine at John A. Burns School of Medicine at the University of Hawaii. Dr. Crowley also serves as the Vice President of the Peer Review Committee of the Medical Executive Committee of the Rehabilitation Hospital of the Pacific.

Your Committee believes that Dr. Crowley's experience as a physician, his active participation in medical associations, and his continued interest in education make him a valuable addition to the Medical Advisory 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, 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 (Menor, Whalen).

SCRep. 1931 Health on Gov. Msg. Nos. 662 and 663

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF CERTIFICATION OF PERSONNEL IN WASTEWATER TREATMENT PLANTS

G.M. No. 662 DANA P. RIDDLE, for a term to expire 6-30-2009; and

G.M. No. 663 BERT S. UYENO, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Dana P. Riddle and Bert S. Uyeno to have the necessary qualifications to be nominated to the Board of Certification of Personnel in Wastewater Treatment Plants.

Your Committee received testimony in support of Dana P. Riddle from the Department of Health, Board of Certification of Operating Personnel in Wastewater Treatment Plants, and two individuals.

Mr. Riddle has a longstanding career in wastewater systems with over twenty years of experience, both in Hawaii and on the mainland. Presently, he serves as the Operator for the Kealakehe Wastewater Treatment Plant for the County of Hawaii and is responsible for the operations and maintenance of the Kealakehe Wastewater Treatment Plant, which includes close monitoring of sewage pumping stations using pond technology in order to avoid excessive algal growths and extensive lab work. Mr. Riddle is also the author of the book, *The Captive Reef*, as well as over one hundred twenty magazine and journal articles and has been an invited speaker to various regional and national conferences on captive ecosystems. His considerable knowledge and expertise in the area of wastewater treatment will allow him to make valuable contributions to the Board of Certification of Personnel in Wastewater Treatment Plants.

Your Committee received testimony in support of Bert S. Uyeno from the Department of Health and the Board of Certification of Operating Personnel in Wastewater Treatment Plants.

Mr. Uyeno presently works as a Wastewater Treatment Plant Working Supervisor for the County of Kauai where he has been employed since 1979. He is also a Certified Wastewater Treatment Plant Operator, a Certified Water Treatment Plant Operator, and a registered mechanic. Mr. Uyeno's knowledge of wastewater treatment will provide him with a heightened understanding of the complex wastewater management issues in Hawaii, making him an important component to the Board of Certification of Operating Personnel in Wastewater Treatment Plants.

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, 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 (Menor, Whalen).

SCRep. 1932 Health on Gov. Msg. No. 692

Recommending that the Senate advise and consent to the nomination of the following:

TRI-ISLE SUBAREA HEALTH PLANNING COUNCIL

G.M. No. 692 JO-ANN AHUNA, for a term to expire 6-30-2010

Your Committee received testimony in support of Jo-Ann Ahuna from the Department of Health.

Ms. Ahuna is a resident of Hana, Maui. She has served on the Maui County Cultural Resource Commission, Mayor's Hana Advisory Board for Hana, Hana Community Association Board, American Red Cross, and AmeriCorps. She is currently a Parent Co-Chair Volunteer for the Community Children Council for Hana.

Your Committee believes the nominee would make an excellent addition to the Tri-Isle Subarea Health Planning Council, based upon her experience in and knowledge about community affairs.

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, 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 (Menor, Whalen).

SCRep. 1933 Health on Gov. Msg. No. 694

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, WEST OAHU SUBAREA

G.M. No. 694 MARK STEVEN MOSES, for a term to expire 6-30-2011

Your Committee received testimony in support of this nominee from the Department of Health and one individual.

Mr. Moses served as a Hawaii State Representative from 1996 to 2006. He served for nearly twenty-five years in the United States Marine Corps.

Mr. Moses received a Bachelor of Science degree in Physics from the University of Texas, Austin. He has been active in a wide variety of community activities and organizations, most notably in the geographical areas of Makakilo/Kapolei/Honokai Hale, Barbers Point, and Ewa. He is a founder and former Vice Chair of the Makakilo/Kapolei/Honokai Hale Neighborhood Board, Policy Committee Member of the Oahu Metropolitan Planning Organization, and Community Representative of the City and County of Honolulu Planning Advisory Group for the Ewa and Central Development Plans.

Your Committee believes that Mr. Moses' commitment to public service makes him an asset to the Health Planning Council, West Oahu Subarea.

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, 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 (Menor, Whalen).

SCRep. 1934 Health on Gov. Msg. No. 602

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, WINDWARD OAHU SUBAREA

G.M. No. 602 GAE BERGQUIST-TROMMALD, for a term to expire 6-30-2011

Your Committee received testimony in support of this nominee from Hawaii Medical Association and two individuals.

Mrs. Bergquist-Trommald is the Executive Vice President for Communications Pacific, where she oversees the marketing side of the company. Her primary responsibility is to provide strategic marketing advice to clients, including advertising, marketing, and communications. Mrs. Bergquist-Trommald previously served as Senior Vice President for Outrigger for marketing.

Mrs. Bergquist-Trommald is actively involved in the community, including Commissioner and Chair of the State Foundation on Culture and the Arts; Director (and former Chair) of the Salvation Army, and Washington Place Foundation. She has been active in the campaign for the Hawai'i Theatre Center and in the LeaderLuncheon of the YWCA of Oahu. She is a member (and former Director) of the Rotary Club of Honolulu.

Your Committee believes Mrs. Bergquist-Trommald's experience will be an asset to the Health Planning Council, Windward Oahu Subarea.

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, 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 (Menor, Whalen).

SCRep. 1935 Health on Gov. Msg. Nos. 634 and 635

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON MENTAL HEALTH

G.M. No. 634 STEVEN M. SHIRAKI, Ph.D., for a term to expire 6-30-2011; and

G.M. No. 635 AMY C.L.C. TSARK, for a term to expire 6-30-2011

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Dr. Steven M. Shiraki and Mrs. Amy C.L.C. Tsark to have the necessary qualifications to be nominated to the State Council on Mental Health.

Your Committee received testimony in support of Dr. Shiraki's nomination from the Department of Education, Department of Health, and one individual.

Dr. Shiraki received his Ph.D. in Educational Administration and Educational Policy, Master of Education in Educational Administration, and Bachelor of Education in Secondary English from the University of Hawaii at Manoa. He is certified by the Department of Education in Professional School Administration, Initial School Administration, Teaching Endorsement in Special Education, and Teaching Secondary English.

He is an administrator in the Student Support Special Services Branch of the Department of Education and periodically teaches in the Departments of Educational Administration and Educational Foundations at the University of Hawaii at Manoa. He has made numerous scholarly and professional presentations on a variety of topics relating to education. Dr. Shiraki has served on numerous committees and is a member of several professional associations relating to education.

Based on his experience and training, your Committee finds Dr. Shiraki to be qualified to serve as a Department of Education representative to the State Council on Mental Health.

Your Committee received testimony in support of Mrs. Tsark's nomination from the Department of Health, Department of Human Services, Kapi'olani Child Protection Center, and six individuals.

Mrs. Tsark received her Master of Social Work and Bachelor of Arts in Psychology from the University of Hawaii at Manoa. She is the Acting Social Services Administrator with the Department of Human Resources, with which she has held various positions since 1980. She is a licensed social worker. Mrs. Tsark is a member of the National Association of Social Workers and the Academy of Certified Social Workers.

Based on her experience and training, your Committee finds Mrs. Tsark to be qualified to serve as a Department of Human Services representative to the State Council on Mental Health.

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, 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, 1 (Whalen).

SCRep. 1936 Tourism and Government Operations on Gov. Msg. Nos. 533 and 659

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII TOURISM AUTHORITY

G.M. No. 533 CHALENE "CHA" MAE KU'UPUAALA THOMPSON, for a term to expire 6-30-2010; and

G.M. No. 659 STEPHEN K. YAMASHIRO, for a term to expire 6-30-2010

Your Committee received testimony in support of Chalene "Cha" Mae Ku'upuaala Thompson from the Department of Business, Economic Development, and Tourism; Starwood Hotels & Resorts Worldwide, Inc.; Cove Entertainment, Inc.; Kika, Inc.; Native Hawaiian Hospitality Association; Outrigger Enterprises, Inc.; Hawai'i Hotel & Lodging Association; Big Island Visitors Bureau; Aloha Airlines; Tihati Productions, Ltd.; Pacific Marketing Corporation; and one individual.

Mrs. Thompson is the owner and Executive Vice President/Choreographer of Tihati Productions, Ltd. She is Chair of the Honolulu Police Commission, and has served as Vice President of the Institute for Human Services and as President of Native Hawaiian Hospitality Association. She is also a member of the Kaahumanu Society.

Your Committee notes from the testimony that Mrs. Thompson has been a major influence in Hawaii's visitor industry for many years. Her commitment to Hawaii's cultural heritage through music and dance has earned her the respect and appreciation of many people throughout the world. She is a treasure and an ambassador, and her reputation, integrity, and commitment are firm and sincere towards the betterment of tourism in Hawaii.

Your Committee received testimony in support of Stephen K. Yamashiro from the Department of Business, Economic Development, and Tourism, and the Hawaii Tourism Authority.

Mr. Yamashiro was originally appointed to the Board of Directors of the Hawai'i Tourism Authority on May 5, 2002. He is an attorney in private practice and former Mayor of the County of Hawaii. He received a Bachelor of Arts degree from the University of Hawaii at Manoa and a Juris Doctor degree from Willamette University College of Law. His community service includes the Hawaii Island Chamber of Commerce, Japanese Chamber of Commerce, and Portuguese Chamber of Commerce. Mr. Yamashiro also belongs to the Hawaii State Bar Association and American Bar Association.

Your Committee notes from the testimony that Mr. Yamashiro has been an integral member of the Board for the past four years. He has served as the budget and audit committee chair and his dedication and knowledge of the industry and passion for Hawaii are admirable. His continuation as a Board member will be an asset to the Board of Directors.

As affirmed by the records of votes of the members of your Committee on Tourism and Government Operations that are attached to this report, your Committee, after full consideration of the background, 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 Chalene "Cha" Mae Ku'upuaala Thompson: Ayes, 3. Noes, none. Excused, 1 (Tsutsui).

Signed by the Chair on behalf of the Committee. Record of Votes for Stephen K. Yamashiro: Ayes, 4. Noes, none. Excused, none.

SCRep. 1937 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 619, 620, 621, 622, 623, 625 and 626

Recommending that the Senate advise and consent to the nominations of the following:

LEGACY LAND CONSERVATION COMMISSION

G.M. No. 619 CARL J. BERG, JR., Ph.D., for a term to expire 6-30-2009;

G.M. No. 620 JOAN E. CANFIELD, Ph.D., for a term to expire 6-30-2008;

- G.M. No. 621 CHARLES H. FLETCHER III, Ph.D., for a term to expire 6-30-2011;
G.M. No. 622 HERBERT MONTEGUE RICHARDS, JR., for a term to expire 6-30-2011;
G.M. No. 623 ROBERT J. SHALLENBERGER, Ph.D. for a term to expire 6-30-2010;
G.M. No. 625 WESLEY KAIWI NUI YOON, for a term to expire 6-30-2010; and
G.M. No. 626 KAREN G.S. YOUNG, for a term to expire 6-30-2009

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Carl J. Berg, Jr.; Joan E. Canfield; Charles H. Fletcher III; Herbert Montague Richards, Jr.; Robert J. Shallenberger; Wesley Kaiwi Nui Yoon; and Karen G.S. Young to have the necessary qualifications to be nominated to the Legacy Land Conservation Commission.

This is the inaugural class of nominees to serve on the Legacy Land Conservation Commission, which was established under Act 254, Session Laws of Hawaii 2006, to advise the Department and Board of Land and Natural Resources on any proposal or recommendation for the acquisition of any interest or rights in land having value as a resource to the State, and on any requests for grants from the Land Conservation Fund. Members of the Commission are required to possess scientific qualifications as evidenced by an academic degree in various fields of environmental-related sciences, have membership in an environmental organization, land conservation organization, or statewide agricultural association, or be knowledgeable about Native Hawaiian culture.

Testimony in support of Dr. Carl J. Berg, Jr. was submitted by the Department of Land and Natural Resources and one individual.

Dr. Berg received his Bachelor of Arts degree in Zoology, cum laude, from the University of Connecticut, his Master in Science degree of Marine Science from the University of the Pacific, and his Doctorate in Zoology from the University of Hawaii at Manoa. He is currently the Chief Scientist at the Hanalei Watershed Hui where he was able to secure funding and coordinated a multi-agency program to improve the water quality in the Hanalei Bay ahupua'a on Kaua'i. He is also the owner and guide of Hawaiian Wildlife Tours and is the Senior Scientist for the Hawaii Wildlife Fund. Dr. Berg is a member of Ecological Society of America, the Explorers Club, and the Western Society of Naturalists. He currently serves as a volunteer for the Kilauea Point National Wildlife Refuge, an Officer on the Board of Directors of 1000 Friends of Kauai, and a member of the Hawaiian Monk Seal Team, and has extensive prior community activity involvement.

Dr. Berg has been nominated to serve as the Kaua'i representative and as a member possessing scientific qualifications as evidenced by his academic degrees in Zoology and Marine Science. His background in population ecology and watershed management, along with his extensive academic achievements and professional experience, makes Dr. Berg an invaluable asset to the Legacy Land Conservation Commission as one of its inaugural members.

Testimony in support of Joan E. Canfield, Ph.D. was submitted by the Department of Land and Natural Resources and nine individuals.

Dr. Canfield received her Bachelor of Arts degree in Biology from Oberlin College, her Master of Science in Botany from the University of Washington, and her Doctorate in Botany from the University of Hawaii at Manoa. She is an Affiliate Graduate Faculty member of the Department of Botany at the University of Hawaii at Manoa. She has considerable experience in grant proposal review and broad knowledge of Hawaii's ecological resources. She has carried out research in the Alaka'i Swamp on Kaua'i, on the Big Island's ohia forests, and on endangered Mauna Kea and Mauna Loa silverswords. Dr. Canfield has a particularly strong background in endangered species listing packages and responding to lawsuits on lists and designation of critical habitat for Hawaiian species. She is also very active in Hawaii Public Radio by serving as the station's classical music host and is responsible for the classical music database and used music sale.

Dr. Canfield has been nominated to serve as a Oahu representative and as a member possessing scientific qualifications as evidenced by her academic degrees in Botany. Her broad conservation experience and specialized knowledge of Hawaii's ecological resources across the State, along with her extensive academic achievements and professional experience, makes Dr. Canfield an invaluable asset to the Legacy Land Conservation Commission as one of its inaugural members.

Testimony in support of Charles H. Fletcher III, Ph.D. was submitted by the Department of Land and Natural Resources; the Dean of the School of Ocean and Earth Science and Technology at the University of Hawaii; the Sierra Club, Hawaii Chapter; and three individuals.

Dr. Fletcher received his Bachelor of Science degree in Geological Science and English Literature from Albion College and his Master of Science degree and Doctorate in Coastal Marine Geology from the University of Delaware. He is currently the Department Chairperson of and a tenured Professor at the Department of Geology and Geophysics at the University of Hawaii at Manoa, and serves as the Principal Advisor for three graduate students. His principal research interests include Coastal Sedimentary Geology, Carbonate Reefs, and Coastal Management, and during his last fourteen years at the University, he has secured over \$5,000,000 in extramural research funding. Dr. Fletcher served as a Technical Advisor to the Department of Land and Natural Resources' Office of Conservation and Coastal Lands, and as part of a three-person team that participated in writing Maui County's coastal setback law. He has received several community and public service awards recognizing his dedication as a faculty member and a researcher to the community. Most recently, he was awarded the Hung Wo and Elizabeth Lau Ching Foundation Award for Faculty Service to the Community.

Dr. Fletcher has been nominated to serve as a Oahu representative and as a member possessing scientific qualifications as evidenced by his academic degrees in Geological Sciences. His unique expertise from his academic discipline, his extensive community involvement, and his demonstrated commitment and desire to preserve and sustain Hawaii's natural resources makes Dr. Fletcher an invaluable asset to the Legacy Land Conservation Commission as one of its inaugural members.

Testimony in support of Herbert Montague Richards, Jr. was submitted by the Department of Land and Natural Resources, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau Federation, and two individuals.

Mr. Richards is a graduate of California State Polytechnic College in San Luis Obispo, California, and has been with the Kahua Ranch Limited located in Kamuela, Hawaii since 1953. He is a well-respected Big Island rancher and a member of several agricultural, environmental, and historical organizations within the State. He has served on a long and diverse list of committees, boards, and commissions in Hawaii, and is a Board Member of Parker Ranch, Inc.; the Nature Conservancy; the Agricultural Leadership Foundation of Hawaii; the Lyman House Memorial Museum; and several other foundations and organizations. He has served as a member on the University of Hawaii Board of Regents, the Hawaii County Police Commission, the Governor's Agriculture Coordinating Committee, and the Commission on Water Resource Management.

Mr. Richards has been nominated to serve as a Big Island representative and as a person possessing membership in a statewide agricultural association. His lifetime of agricultural expertise and his extensive experience in commission membership and land use and conservation makes Mr. Richards an invaluable asset to the Legacy Land Conservation Commission as one of its inaugural members.

Testimony in support of Robert J. Shallenberger, Ph.D.'s nomination was submitted by the Department of Land and Natural Resources and two individuals.

Dr. Shallenberger received his Bachelor of Arts degree from Whitman College, and he received his Master and Doctorate degrees in Ornithology and Animal Behavior from the University of California at Los Angeles. He conducted his doctoral research on biology of Hawaii seabirds and has done additional research on Hawaii forest birds, dolphins, monk seals, reef fish, and aquaculture species. He currently serves as the Hawaii Island Conservation Director for the Nature Conservancy of Hawaii where he is responsible for the management of Nature Conservancy lands, the development of watershed partnerships, and the support for marine and coastal conservation projects. He also has extensive wildlife management experience with the United States Fish and Wildlife Service, and has served both locally, as the Manager for the Midway Atoll National Wildlife Refuge, and nationally, as Chief of the United States Fish and Wildlife Service Division of Refuges.

Dr. Shallenberger has been nominated to serve as a Big Island representative and as a member possessing scientific qualifications as evidenced by his academic degrees in Animal Sciences. His unique expertise from his academic discipline, his devotion of most of his thirty-five year career to the assessment, acquisition, and management of important resource lands and waters, and his demonstrated commitment and desire to preserve and sustain Hawaii's natural resources makes Dr. Shallenberger an invaluable asset to the Legacy Land Conservation Commission as one of its inaugural members.

Testimony in support of Wesley Kaiwi Nui Yoon's nomination was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Native Hawaiian Historic Preservation Council at the Office of Hawaiian Affairs, 'Ahahui Malama I Ka Lokahi, and five individuals.

Mr. Yoon graduated magna cum laude from Kamehameha Schools and received his Bachelor of Arts degree in Architecture from the University of Hawaii at Manoa. He currently serves as the Director of Cultural Affairs at the Royal Hawaiian Shopping Center where he oversees all cultural activities, serves as a liaison with the Native Hawaiian community, coordinates marketing, operations, and development plans, and develops and coordinates community outreach. He is formally trained as an architect with emphasis in Native Hawaiian land use and architecture. Prior to his employment at the Royal Hawaiian Shopping Center, Mr. Yoon served as a Project Designer for Architects Hawaii, Ltd. where he was instrumental in the planning of the Office of Hawaiian Affairs's Office and Cultural Center, and the Kamehameha Schools Life Sciences Building in Kakaako. He also has experience in market strategy, and research and business management. He is a member of several Native Hawaiian organizations and of the Kamehameha Schools Alumni Association.

Mr. Yoon has been nominated to serve as an Oahu representative and as a member knowledgeable about Native Hawaiian culture. His strong connection with Native Hawaiian communities and his knowledge of Native Hawaiian culture and practices makes Mr. Yoon an invaluable asset to the Legacy Land Conservation Commission as one of its inaugural members.

Testimony in support of Karen G.S. Young's nomination was submitted by the Department of Land and Natural Resources; a Representative from the Hawaii State House of Representatives; the Sierra Club, Hawaii Chapter; the Wai'anae Community Re-Development Corporation; the Ma'o Community Food Security Initiative, Ma'o Organic Farms; and one individual.

Ms. Young received her Bachelor of Science degree in Nursing from the University of Hawaii at Manoa, her Womens' Health Nurse Practitioner Certificate from the University of California at Los Angeles Harbor General Hospital, her Master of Public Health degree in Maternal Child Health from the University of Hawaii at Manoa, and her Master of Science in Nursing degree as a Nurse Practitioner from the Western University of Health Sciences. She currently serves as a Clinical Preceptor at the Wai'anae Comprehensive Health Center where she supervises nurses, nurse practitioners, and students in other health professions to meet the objectives of their clinical experience at the Health Center. She also serves as the Womens' Health Consultant and Family Nurse Practitioner at the Wai'anae Comprehensive Health Center. She is involved in many innovative local programs, including anti-litter and beautification organizations, a local women's organization, and a community-based self-sufficiency teaching farm. Ms. Young is a member of the Sierra Club and the Hawaiian Trail and Mountain Club.

Ms. Young has been nominated to serve as an Oahu representative and as a person possessing membership in an environmental organization in the State. Her diverse community perspective and viewpoint as well as her strong concern for public health and benefit makes Ms. Young an invaluable asset to the Legacy Land Conservation Commission as one of its inaugural members.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, 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. 1938 Judiciary and Labor on H.C.R. No. 194

The purpose of this concurrent resolution is to request the Senate Committee on Judiciary and Labor and the House of Representatives Committee on Labor and Public Employment to convene a joint hearing to consider the impact that an expanded labor force needed for the proposed expansion of the Turtle Bay Resort will have on the North Shore of Oahu.

Your Committee received testimony in support of this resolution from Keep the North Shore Country, the 'Ilio'ulaokalani Coalition, and 28 concerned individuals. Your Committee also received testimony in opposition from the Vice President & General Manager of Turtle Bay Resort and the North Shore Career Training Corp.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 194, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Kokubun, Nishihara).

SCRep. 1939 Judiciary and Labor on H.C.R. No. 85

The purpose of this concurrent resolution is to encourage the United States Congress to pass the proposed Employee Free Choice Act that has been introduced in Congress. The Employee Free Choice Act would authorize the National Labor Relations Board to certify a union as the bargaining representative when a majority of employees voluntarily sign authorizations for the union to represent them in negotiations. The act would also provide for arbitration and mediation, and establish penalties for non-compliance with the act.

Your Committee received testimony in support of this resolution from the Hawaii Government Employees Association, Hawaii State AFL-CIO, and the Hawaii State Teachers Association.

Your Committee finds that labor unions are an effective means for employees to negotiate and preserve their rights regarding wages, employment conditions, and other areas related to the workplace. The proposed Employee Free Choice Act will help protect the rights of workers and prevent potential violations of these rights. This concurrent resolution is necessary to provide support in the United States Congress for the passing of the proposed act.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 85, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Kokubun, Nishihara).

SCRep. 1940 Education on H.C.R. No. 83

The purpose of this measure is to provide increased after school activities for students by requesting the Department of Education to assess the extent to which supplemental academic services are included in the After-school Plus Program (A+ Program).

Testimony in support of this measure was submitted by the Department of Education.

Your Committee finds that the Department of Education's A+ Program provides affordable after-school child care services for children in public elementary schools whose parents work, attend school, or are in job training programs, so that the high incidence of latchkey children is reduced. Your Committee further finds that the A+ Program provides a safe, secure, and nurturing environment for children after school hours and offers a rich variety of activities for the children. Your Committee believes that the A+ Program plays an important role in helping young students to achieve their educational goals and realize their potential. This measure requests the Department of Education to assess the extent to which supplemental academic activities are included in the A+ Program to examine whether increased academic services can be provided to young students and allow more public school students to strive to greater heights of academic achievement.

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. 83, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Hee).

SCRep. 1941 Education on Gov. Msg. No. 742

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII COMMISSION FOR NATIONAL AND COMMUNITY SERVICE

G.M. No. 742 FLORDELINE B. VILA, for a term to expire 6-30-2010

Upon review of background information submitted by the nominee, your Committee finds that Flordeline B. Vila holds an Associate of Arts Degree in Business Administration from Cannon's Business College in Honolulu, Hawaii and a Hawaii real estate license. She currently serves as a Guest Services Representative for The Lodge at Koele, as well as an associate writer for a monthly real estate and investment publication, and is being nominated for appointment to the Hawaii Commission for National and Community Service for her first term as a representative from a local labor organization. Ms. Vila's prior work experience includes services as a private secretary, an AIDS educator, a legislative aide, an assistant to the controller, and a secretary and accounting clerk. She has been an active member involved in different aspects of her community on Lanai, including membership in the Lanai Filipino Association.

Testimony in support of the nominee was submitted by five individuals.

Your Committee received responses from the nominee regarding the nominee's desire to serve, perception of the role and responsibilities of membership, qualifications for membership, and goals for the nominee's term of service on the Hawaii Commission for National and Community Service. Your Committee believes that the nominee adequately responded to the Committee's inquiries and demonstrated adequate knowledge of and a commitment to work towards the goals of the Hawaii Commission for National and Community Service.

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, 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 (Chun Oakland, Hee).

SCRep. 1942 Health on Gov. Msg. No. 460

Recommending that the Senate advise and consent to the nomination of the following:

DRUG PRODUCT SELECTION BOARD

G.M. No. 460 LELAND TAICHI NOGAWA, for a term to expire 6-30-2011

Upon review of the testimonies and statement submitted by the nominee, your Committee finds that Leland Taichi Nogawa has the necessary character, experience, and qualifications to serve on the Drug Product Selection Board.

Your Committee received testimony in support of Leland Taichi Nogawa from the Department of Health.

Leland Taichi Nogawa is Pharmacy Operations Manager, Pharmerica/Honolulu, where he is responsible for the entire in-house pharmacy operation and supervises a staff of over twenty professionals and six support staff. He has been employed by the company since 2001. Mr.

Nogawa has both a Doctor of Pharmacy degree and Pre-Pharmacy degree from Creighton University, and holds a Hawaii Pharmacist License. In addition to his staff pharmacist positions, Mr. Nogawa has completed clerkships in a number of Hawaii and U.S. mainland pharmacies, hospitals, and long term care facilities.

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, 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 (Menor).

SCRep. 1943 Health on Gov. Msg. Nos. 691, 587, 588, 589 and 590

Recommending that the Senate advise and consent to the nominations of the following:

EMERGENCY MEDICAL SERVICES ADVISORY COMMITTEE

- G.M. No. 691 JAMES ITAMURA, for a term to expire 6-30-2011;
- G.M. No. 587 JAMES HENRY-EDWARD IRELAND, M.D., for a term to expire 6-30-2011;
- G.M. No. 588 MARY L. MARASOVICH, for a term to expire 6-30-2011;
- G.M. No. 589 MILES T. NAKATSU, for a term to expire 6-30-2008; and
- G.M. No. 590 THINH TIEN NGUYEN, M.D., for a term to expire 6-30-2011

Your Committee received the resumes and statements submitted by the nominees, and finds James Itamura, James Henry-Edward Ireland, M.D., Mary L. Marasovich, Miles T. Nakatsu, and Thinh Tien Nguyen, M.D., to have the necessary qualifications to be nominated to the Emergency Medical Services Advisory Committee.

Your Committee received testimony in support of James Itamura from the Department of Health, Kapa`a Family Physicians, General Manager of Princeville Operating Company, LLC, Greg Kamm Planning & Management, and two individuals.

Mr. Itamura is an experienced attorney who currently works in the Kaua`i County Attorney's Office. He also served in the United States Air Force, United States Air Force Reserve, and the Hawai`i Air National Guard, retiring in 2003 as a Lieutenant Colonel. Mr. Itamura is actively involved in his community and currently serves as the Advisory Board Secretary for the Association for Retarded Citizens and is a Board Member and previous President of the Kaua`i Salvation Army Advisory Board. Mr. Itamura's broad legal and military experience will allow him to provide unique insights and make significant contributions to the Emergency Medical Services Advisory Committee.

Your Committee received testimony in support of James Henry-Edward Ireland, M.D., from the Department of Health.

Dr. Ireland earned a medical degree from Ross University and a Bachelors degree in Anthropology from the University of Hawaii. Presently, Dr. Ireland works as a physician in the Emergency Department at Hawaii Medical Center and teaches paramedics as a part-time instructor at Kapiolani Community College. Dr. Ireland's prior professional experience includes performing Emergency Medical Service (EMS) contract work for the State of Hawaii, Department of Transportation, Airports Division assisting with the Airport Medical Services and the Airport Automatic Defibrillator Program. Dr. Ireland's past and current EMS experiences as both an EMS provider and now as an Emergency physician provide him with a heightened understanding regarding the challenges facing EMS and will make him a valuable component of the Emergency Medical Services Advisory Committee.

Your Committee received testimony in support of Mary L. Marasovich from the Department of Health, President of Find Children's Programs Hawaii, and thirteen individuals.

Ms. Marasovich presently works as a speech and language pathologist and is the owner of O`ahu Speech where she contracts with various state agencies for evaluation and treatment of child and adult speech, language and swallowing disorders. She is also a member of several professional organizations including the Cleft Palate Team, Hawaii Speech & Hearing Association, Hawaii Speech and Hearing Association, and she has served on the Board of Directors of the Hawaii Speech & Hearing Association. Ms. Marasovich's appointment to the Emergency Medical Services Advisory Committee will allow her to utilize her considerable knowledge of the issues surrounding speech pathology in order to make important contributions to Hawaii's complex health care system.

Your Committee received testimony in support of Miles T. Nakatsu from the Department of Health.

Mr. Nakatsu earned a Bachelors degree in Pharmacy from Idaho State University and a Bachelors degree in Biology from the University of Hawaii at Hilo. Presently, Mr. Nakatsu works as a Pharmacist and a Certified Diabetes Educator and Diabetes Disease Manager. He is a member of many professional organizations including the American Pharmacists Association, National Community Pharmacists Associations, and the American Association of Diabetes Educators. He is also a member of many community organizations including the Hilo Jaycees, the Hilo Elks Lodge 759, and is currently the Benevolent and Protective Order of Elks Hawaii District Scouting Chairman. Mr. Nakatsu's extensive knowledge and experience in pharmaceuticals and diabetes provide him with a unique perspective of the medical field making him an important component to the Emergency Medical Services Advisory Committee.

Your Committee received testimony in support of Thinh Tien Nguyen, M.D., from the Department of Health, Chairman of the Board of Hawaii Air Ambulance, Director of the Emergency Department at Pali Momi Medical Center, and the Director of Emergency Medicine at The Queen's Medical Center.

Dr. Nguyen earned a medical degree from St. George's University School of Medicine. Presently, Dr. Nguyen works as a physician at several locations, including the Emergency Physicians' Medical Group, Kapiolani Medical Center at Pali Momi, and at the Women's and Children Hospital, Hawaii. He is also the Medical Director of Hawaii Air Ambulance. Dr. Nguyen volunteers with several community organizations including the Outdoor Circle of Hawaii and The Institute for Human Services of Hawaii. Dr. Nguyen's wide-ranging emergency medical experience will allow him to make significant contributions to the Emergency Medical Services Advisory Committee.

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, experience, and qualifications of the nominees, has found the nominees to be qualified for the position 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 (Menor, Whalen).

SCRep. 1944 Health on Gov. Msg. Nos. 465 and 466

Recommending that the Senate advise and consent to the nominations of the following:

RADIOLOGIC TECHNOLOGY BOARD

G.M. No. 465 MICHAEL J. MEAGHER, M.D., for a term to expire 6-30-2011; and

G.M. No. 466 DANIEL WAYNE RICKENBACHER, for a term to expire 6-30-2011

Upon review of the testimonies and statements submitted by the nominees, your Committee finds that Michael J. Meagher, M.D., and Daniel Wayne Rickenbacher have the necessary character, experience, and qualifications to serve on the Radiologic Technology Board.

Your Committee received testimony in support of Michael J. Meagher, M.D., from the Department of Health.

Michael J. Meagher, M.D., is a Radiologist and Chairman of the Department of Radiology at Queens Medical Center, where he has held a number of professional and senior administrative positions since 1975. Dr. Meagher is a graduate of the University of Rochester, with a Doctor of Medicine Degree from Stanford Medical School. He is active in Continuing Education Fellowship programs and has an extensive and distinguished list of professional presentations throughout the United States. In addition, Dr. Meagher is a member of a number of professional and community organizations. He is being reappointed to the Board and currently serves as the Chairman.

Your Committee received testimony in support of Daniel Wayne Rickenbacher from the Department of Health.

Daniel Wayne Rickenbacher is Chief Technologist/Operations Manager with Hawaii P.E.T. Imaging, where he is responsible for day-to-day clinical operations of the P.E.T. mobile scanning facility. He is licensed both as a radiographer for twenty-six years, and as a nuclear medicine technologist for eight years. Mr. Rickenbacher is a graduate of the Sparks Regional Medical Center School of Radiologic Technology and is active in continuing professional education programs. He is a member of professional organizations both in Hawaii and on the U.S. mainland, as well as a variety of community organization. Mr. Rickenbacher is being reappointed to the Board.

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, 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, 1 (Menor).

SCRep. 1945 Health on Gov. Msg. Nos. 489, 490 and 540

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF CERTIFICATION OF OPERATING PERSONNEL IN WASTEWATER TREATMENT PLANTS

G.M. No. 489 MARSHALL LUM, for a term to expire 6-30-2011;

G.M. No. 490 VICTOR DALE MORELAND, Ph.D., for a term to expire 6-30-2011; and

G.M. No. 540 EASSIE M. MILLER, for a term to expire 6-30-2011

Your Committee received testimony in support of Victor Dale Moreland, Ph.D., from the Department of Health and the Board of Certification of Operating Personnel in Wastewater Treatment Plants.

The nominee has worked in the environmental field for over thirty years. He presently works half-time for the Water Resources Research Center at the University of Hawaii at Manoa. He also conducts environmental engineering consulting on his own. Dr. Moreland is a licensed professional engineer in Hawaii and California, and is a certified wastewater treatment plant operator in Hawaii.

The nominee received a Bachelor of Science degree in civil engineering from California State Polytechnic College, and a Master of Science degree in sanitary engineering and Doctor of Philosophy degree in environmental engineering from the University of Hawaii. He holds a Grade 4 wastewater treatment plant operator certificate.

Your Committee received testimony in support of Marshall Lum from the Department of Health and the Board of Certification of Operating Personnel in Wastewater Treatment Plants. The nominee received a Bachelor of Science degree in civil engineering from the University of Hawaii.

Mr. Lum is a registered professional environmental engineer in the Department of Health. He has over twenty-nine years of experience in engineering and wastewater operation and maintenance work. He is the supervisor of the construction and operations section of the Wastewater Branch, which monitors the construction, operation, and maintenance activities of wastewater facilities throughout the State.

The nominee currently serves on the Board of Certification of Operating Personnel in Wastewater Treatment Plants. He has extensive knowledge about administrative rules concerning wastewater technology.

Your Committee received testimony in support of Eassie M. Miller from the Department of Health and Board of Certification of Operating Personnel in Wastewater Treatment Plants.

The nominee is a registered professional engineer and President of Aqua Engineers, Inc., a private engineering consulting firm that provides operation and maintenance services to wastewater treatment plants throughout the State. He has over thirty years of managerial, engineering, and wastewater experience in various capacities in State, county, and private employment and holds a Grade 4 wastewater treatment plant operator certificate.

Your Committee believes that the nominees possess the knowledge and expertise that will assist the Board of Certification of Operating Personnel in Wastewater Treatment Plants in effectively carrying out its duties.

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, 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, 1 (Menor).

SCRep. 1946 Health on Gov. Msg. Nos. 516 and 517

Recommending that the Senate advise and consent to the nominations of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

G.M. No. 516 DOROTHY KUULEINANI FIFE, for a term to expire 6-30-2011; and

G.M. No. 517 CORRENA KEHAUNANI PAWN-WHITE, for a term to expire 6-30-2011

Upon review of the testimonies and statements submitted by the nominees, your Committee finds that Dorothy Kuuleinani Fife and Correna Kehaunani Pawn-White have the necessary character, experience, and qualifications to serve on the Disability and Communication Access Board.

Your Committee received testimony in support of Dorothy Kuuleinani Fife from the Disability and Communication Access Board.

Dorothy Kuuleinani Fife is currently a manager at Work Hawaii, an employee of the City and County of Honolulu and a former administrator at the YWCA. She has nearly twenty years of program administration background. Ms. Fife is legally blind and would represent the consumer population, specifically the blind and visually impaired community. In addition to her work, Ms. Fife has been active in the community and currently serves as President for both the National Federation of the Blind and the Eye of the Pacific Guide Dogs and Mobility Services, Inc.

Your Committee received testimony in support of Correna Kehaunani Pawn-White from the Disability and Communication Access Board and four individuals.

Correna Kehaunani Pawn-White is a counselor and instructor at Kapiolani Community College and has worked for approximately twenty years in the disability field, both on the U.S. mainland and in Hawaii. Born and raised on Hawaiian Homestead Land on Molokai, she brings a personal understanding of the need for services in rural areas and for those persons of Hawaiian ancestry with disabilities. Ms. Pawn-White would represent the consumer population, specifically the deaf and hard of hearing community, and her professional experience will augment her personal experience as a deaf person.

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, 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, 1 (Menor).

SCRep. 1947 Health on Gov. Msg. Nos. 320, 321, 322, 323, 324 and 325

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

G.M. No. 320 MARGARET MARY BAXTER, for a term to expire 6-30-2011;

G.M. No. 321 PAUL K. HIGA, for a term to expire 6-30-2011;

G.M. No. 322 CHARLOTTE HAUNANI LOSA KAMAUOHA, for a term to expire 6-30-2011;

G.M. No. 323 BERNADETTE LUCY KELIAA, for a term to expire 6-30-2011;

G.M. No. 324 DEBORAH JEANE RIVERS, for a term to expire 6-30-2011; and

G.M. No. 325 PAUL S. VARGAS, JR., for a term to expire 6-30-2011

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the government functions related to developmental disabilities. Your Committee further finds that the nominees have been appointed based upon their credentials, integrity, and a desire to make Hawaii better through their participation on the State Council on Developmental Disabilities to which they have been nominated.

Your Committee received testimony supporting the nomination of Margaret Mary Baxter from the State Council on Developmental Disabilities.

Ms. Baxter is being nominated for reappointment to a second term on the State Council on Developmental Disabilities. She is the parent of two sons with developmental disabilities; thus filling a Council membership requirement that sixty per cent of the membership be from individuals with developmental disabilities, their parents, or family members. Ms. Baxter is a graduate of the Council-Sponsored Partners in Policymaking Leadership Academy. She is also very involved with the Special Olympics, Waianae Coast Coalition, Persons with Disabilities Ministry, Persons with Disabilities Advisory Board, and the Special Parent Information Network. Your Committee greatly appreciates Ms. Baxter's service and finds that she will continue to be a valuable asset to the State Council on Developmental Disabilities.

Your Committee received testimony supporting the nomination of Paul K. Higa from the Department of Human Services, the State Council on Developmental Disabilities, and two individuals.

Mr. Higa is currently the Supervisor of the Department of Human Services Med-QUEST Division and has served on the Council since July 9, 2001. His membership on the Council meets the requirements of the federal law to have a representative from the state agency administering funds provided under Title XIX of the Social Security Act.

Your Committee further finds that Mr. Higa's knowledge and extensive experience in developing Medicaid programs, policies, and procedures will continue to assist the State Council on Developmental Disabilities in its advocacy to increase and maximize federal reimbursements for individuals with developmental disabilities in the Home and Community Based Services Waiver Program. Your Committee greatly appreciates Mr. Higa's service and finds that he will continue to be a valuable asset to the State Council on Developmental Disabilities.

Your Committee received testimony supporting the nomination of Charlotte Haunani Losa Kamauoha from the State Council on Developmental Disabilities and the Ko'olauloa Community Childrens' Council.

Ms. Kamauoha is being nominated for reappointment to a second term on the State Council on Developmental Disabilities. Ms. Kamauoha's nomination satisfies the federal requirement, serving as a member on the Council in her capacity as a parent of a son with autism. Her extensive life and employment experiences will enable her to continue to provide the Council with invaluable insight and perspective of the public education system for students in special education. Your Committee greatly appreciates Ms. Kamauoha's service and finds that she will continue to be a valuable asset to the State Council on Developmental Disabilities.

Your Committee received testimony supporting the nomination of Bernadette Lucy Keliiaa from the State Council on Developmental Disabilities and one individual.

Ms. Keliiaa began serving on the State Council on Developmental Disabilities in 2007 and is being nominated for reappointment. She is the parent of a son with a developmental disability and has been an active member of the Council's Community Supports Committee that addresses increasing residential and transportation options, adequate funding for services and supports, and quality assurance. Your Committee greatly appreciates Ms. Keliiaa's service and finds that she will continue to be a valuable asset to the State Council on Developmental Disabilities.

Your Committee received testimony supporting the nomination of Deborah Jeane Rivers from the State Council on Developmental Disabilities and one individual.

Miss Rivers is being nominated for reappointment to a second term on the State Council on Developmental Disabilities. She is a self-advocate and an active member of the disabled community. Miss Rivers served on the Council from 1988 to 1996. She was also Board President of the Mental Health Association from 1999 to 2001. Miss Rivers is a strong advocate for disability rights and will continue to assist the Council in promoting independence and self-sufficiency of individuals with developmental disabilities to live a life of their choice. Your Committee greatly appreciates Miss River's service and finds that she will continue to be a valuable asset to the State Council on Developmental Disabilities.

Your Committee received testimony supporting the nomination of Paul S. Vargas, Jr. from the State Council on Developmental Disabilities, the Maui Service Area Board on Mental Health and Substance Abuse, and Maui County Council Member Michael Victorino.

Mr. Vargas is a self-advocate, resides in Maui, and has served on the State Council on Developmental Disabilities since November 21, 2001. Your Committee finds that Mr. Vargas is being nominated for reappointment to a second full term on the Council, term to expire in 2011. Pursuant to section 26-34, Hawaii Revised Statutes, he will have served the combined maximum terms of service of eight consecutive years on the Council as of 2009. As such, it is not the intent of your Committee to recommend to advise and consent on this nomination beyond the term limits of 2009.

Your Committee further finds that Mr. Vargas' life and employment experiences enable him to effectively advocate for employment opportunities for individuals with developmental disabilities and to set an example for others to achieve self-sufficiency. Your Committee greatly appreciates Mr. Vargas' service and finds that he will continue to be a valuable asset to the State Council on Developmental Disabilities.

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, 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 (Menor, Whalen).

SCRep. 1948 Health on Gov. Msg. No. 518

Recommending that the Senate advise and consent to the nomination of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

G.M. No. 518 ARCHIE HAPAI, III, for a term to expire 6-30-2011

Your Committee reviewed the personal statement submitted by the nominee and finds Archie Hapai, III, to have the necessary qualifications to be nominated to the Policy Advisory Board for Elder Affairs.

Your Committee received testimony in support of Archie Hapai, III, from the Department of Health.

Mr. Hapai earned a Bachelors degree in Political Science from the University of Hawai'i at Manoa. His prior professional experience includes serving in the Hawai'i Army National Guard and serving as a former State Representative. Mr. Hapai was also a member of the Policy Advisory Board for Elder Affairs from 2003-2006, serving as its Chair from 2005-2006. Under his leadership, the Policy Advisory Board for Elder Affairs, was actively involved in advocating legislation for the benefit of older adults and their caregivers. Mr. Hapai's extensive experience and deep understanding regarding the complex challenges that an increasingly elderly population poses to the community, makes him a valuable component to the Policy Advisory Board for Elder Affairs.

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, 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 (Menor).

SCRep. 1949 Health on Gov. Msg. No. 525

Recommending that the Senate advise and consent to the nomination of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, HAWAII SERVICE AREA BOARD

G.M. No. 525 KU'ULEI A. KILIONA, for a term to expire 6-30-2011

Upon review of the testimonies and statement submitted by the nominee, your Committee finds that Ku'ulei A. Kiliona has the necessary character, experience, and qualifications to serve on the Mental Health and Substance Abuse, Hawaii Service Area Board.

Your Committee received testimony in support of Ku'ulei A. Kiliona from the Department of Health, the Volcano Health Collaborative Board, and seven individuals.

Ku'ulei A. Kiliona is currently a member of the Hawaii Service Area Board and represents the Board on the State Council of Mental Health through dual membership. As Vice President of the Hawaii Service Area Board, Ms. Kiliona takes a proactive role in Board activities. She has a Bachelors degree in Communication Studies and Interpersonal Communications from California State College and has taken graduate courses in law and psychology. Ms. Kiliona has worked in public relations, as a paralegal, in broadcast journalism, and as a mental health advocate for the past sixteen years.

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, 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 (Menor).

SCRep. 1950 Health on Gov. Msg. No. 476

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII HEALTH SYSTEMS CORPORATION

G.M. No. 476 CLIFFORD L. NAKEA, for a term to expire 6-30-2010

Your Committee received the personal statement and resume submitted by the nominee, and finds Clifford L. Nakea to have the necessary qualifications to be nominated to the Board of Directors of the Hawaii Health Systems Corporation.

Your Committee received testimony in support of Clifford L. Nakea from Hawaii Health Systems Corporation's President and Chief Executive Officer, the Chief Operating Officer and Chief Financial Officer, and the Kauai Region's Chief Executive Officer. Your Committee also received testimony in support of Judge Nakea from three members of the Hawaii Health Systems Board of Directors.

Judge Nakea earned a Juris Doctor from the University of San Francisco School of Law and is a graduate of St. Mary's College. His prior professional experience includes over thirty years in the legal field, beginning in 1971 until his retirement in 2004. Namely, he served as a Circuit Court Judge in Kauai for four years, and prior to that, served as a District Court Judge in Kauai for twenty years. Judge Nakea is also a member of several community organizations and is a member of the County of Kauai Liquor Control Commission, St. Catherine's Church, and serves as a mediator for the State of Hawaii Appellate Court. Additionally, Judge Nakea serves on the Board of Directors of the Kauai Museum and on the Board of Directors of the YMCA. Judge Nakea's extensive legal and judicial expertise and strong community values will provide the Board of Directors of Hawaii Health Systems Corporation with keen insight regarding promoting responsible governance and decision-making to deliver quality health care services to the State's most vulnerable citizens.

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, 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 (Menor).

SCRep. 1951 Health on Gov. Msg. Nos. 628, 629, 630, 631 and 632

Recommending that the Senate advise and consent to the nominations of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, HAWAII SERVICE AREA BOARD

G.M. No. 628 PATRICIA ELLEN N. RICHARDS, for a term to expire 6-30-2011;

MENTAL HEALTH AND SUBSTANCE ABUSE, KAUAI SERVICE AREA BOARD

G.M. No. 629 KURT KIYOSHI NAGATA, for a term to expire 6-30-2011;

MENTAL HEALTH AND SUBSTANCE ABUSE, OAHU SERVICE AREA BOARD

G.M. No. 630 KURA MOANA MARIE AKAU, for a term to expire 6-30-2010;

G.M. No. 631 ELLEN ALISSA HEID, for a term to expire 6-30-2010; and

G.M. No. 632 THOMAS J. MCCORMACK, for a term to expire 6-30-2009

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Patricia Ellen N. Richards, Kurt Kiyoshi Nagata, Kura Moana Marie Akau, Ellen Alissa Heid, and Thomas J. McCormack to have the necessary qualifications to be nominated to their respective Mental Health and Substance Abuse Area Board.

Your Committee received testimony in support of Ms. Patricia Ellen N. Richards's nomination from the Department of Health, the Membership Chair of the Hawaii Island Mental Health and Substance Abuse Service Area Board, and one individual.

Ms. Richards is employed as a nursery worker at Leilani Foliage in Pahoa. Her former work experience includes computer coder, shipping manager, and cook. She has utilized the services of Care Hawaii and Hale O'lua Clubhouse. Ms. Richards also volunteers her time and services to the Glad Tidings Food Bank in Hilo.

Your Committee finds that Ms. Richards has been actively attending and participating in Hawaii Service Area Board meetings and her appointment to the board would enable her to further facilitate and expand the implementation of the recovery process for those for whom she will be a role model.

Based on her experience and training, your Committee finds Ms. Richards to be qualified to serve as a consumer representative for East Hawaii on the Hawaii Island Mental Health and Substance Abuse Service Area Board.

Your Committee received testimony in support of Mr. Kurt Kiyoshi Nagata's nomination from the Department of Health and two individuals.

Mr. Nagata is currently employed as a groundskeeper for Marriot Hotel. He has also worked as a store room attendant and a yard maintenance worker.

Your Committee finds that Mr. Nagata has a strong, positive interest in serving on the Board and that his willingness to reach out to consumers and share his own experiences while exuding his personal confidence would help them in the recovery process.

Based on his experiences and training, your Committee finds Mr. Nagata to be qualified to serve as a consumer representative on the Mental Health and Substance Abuse Kauai Service Area Board.

Your Committee received testimony in support of Mrs. Kura Moana Marie Akau's nomination from the Department of Health and four individuals.

Mrs. Akau is a Care Hawaii Crisis Specialist, seasonal fundraiser for the Salvation Army, and a Kahi Kokua volunteer for Waikiki Baptist Church. She has worked as an adult home care provider, sales clerk, housekeeper, and an officer in the New Zealand tax department.

Based on her experience and training, your Committee finds Mrs. Akau to be qualified to serve as a consumer representative on the Mental Health and Substance Abuse Oahu Service Area Board.

Your Committee received testimony in support of Ms. Ellen Alissa Heid's nomination from the Department of Health.

Ms. Heid earned a Master of Social Work and Master of Arts in Political Science from the University of Hawaii at Manoa and a Bachelor of Arts in Politics from the University of California in Santa Cruz. Her second year practicum focused on Geriatric Mental Health and Substance Abuse. She is a Certified Peer Specialist by the Department of Health, Adult Mental Health Division.

Ms. Heid has been a volunteer for United Self Help, Helping Hands Hawaii, Mental Health Hawaii, and several other specialized service organizations. She is an Associate Member of the National Association of State Mental Health Program Directors Older Person's Division. She has served on several Adult Mental Health Division Committees over the span of fifteen years.

Based on her education, experience, and training, your Committee finds Ms. Heid to be qualified to serve as a consumer representative on the Mental Health and Substance Abuse Oahu Service Area Board.

Your Committee received testimony in support of Mr. Thomas J. McCormack's nomination from the Department of Health and two individuals. Mr. McCormack earned a Bachelor of Arts from Brown University, where he was nominated for the Untermeyer Fellowship in Poetry. He has worked as an office worker for North Shore Ophthalmology, a cab driver, hospital aide, and a stock handler.

Mr. McCormack's prior community experience includes serving on the Service Area Board (2000-2004) and his legislative advocacy volunteer experience with the National Alliance for the Mentally Ill. He has been a member of the Honolulu Clubhouse for eight years.

Your Committee finds that his insight and resolution would be real assets to the Area Board. Based on his experiences and training, your Committee finds Mr. McCormack to be qualified to serve as a consumer/state council representative on the Mental Health and Substance Abuse, Oahu Service Area Board.

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, 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, 1 (Whalen).

SCRep. 1952 Health on Gov. Msg. Nos. 601, 603, 604, 606, 607, 719 and 720

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE HEALTH COORDINATING COUNCIL

G.M. No. 601 GAE BERGQUIST-TROMMALD, for a term to expire 6-30-2011;

G.M. No. 603 CLAYTON D.K. CHONG, for a term to expire 6-30-2007;

G.M. No. 604 CLAYTON D.K. CHONG, for a term to expire 6-30-2011;

G.M. No. 606 KEITH ALAN LEE, for a term to expire 6-30-2008;

G.M. No. 607 BONNIE LEE S. L. PANG, for a term to expire 6-30-2011;

G.M. No. 719 JO-ANN AHUNA, for a term to expire 6-30-2010; and

G.M. No. 720 MARK STEVEN MOSES, for a term to expire 6-30-2011

Your Committee received testimony in support of Jo-Ann Ahuna from the Department of Health.

Ms. Ahuna is a resident of Hana, Maui. She has served on the Maui County Cultural Resource Commission, Mayor's Hana Advisory Board for Hana, Hana Community Association Board, American Red Cross, and Ameri Corp. She is currently a Parent Co-Chair Volunteer for the Community Children Council for Hana.

Your Committee received testimony in support of Keith Alan Lee from the Department of Health; King, Nakamura & Chun-Hoon; The Queen's Health Systems; Kaiser Permanente; John Child & Company; Hawaii Women's Legal Foundation; Bank of Hawaii; one State Representative; and seven individuals.

Mr. Lee is the Vice President of Legal Services/Regional Counsel for Kaiser Foundation Health Plan, Inc. As Kaiser Hawaii's chief legal officer, he advises Kaiser Permanente Hawaii's executive leadership on matters having broad consequences on the health plan's hospital and medical care program's policies, procedures, and practices. He was the Corporate Secretary and General Counsel for The Queen Emma Foundation. Mr. Lee received a Bachelor of Arts degree, magna cum laude, in Political Science and American Studies from the University of Michigan. He also received Juris Doctor and Master of Business Administration degrees from the University of Chicago. He currently serves on the board of the Native Hawaiian Legal Corporation.

Your Committee received testimony in support of Gae Bergquist-Trommald from the Department of Health, Hawaii Medical Association, and two individuals.

The nominee is the Executive Vice President for Communications Pacific, where she oversees the marketing side of the company. Her primary responsibility is to provide strategic marketing advice to clients, including advertising, marketing, and communications. Mrs. Bergquist-Trommald previously served as Senior Vice President for Outrigger Hotels and Resorts for marketing.

The nominee is actively involved in the community, including serving as Commissioner and Chair of the State Foundation on Culture and the Arts, Director (and former Chair) of the Salvation Army, and the Washington Place Foundation. She has been active in the campaign for the Hawai'i Theatre Center and in the LeaderLuncheon of the YWCA of Oahu. She is a member (and former Director) of the Rotary Club of Honolulu.

Your Committee received testimony in support of Clayton D.K. Chong from the Department of Health; Hawaii Medical Center East; Surgical Associates, Inc.; and one individual.

The nominee is being appointed to the Statewide Health Coordinating Council for a first term to expire on June 30, 2007, and for a second term to expire on June 30, 2011. Mr. Chong is an Associate Professor of Medicine in the Department of Native Hawaiian Health at the University of Hawaii, John A. Burns School of Medicine, where he received a Doctor of Medicine degree. He also maintains in private practice, specializing in internal medicine and oncology.

Dr. Chong's community and professional activities include Papa Olakahi, Imi Hale, and Trustee of Queen's Medical Center.

Your Committee received testimony in support of Bonnie Lee S.L. Pang from the Department of Health, Mauna Kea Beach Resort, and two individuals.

The nominee received a Bachelor of Arts degree in International Relations from the University of the Redlands and holds an insurance license in life and health insurance.

Ms. Pang has served on the Windward Sub-Area Committee. She has been the Principal, Market Business Leader for Mercer Health & Benefits; Account Manager for Kaiser Permanente; and Presentation and Communications Coordinator for the Hawaii Medical Service Association. The nominee is a member of the Society of Human Resource Managers and is Past President of the Hawaii Association of Health Underwriters.

Your Committee received testimony in support of Mark Steven Moses from the Department of Health, Hawaii Medical Association, Goodwill Industries of Hawaii, Paradise Lua Inc., YWCA of Honolulu Leeward Branch, Armed Services YMCA, and ten individuals.

Mr. Moses served as a Hawaii State Representative from 1996 to 2006. He also served for nearly twenty-five years in the United States Marine Corps.

The nominee received a Bachelor of Science degree in physics from the University of Texas, Austin. Mr. Moses has been active in a wide variety of community activities and organizations, most notably in the geographical areas of Makakilo/Kapolei/Honokai Hale, Barbers Point, and Ewa. He is a founder and former Vice Chair of the Makakilo/Kapolei/Honokai Hale Neighborhood Board, Policy Committee Member of the Oahu Metropolitan Planning Organization, and Community Representative of the City and County of Honolulu Planning Advisory Group for the Ewa and Central Development Plans.

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, 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 (Menor, Whalen).

SCRep. 1953 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 294

Recommending that the Senate advise and consent to the nomination of the following:

KAUA'I AQUATIC LIFE AND WILDLIFE ADVISORY COMMITTEE

G.M. No. 294 EDSON A. MARTIN, for a term to expire 6-30-2011

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Edson A. Martin to have the necessary qualifications to be nominated to the Kaua'i Aquatic Life and Wildlife Advisory Committee.

Testimony in support of Edson A. Martin's nomination was submitted by the Department of Land and Natural Resources.

Captain Martin attended the University of Hawaii at Manoa and Honolulu Community College where he studied Fire Science. He is currently a Fire Captain for the County of Kaua'i Fire Department for the engine company in Kapa'a, and has been with the Fire Department since 1986. He has a lifelong interest in all types of hunting, fishing, and other outdoor activities.

Being with the Kaua'i Aquatic Life and Wildlife Advisory Committee for the past two years, Captain Martin has a great understanding of the issues facing hunting and fishing in Hawaii. His knowledge in the laws that protect fish and wildlife, and their habitats, and his experience and

interest in fishing, hunting, and other outdoor activities make Captain Martin an invaluable asset for the Kaua'i Aquatic Life and Wildlife Advisory Committee.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, 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 (Hee).

SCRep. 1954 Human Services and Public Housing on Gov. Msg. Nos. 754, 755, 756 and 757

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII PUBLIC HOUSING AUTHORITY (PHA)

G.M. No. 754 CAROL R. IGNACIO, for a term to expire 6-30-2007;

G.M. No. 755 CAROL R. IGNACIO, for a term to expire 6-30-2011;

G.M. No. 756 TRAVIS O. THOMPSON, for a term to expire 6-30-2008; and

G.M. No. 757 MATTIE A. YOSHIOKA, for a term to expire 6-30-2010

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Carol R. Ignacio, Travis O. Thompson, and Mattie A. Yoshioka to have the necessary qualifications to be nominated to the Board of Directors of the Hawai'i Public Housing Authority.

Your Committee received testimony in support of Ms. Carol R. Ignacio's nomination from the Department of Human Services, the Hawai'i Public Housing Authority, and the Economic Development Alliance of Hawaii.

Your Committee finds that Ms. Ignacio has served on the board as an interim appointee since July 1, 2006. Your Committee further finds that she has extensive experience with administering and developing homeless shelters and programs and other social service programs. Based on her experience and training, your Committee finds Ms. Ignacio to be qualified to serve on the Board of Directors of the Hawai'i Public Housing Authority for a term to expire on June 30, 2007, and for a subsequent second term to expire on June 30, 2011.

Your Committee received testimony in support of Mr. Travis O. Thompson's nomination from the Department of Human Services, and the Hawai'i Public Housing Authority.

Your Committee finds that Mr. Thompson has served on the Board since January 1, 2003, and currently chairs the Board's Finance Task Force and serves on the Personnel Task Force. Your Committee further finds that he has proven to be committed to helping the Hawai'i Public Housing Authority overcome its many challenges to better serve its clients. Based on his experience and dedication, your Committee finds Mr. Thompson to be qualified to serve on the Board of Directors of the Hawai'i Public Housing Authority for a term to expire on June 30, 2008.

Your Committee received testimony in support of Ms. Mattie A. Yoshioka's nomination from the Department of Human Services, the Hawai'i Public Housing Authority, the Chair of the Kauai County Council, the Kauai County Office of Economic Development, Kaua'i Community College, Kukui'ula Development Company, Economic Development Alliance of Hawaii, and Trex Hawaii, LLC.

Your Committee finds that Ms. Yoshioka has served on the Board representing Kauai since July 1, 2006. Your Committee further finds that Ms. Yoshioka's experience as the Administrator of the Kauai County Housing Department; her experience with the business and nonprofit communities as Executive Director of the Kauai Economic Development Board; and her service on the County Housing Agency's Community Advisory Committee make her highly qualified to serve on the Board of Directors of the Hawai'i Public Housing Authority.

As affirmed by the records of votes of the members of your Committee on Human Services and Public Housing that are attached to this report, your Committee, after full consideration of the background, 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 (Hooser, Hemmings).

SCRep. 1955 Health on Gov. Msg. No. 696

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, WEST OAHU SUBAREA

G.M. No. 696 ANNE H. ATKINSON, for a term to expire 6-30-2011

Your Committee received testimony in support of the nomination of Anne H. Atkinson to the Health Planning Council, West Oahu Subarea, from the Department of Health, Representative Josh Green, Representative Kymberly Marcos Pine, Family Voices of Hawaii, and one individual.

Ms. Atkinson currently works in Representative Kymberly Pine's office as a legislative aide researching and drafting monthly newsletters and constituent mailings. She has worked as a speech writer for the U.S. Embassy-London and has served as Country Director for the USAID program in Macedonia.

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, 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 (Menor).

SCRep. 1956 Economic Development and Taxation on Gov. Msg. No. 348

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION

G.M. No. 348 BRIAN J. GOLDSTEIN, for a term to expire 6-30-2011

Upon review of the testimonies and statement submitted by the nominee, your Committee finds that Brian J. Goldstein has the necessary character, experience, and qualifications to serve on the Board of Directors of the High Technology Development Corporation.

Your Committee received testimony in support of Brian J. Goldstein from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; and Hawaii Aquaculture Association.

Brian J. Goldstein is President and CEO of Sunrise Capital, Inc., (dba Kona Bay Marine Resources), a company he brought back from insolvency in sixteen months by raising over \$2,500,000 in financing from private and institutional investors. Prior to this, Mr. Goldstein held senior management positions with California-based software companies Hoana Technologies, Inc.; Vivaldi Networks, Inc.; Brio Technology, Inc.; and Oracle Corporation. He has a Masters in Business Administration in International Management from the Garvin School of International Management (Thunderbird) and a Bachelor of Science in Business Administration from Arizona State University. Mr. Goldstein is a reappointment to the Board, and serves as its Chairman.

Your Committee finds that the High Technology Development Corporation is at a critical juncture, with general fund support declining at the same time the Corporation is being tasked with additional commitments by the Administration. For example, 2007 legislation alone would have the Corporation responsible for a ten-year lease commitment in the proposed technology incubator in Kakaako and an expansion of its role with the proposed digital media hub. This comes at a time when Hawaii's technology sector is expanding, particularly small start-ups and other fledgling entrepreneurial businesses that rely on the Corporation for a variety of services and financial assistance.

Your Committee has questioned the nominee with respect to his perspective on the challenges facing the Corporation and his role in developing solutions to these challenges. As a reappointment and in his role as Chairman, Mr. Goldstein is fully aware of the issues that a public sector agency confronts in assisting what is essentially a private sector and highly evolving industry. In his responses, he noted comparable experiences during his years in California's technology sector and his background as a federal programs manager.

As affirmed by the records of votes of the members of your Committee on Economic Development and Taxation that are attached to this report, your Committee, after full consideration of the background, 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. 1957 Economic Development and Taxation on Gov. Msg. No. 532

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 4TH TAXATION DISTRICT (KAUA'I)

G.M. No. 532 MATT H. TAKATA, for a term to expire 6-30-2011

Upon review of the testimonies and statement submitted by the nominee, your Committee finds that Matt H. Takata has the necessary character, experience, and qualifications to serve on the Board of Taxation Review, 4th Taxation District (Kaua'i).

Your Committee received testimony in support of Matt H. Takata from the Department of Taxation and two individuals.

Matt H. Takata is a Senior Vice President of Title Guaranty Escrow Services, Inc., a company he has been associated with since 1987. He is responsible for the company's operations on Kaua'i and other Neighbor Islands. Mr. Takata has a Bachelor of Arts in Economics from Pomona College. He is a well-respected businessman and has served as a volunteer on several community boards. Mr. Takata is a reappointment to the Board of Taxation Review and has served as the Chair since 2005.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee, after full consideration of the background, 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. 1958 (Majority) Economic Development and Taxation on Gov. Msg. No. 349

Recommending that the Senate not advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION

G.M. No. 349 ORION KOPELMAN, for a term to expire 6-30-2011

Your Committee received testimony in support of Orion Kopelman from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation (HTDC); Hawaii Small Business Development Center Network, Maui Center; the former Mayor of Maui County; and one individual.

Orion Kopelman is President of Global Brain, Inc., a California-based company he founded in 1991. He previously held senior management positions with Mountain Computer and Cherry Valley Computer Systems in California. He has a Bachelor of Science in Electrical Engineering from Stanford University and is the author of the book, "Projects at Warp-Speed with QRPD". Mr. Kopelman is currently serving as an interim appointment to the Board.

Your Committee finds that the High Technology Development Corporation is at a critical juncture, with general fund support declining at the same time the Corporation is being tasked with additional commitments by the Administration. For example, 2007 legislation alone would have the Corporation responsible for a ten-year lease commitment in the proposed technology incubator in Kakaako and an expansion of its role with the proposed digital media hub. This comes at a time when Hawaii's technology sector is expanding, particularly small start-ups and other fledgling entrepreneurial businesses that rely on the Corporation for a variety of services and financial assistance.

Your Committee has questioned the nominee with respect to his assertion that Silicon Valley can serve as a model for Hawaii, his contributions to the Maui and statewide technology communities, and his assessment of the challenges facing Hawaii's technology businesses.

Mr. Kopelman responded, but his answers focused in large part on the strategies in his book and his personal management experience, and less on the overall concerns of the questions. In addition, his involvement with Hawaii technology companies is somewhat limited, which may be due in part to an extensive consulting and teaching schedule outside of Hawaii. Your Committee finds that while enthusiastic, Mr. Kopelman is not the best candidate to help guide the High Technology Development Corporation in meeting its statutory requirements of facilitating the growth and development of the commercial high technology industry in Hawaii during a period of transition for the Corporation.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, recommends that the Senate not advise and consent to the nomination.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, 1 (Slom). Excused, 1 (English).

SCRep. 1959 Commerce, Consumer Protection and Affordable Housing on H.B. No. 1307

The purpose of this measure is to clarify the business registration requirements for foreign nonprofit corporations and foreign limited liability companies.

Specifically, the measure deletes the word "initial" in references to initial registered office and initial registered agent in the application for a certificate of authority under the Hawaii Nonprofit Corporations Act, and the Uniform Limited Liability Company Act for foreign limited liability companies.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Act 235, Session Laws of Hawaii 2006, streamlined business registration application forms that affect foreign entities. This measure makes similar conforming amendments to the foreign nonprofit corporation law and foreign limited liability company law. In addition, this measure removes the requirement of disclosing the home addresses of a foreign nonprofit corporation's current directors and officers.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1307, H.D. 2, 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, none.

SCRep. 1960 Energy and Environment on H.C.R. No. 162

The purpose of this measure is to facilitate the conversion of H-Power ash to reusable materials by requesting the Director of Health to consider waiving the H-Power permit modification requirement for conducting an ash conversion test or to develop alternative methods to conducting a test that do not require permit modification, or expedite the permitting process if neither of the foregoing are feasible.

Testimony in support of this measure was submitted by the City and County of Honolulu and Covanta Energy.

Your Committee finds that, although under the purview of the counties, waste management and disposal is generally regulated by the Department of Health. Currently, within the City and County of Honolulu, waste disposal is diverted to two main facilities, one of which combusts municipal solid waste for the generation of electricity and the other that serves as a disposal site for excess waste and H-Power ash. Your Committee further finds that there is a substantial amount of H-Power ash that is generated, which can be converted into reusable material; however, conversion may be hindered by the need for modification of the H-Power solid waste management facility permit by the Department of Health.

This measure requests the Director of Health to consider waiving the H-Power permit modification requirement or providing some alternative method that would not require permit modification in order to facilitate the conversion of H-Power ash into reusable materials. Furthermore, should the aforementioned methods be impracticable, the Director is requested to consider implementing an expedited process for permit modification that will help the City and County of Honolulu in addressing current and future waste management needs.

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. 162, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 1961 (Joint) Human Services and Public Housing and Health on H.C.R. No. 54

The purpose of this measure is to request the Department of Human Services to establish an interim State Maximum Allowable Cost Program Evaluation Task Force (Task Force) to review the state Maximum Allowable Cost (MAC) Program's reimbursement policy and its impact on small, independent, community pharmacies.

Your Committees received testimony in support of this measure from the Department of Human Services and Longs Drugs.

Pharmacists are highly-trained and skilled healthcare professionals who perform various roles to ensure optimal health outcomes for their patients. Many pharmacists are also small-business owners, owning the pharmacy in which they practice. For each prescription that a pharmacy fills under the Medicaid Program, Medicaid pays the pharmacy an amount meant to cover both the cost of acquiring the drug from the manufacturer and the cost of distributing and dispensing.

With the rising cost of healthcare taking a significant toll on federal and state budgets, federal regulations were implemented in 1987 to limit the amount which Medicaid could reimburse for certain generic drugs under the Federal Upper Limit Program. States also limit Medicaid drug reimbursement under the MAC Programs, which generally lists more drugs than the federal program and features lower pricing. Presently, MAC Program prices in Hawaii are set to remain below federal prices to adhere to federal regulations and ensure maximum federal reimbursement for Medicaid expenditures.

According to a recent study by the Government Accountability Office, proposed Medicaid pharmacy reimbursement cuts will force pharmacists to accept Medicaid drug reimbursement that is, on average, thirty six per cent below their acquisition cost. It will be Hawaii's poor, in particular women and children who make up the majority of Medicaid recipients, who will suffer when they can no longer access community pharmacies for the medications they need.

Your Committees believe that more information needs to be collected to better understand how MAC Program prices are set and how to ensure a reasonable reimbursement to small pharmacies within state spending limits and of federal Medicaid restrictions.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 54, and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 6. Noes, none. Excused, 4 (Baker, Hooser, Menor, Hemmings).

SCRep. 1962 Human Services and Public Housing on H.C.R. No. 140

The purpose of this measure is request the Department of Human Services to collect data and report statistics related to cases of abuse of vulnerable adults.

Your Committee received testimony in support of this measure from the National Association of Social Workers.

Hawaii's disabled and elderly adults are some of the most vulnerable individuals in the State. This population is highly susceptible to physical abuse and financial and economic exploitation, recently demonstrated in Hawaii, as cases of fraud and abuse have escalated. While many of Hawaii's people may be subject to physical abuse and financial exploitation, the disabled and elderly are often less able to protect themselves.

The Department of Human Services, Adult Protective Services, is responsible for receiving and investigating reports of abuse on adults who are dependent on another person, organization, or facility because of mental or physical impairment.

This measure would pave the way for any necessary improvements in the delivery of adult protective services.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 140, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Hooser, Hemmings).

SCRep. 1963 Human Services and Public Housing on H.C.R. No. 344

The purpose of this measure is to urge the Department of Human Services to support Project Cuddle, a nationally recognized nonprofit agency that seeks to prevent baby abandonment, and to assess the feasibility of advertising the project's toll-free number.

Testimony in support of this measure was submitted by the Representative for the 27th District of the House of Representatives of the State of Hawaii and one individual. The Department of Human Services submitted testimony in support of the intent of this measure.

Your Committee finds that baby abandonment is a national problem. Your Committee further finds that alternatives to baby abandonment, such as the services and confidential assistance provided by Project Cuddle, are needed to help prevent abandonment. Your Committee further finds that would-be recipients need to be informed of these services so that they can take advantage of them. Hotlines are a valuable means to make these services available to those who need them.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 344, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Sakamoto, Hemmings).

SCRep. 1964 (Joint) Human Services and Public Housing and Intergovernmental and Military Affairs on H.C.R. No. 141

The purpose of this measure is to alleviate drug prices for Medicare beneficiaries by urging the United States Congress to support legislation authorizing the Secretary of Health and Human Services to negotiate lower drug prices.

Your Committees received testimony in support of this measure from AARP Hawaii and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committees find that it is important to reduce the cost of prescription drugs for Hawaii's enrolled Medicare beneficiaries. To this end, it is the intent of your Committees to support federal legislation authorizing the Secretary of Health and Human Services to use the Secretary's bargaining power to help make prescription drugs more affordable under Medicare.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 141, and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Hemmings).

SCRep. 1965 (Joint) Human Services and Public Housing and Intergovernmental and Military Affairs on H.C.R. No. 217

The purpose of this measure is to urge the President and the United States Congress to enact legislation to increase, for Social Security beneficiaries, the levels of provisional income, which include Social Security benefits, by an amount equal to the federal cost of living allowance granted to federal employees in Hawaii.

Your Committees received testimony in support of this measure from the Diamond Head/Kapahulu/St. Louis Heights Neighborhood Board No. 5.

Your Committees find that the federal tax on Social Security benefits for retirees living in Hawaii is inequitable because the cost of living in Hawaii is higher than on the United States mainland. The federal government recognizes that Hawaii's cost of living is higher than that of other states due to its provision of a twenty five per cent cost of living allowance to active federal employees. However, no such equitable recognition

or provision is made for Social Security beneficiaries. To this end, it is the intent of your Committees to support legislation requesting that the levels of provisional income be increased for social security recipients by an amount equal to the federal cost of living allowance granted to federal employees in Hawaii.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Housing and Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 217, and recommend its adoption.

Signed by the Chairs on behalf of the Committees. Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Hemmings).

SCRep. 1966 Human Services and Public Housing on S.R. No. 10

The purpose of this measure is to promote awareness of family caregiving needs in the design of new residences.

Your Committee finds that an issue of great importance facing families in Hawaii is the Family Court system. Your Committee further finds that in 2006, the SCR 52 Task Force was established to look at the legal interventions available to the Family Court. Your Committee further finds that there are still issues and recommendations of the SCR 52 Task Force that need to be further examined. Therefore, your Committee finds that this measure should be amended to continue to study the Family Court system and its available remedies.

Testimony in support of this amended measure was submitted by the Hawaii State Commission on the Status of Women and four individuals. VOICES submitted comments on the amended measure.

This measure was amended to delete the title and contents of Senate Resolution No. 10 and replace it with the contents of Senate Concurrent Resolution No. 16, which:

- (1) Requests the Senate Committee on Human Services and Public Housing to convene a working group to be referred to as the Family Court Legal Interventions Working Group, to further study the outstanding recommendations that came out of the SCR 52 Task Force, including those relating to:
 - (A) Family Court Models;
 - (B) Family Court Sunshine and Accountability;
 - (C) Temporary Restraining Orders; and
 - (D) The Best Interests of the Child;
- (2) Sunsets the existence of the Family Court Legal Interventions Working Group (Working Group) on January 1, 2009;
- (3) Designates the specific organizations to be included in the Working Group; and
- (4) Request the Working Group to submit an interim report to the Legislature prior to the convening of the 2008 Regular Session.

This measure was further amended to:

- (1) Request the assistance of the University of Hawaii Social Sciences Public Policy Center with the facilitation of the Working Group's efforts;
- (2) Request the Working Group to include participation from neighbor islands representatives in the discussions; and
- (3) Include representatives of VOICES and the Commission on the Status of Women in the Working Group.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 10, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 10, S.D. 1

Signed by the Chair on behalf of the Committee. Ayes, 3. Noes, none. Excused, 2 (Hooser, Hemmings).